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Does Customer Trust Play a Mediating Role Between Salesperson Competence and Performance?

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The questions of what competence constitutes in salesperson performance and why it does matter are important issue of marketing and sales management. This study examined the importance of competence in a salesperson's performance and the mechanism underlying the relationship between competence and performance. We used multiple sources to collect data from 165 sales agents working in a life insurance company and 338 customers at two time points. The results demonstrated that the mediation of the effect of social and professional competence on objective salesperson performance differed depending on affective trust and cognitive trust.

Keywords: Social competence, professional competence, cognitive trust, affective trust, salesperson performance

JEL: M31, M37

The questions of what competence constitutes in salesperson performances and why it does matter are important issues in sales management (Ahearne *et al.*, 2010; Chang and Tharenou, 2004; Homburg, Müller and Klarmann, 2011). Research has widely recognized that an organization's effectiveness and success are inextricably linked to salesperson performance. Indeed, a vast body of literature describes and discusses the direct relationship between the antecedents and consequences of salesperson performance in the sales context. However, few factors have explained some variance in sales performance (Churchill *et al.*, 1985; Verbeke, Dietz and Verwaal, 2011). Limitations in this area of research warrant further investigation to determine other factors that affect performance

and how these differ from those previously studied.

From a competence-based perspective (Hunt and Wallace, 1997; Lado, Boyd and Wright, 1992), previous studies report on the role of competence for effective work performance (Taylor, 1911). Many observers highlight the lack of competence-based focus in salespersons (Chang and Tharenou, 2004) and argued a salesperson's competence may be an especially important component of a sustained competitive advantage in the salesperson's career (Defillippi and Arthur, 1994; Lambert *et al.*, 2014). Thus, past literatures have not identified how to use a new model of sales competencies for business-to-business services salespeople. What constitutes the importance of competence in salesperson's performance and what role does customer trust play in the

relationship between a salesperson's competence and a salesperson's performance?

This study is designed to address several gaps in the competence-based perspective of evaluating salesperson competence and performance. First, we identified two aspects of salesperson competence that both affect salesperson performance: social and professional competence. We examined customer's trust i.e. affective and cognitive trust, as a mediating variable because it has been argued that "trust is a critical factor in relational exchanges between consumers and service providers" (Sirdeshmukh, Singh and Sabol, 2002: 33) and that "researchers should include the two components of affective and cognitive trust in their research as they are distinct aspects of trust with unique antecedents and differing impacts on effectiveness" (Webber, 2008: 21). Third, this study used multiple data sources to avoid method bias, and build a model of the impact of a salesperson's competences on customer's trust and a salesperson's performance. Finally, we examine these variables in a longitudinal context. This method allows us to examine the interpersonal interaction among salespersons over time. Hence, this study has the advantage of testing the whole model base from a competence-based perspective and exploring the important role of social and professional competence in the mechanism underlying the effect of customer trust, specifically cognitive or affective trust, on salesperson performance

This research addresses several questions: how much important competence is for a salesperson's performance and what role does

customer trust play in the relationship between a salesperson's competence and a salesperson's performance? In short, why does a competent salesperson achieve a higher level of performance? Thus, this study examines the importance of competence in salesperson performance and the relationships among social and professional competence, customer trust and salesperson performance. More specifically, this study investigates (1) the direct effect of social and professional competence on a salesperson's performance and (2) the mediating effect of customer trust (i.e., cognitive and affective trust) on the relationship between social and professional competence and a salesperson's performance.

LITERATURE REVIEW

Direct Effect of Social and Professional Competence on Salesperson Performance

Salesperson competence is based on the social or professional requirements necessary to perform a sales task properly (Swan, Bowers, and Richardson, 1999). A salesperson's social competence is defined as a salesperson's ability to interact effectively with others through the use of discrete social skills applied during social communications and interactions in order to achieve certain effects or results (Baron and Markman, 2003). Professional competence focuses on intellectual or knowledge-based competence (Dawson, 1970). To utilize this knowledge, salespeople need to be skillful in collecting information about customers so that they can relate knowledge acquired in previous sales situations to the interaction in which they

are currently engaged (Weitz, Sujan and Sujan, 1986).

Theories of job performance (Campbell, 1990; Campbell, Gasser and Oswald, 1996) suggest that one of the important factors that affected salesperson performance is competence (Churchill *et al.*, 1985; Weitz *et al.*, 1986). A number of rationales had been given for why social competence may relate positively to a salesperson's performance or effectiveness. Porath and Bateman (2006) indicated that social competence can affect a person's performance in several ways. First, social or interpersonal skills may include appropriate role behaviors in social interactions, such as providing information, regulating interaction, expressing intimacy, exercising social control, presenting identities and images, affecting management, and facilitating service (Reichers, 1987). A salesperson's social competence enabled him or her to observe customers' behaviors within their own social context and to interpret their intentions, goals, and needs. These interpretations formed the basis for interacting in ways that were mutually beneficial to the customer and the salesperson. Second, greater social competence should allow one to achieve better performance because much of the work that people perform requires cooperation with others (Tsui and Gutek, 1984). Third, greater social competence may help to build friendship networks and social support, which may be instrumental in achieving success (Baron and Markman, 2003). Past studies on the subject of social competence had identified several additional contextual variables as determinants of a salesperson's performance.

For example, Verbeke *et al.* (2011) showed that salespeople who received high scores regarding social competence achieved the highest levels of sales performance. Hence, the following hypothesis was proposed:

H₁: Social competence is positively related to objective salesperson performance.

Theories of ability (e.g., Spearman, 1904) also suggest that although general intelligence or knowledge may be the most powerful predictor of human performance, this prediction can be refined. Sandberg and Pinnington (2009) assessed relational perspectives to understand competence by examining interactions in professional practice, adopting either an individualist or collectivist conceptualization of knowledgeable interrelationships. The development of "professional" terminology in occupational domains is not traditionally associated with the professions—e.g., management, clerical or sales staff become "providers of professional services" (Fournier, 1999)—increases. The harnessing of professional competence is important to salespeople because knowledge-based professional competence yields a competitive advantage (Campbell, 2003). Past empirical research had found professional competence to be helpful in creating better performance. For example, Theodosiou and Katsikea (2007) examined the influence of behavior-based sales management controls on characteristics of salespeople to enhance behavioral performance, which was positively related to outcome performance. Crosby *et al.* (1990) found that product or market knowledge on the part of the salesperson often considered

an important criterion in determining customer satisfaction with salespeople and hypothesized to have a positive influence on sales effectiveness. Hence, the following hypotheses were proposed:

H₂: Professional competence is positively related to objective salesperson performance.

Customer's Trust Processes as Mediating Mechanisms

Trust has been widely recognized as a key mediator in successful relationships with customers (Doney and Cannon, 1997; Dwyer, Schurr and Oh, 1987). Swan, Trawick and Silva (1985) noted that competence is an important determinant of a customer's perceived trust. For example, Swan *et al.* (1999) found that customer's trust in a salesperson involves 49 antecedents and 47 consequences that can be grouped into six salesperson-related dimensions, including salesperson's competence (e.g., expertise and product knowledge). Wood *et al.* (2008) used 32 studies to measure trust-related constructs in the context of a buyer's assessments of sellers and found that 16 measures converged into three constructs that were indicative of the seller's credibility, expertise, and compatibility.

The nature and functioning of customer trust have two principal underlying aspects: cognitive-based trust and affective-based trust (Dirks and Ferrin 2002; Johnson and Grayson, 2005; McAllister, 1995; Yang, Mossholder and Peng, 2009). Cognitive-based trust is defined as "A cognitive process that discriminates among persons and institutions that were trustworthy, distrusted, and unknown" (Lewis and Weigert,

1985: 970). Cognitive-based trust arises from accumulated knowledge that allows the trusting person to make somewhat confident decisions related to the trustee's trustworthiness (Johnson and Grayson, 2005). Cognitive trust reflected a customer's confidence or willingness to rely on a relational evaluation of a salesperson's reliability and a salesperson's competence in carrying out obligations (John and Sujana, 1990; Moorman, Zaltman and Deshpande, 1992).

Unlike cognitive trust, affective trust results from repeated interactions over time between two parties (Doney and Cannon, 1997). These interactions are based on positive affect and mutual identification and are grounded in reciprocated interpersonal care and concern (McAllister, 1995; Webber and Klimoski, 2004). Dirks and Ferrin (2002) indicated that affective forms of trust reflect the belief or perception that one has a special or unique relationship with the referent that may cause the referent to demonstrate concern about one's welfare. Affective trust concerned the feeling of security or insecurity that stems from an emotional attachment between a trusting person and a trust target and from care and concern for the party's welfare (Jeffries and Reed, 2000; Swan *et al.*, 1999).

We argued that a salesperson's competence may give rise to a salesperson's outcomes through distinctive mechanisms. Thus, two mechanisms linked to trust were proposed to illustrate how a customer's trust derives from a salesperson's competence; these mechanisms include cognitive and affective processes (McAllister, 1995). First, through the affective

process, customers may experience feelings about a salesperson arising from mutual interaction. Second, through the cognitive process, a customer's confidence or willingness may be persuaded by the salesperson on the basis of the salesperson's specific knowledge or reliable conduct. Regarding the affective mechanism, Doney and Canon (1997) argued that salespersons were more likely to develop trust based on social skills through engaging in interpersonal interactions with customers. Building on principles of social exchange, the relationship-based perspective (Dirks and Ferrin, 2002) considers customers' willingness to reciprocate care; the customer who feels that the salesperson has demonstrated care and consideration reciprocated this sentiment (Rousseau, *et al.*, 1998). Salespeople who express high levels of affect-based trust in customers were shown to be more inclined to look for opportunities to meet their work-related goals and to engage in productive intervention. In uncertain social situations involving reciprocal dependence, affective-based mechanisms were usually adequate because contingencies can be predicted and negotiated. Thus, affective-based trust provides continuity of interaction for the salesperson, creating ongoing opportunities to identify the customer's unmet needs (Crosby *et al.*, 1990).

The second mechanism, cognitive-based trust, has been explored in the marketing literature mainly within the salesperson context (Crosby *et al.*, 1990; Doney and Cannon, 1997). Trust in a salesperson is enhanced by the perception of a salesperson's competence.

Product or market knowledge is often noted among the most important criteria in determining customer satisfaction with salespeople. Johnson and Grayson (2005) noted that a customer's perception of a salesperson's expertise reflects the identification of relevant competencies associated with his or her level of knowledge and experience concerning the focal service. Therefore, a customer's perception of the salesperson's level of expertise enhances his or her credibility and trustworthiness. On the basis of this discussion, we posit the direct and differential effects of social competence and professional competence on affective trust and cognitive trust:

H_{3a}: The salesperson's social competence and professional competence is positively related to the customer's affective trust and cognitive trust in a salesperson.

In addition to increased affective trust, customers expect an increase in social interaction from skill-based competence because salespeople can be accomplished where they were most needed. Higher affective trust means that the customer's trust is gained through the experience of interacting with salespeople during a specific social or interpersonal task. From a social exchange perspective, the main sources of trust ensure effective communication and understanding between the parties. Customer trust in a salesperson derived through an intentionality process is based on repeated interactions and common values and goals (Doney and Cannon, 1997). As this study argued previously, trust implies affective attachments and the feelings of being connected and joined

through relational exchanges (McAllister, 1995). In contrast, increasing cognitive trust is related to the type of knowledge and the relationships among knowledge elements involved in performing sales work. Busch and Wilson (1976) found that a salesperson with higher levels of perceived expertise was viewed by the customers as more trustworthy compared with other salespeople.

Thus, affective processes are automatic and less likely to be affected by the availability of processing resources, and affective processes differ in intensity and valence. Cognitive processes are more controlled and more likely to be affected by the availability of processing resources, and cognitive processes led to thoughts about the consequences of making a choice. If processing resources are low, then consumers are more likely to use affective reactions. If processing resources are high, then they are more likely to use cognitive reactions. Yang and Mossholder (2010) argued that cognitive trust may develop at early stages in a trust relationship whereas affective trust may develop in the later stages. Young and Daniel (2003) found that trust tended to be more cognitively determined by levels of competence in the early stages of relationship building whereas trust depended more on personal feelings in the later stages of relationship building.

H_{3b}: The salesperson's social competence is more positively related to the customer's affective trust than to the customer's cognitive trust in a salesperson whereas a salesperson's professional competence is more

positively related to the customer's cognitive trust than to the customer's affective trust in a salesperson.

Mediating Effects of Customer Trust

Social competence → *affective trust* → *salesperson performance*

Based on the competence-based perspective and previous research, this study examines whether affective trust and cognitive trust mediate the relationship between social and professional competence and salesperson performance. Two processes may explain this relationship. The first link, based on social exchange theory, between social competence and salesperson performance is that customers engage in exchange relationships with salespeople because they expect that, over time, they can derive benefits from doing so (Blau, 1964). The second link between social competence and salesperson performance is based upon the social competence perspective (Baron and Markman, 2003). Social competence builds skills that enable salespeople to facilitate relationships with customers, which have a direct impact on performance. Similarly, social cognitive theory suggests that "the level of competence dictates the outcomes, and the types of outcomes people anticipate depend largely on their beliefs of how well they will be able to perform in given situations" (Bandura, 1989: 1180). Social competence reflects a salesperson's ability to recognize his or her emotions and the customer's emotions in successful social interactions.

Several studies have suggested that service employees with whom the customer interacts are able to confirm and build trust through social interaction to reduce the costs of negotiation and the incidence of conflict (Oliver and Swan, 1989). Salespeople who express high affect-based trust in customers and who generate successful interpretations in response to a customer's affect were shown as more effective. Past studies based on social exchange theory (Blau, 1964) have found evidence of a positive relationship between trust and job outcomes (Dirks and Ferrin, 2002). Johnson and Grayson's study (2005) show that affective trust contributes significantly to a customer's willingness to meet with a service provider in the future—suggest that affective trust facilitates relationship processes, which have a direct impact on economic outcomes.

H₄: The customer's affective trust in a salesperson will mediate the association of social competence with objective salesperson performance.

Professional competence → cognitive trust → salesperson performance

This study regards cognitive trust as the mediator between professional competence and salesperson performance. The analysis of this relationship involves several theories. For example, social cognitive theory suggests that “people judge the correctness of their predictive and operative thinking against the outcomes of their actions in this metacognitive activity, the effects that other people's actions produce, what others believe, deductions from established

knowledge and what necessarily follows from it” (Bandura, 2001: 10). Customers who trust their salesperson expend less cognitive energy covering their backside and can focus their attention on performance.

While cognitive trust is knowledge driven and relates to a customer's beliefs about salesperson reliability or dependability, cognitive trust make decision making more efficient by simplifying the acquisition and interpretation of information from actors (McEvily, Perrone and Zaheer, 2003). For example, a salesperson's professional knowledge builds a customer's trust by increasing the customer's confidence that the salesperson delivered on promises through the capability process. Cognitive trust relies on the assessment of a salesperson's professional abilities and reliability and that it develops through the capability process when a customer determines that the salesperson is able to deliver on promises (Doney and Cannon, 1997). Johnson and Grayson (2005) found that service provider expertise was an antecedent of cognitive, but not affective, trust. Building on these theoretical arguments and empirical evidence, this study proposed that social competence contributes to the creation of affective trust, which, in turn, produces better salesperson performance. Thus, this study proposed that professional competence contributes to the creation of cognitive trust, which enhances salesperson performance and framework of this research (see Figure 1).

H₅: A customer's cognitive trust in a salesperson mediates the association of

professional competence with objective salesperson performance. (Crosby and Stephens, 1987). Third, Berry (1995) suggested that high-involvement services, such

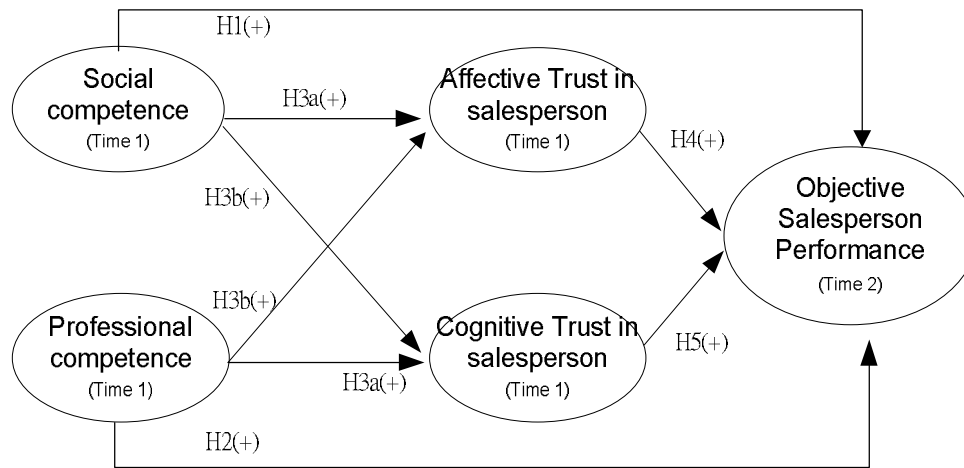


Figure 1. Research Framework

METHODOLOGY

Sample and Data Collection

Data were collected from multiple sources, including salespeople, their immediate sales supervisors, customers and performance records from a life insurance company database. Sales agents from a single organization were chosen for several reasons. First, prior research has indicated that sales agents' pay is determined solely on the basis of performance because the relationship between performance and satisfaction is weaker when organizational rewards are not linked to performance (MacKenzie, Podsakoff and Ahearne, 1998; Podsakoff and Williams, 1986). Second, we chose agents from this organization because of similarities in insurance sales agents' work activities, such as establishing and maintaining good interpersonal relations with customers, and because insurance providers engaged in relationship-building activities that emphasize buyer-seller interaction and communication

as those offered in banking and insurance, have relationship appeal for customers. Fourth, the inclusion of only a single company was intended to control for industry and organization effects (Lin and Peng, 2010).

The data were collected in three steps. First, this study obtained permission and support from the firm's management for data collection via questionnaires administered during regularly scheduled meetings in which all sales agents were required to participate. Second, each salesperson provided a portfolio of customers that had experienced face-to-face contact with him or her in the past. The sample of customers was randomly generated from the salesperson's list of customers and selected by a 20 percent, but extra 5 percent of customers were the sample candidates for generating a minimum of five customers per salesperson. The questionnaires (i.e., customer surveys) were distributed to the sample customers by the salespeople and returned directly to the researchers in self-

addressed, stamped envelopes. Third, to reduce the potential effects of common measurement bias and give sufficient time to inhibit any potential memory effects, the participants were asked to recall and evaluate their salespeople at two different points in time, Time 1 (T_1) and Time 2 (T_2).

At T_1 , the survey was administered to 200 salespersons, of whom 165 responded (response rate of 82.5%), and included self-rating questionnaires (for the measures of social and professional competence). Salesperson self-reports were less problematic than some critics maintain and were appropriate when the respondent could validly assess the constructs (Crampton and Wagner, 1994; Porath and Bateman, 2006). In this time, data were obtained from 1000 customer surveys completed by rating (for the measures of affective and cognitive trust in a salesperson). The 1000 surveys included responses from 338 customers (a response rate of 33.8%).

Although the average response rate for customer surveys was low, we assessed the possibility of non-response bias by comparing the characteristics of customer respondents by splitting the total sample into two groups based on the time of returned completed surveys (Armstrong and Overton, 1977). The result of t -tests on a comparison of the two groups for two characteristics shows age ($t=1.72$, $p > .05$) and gender ($t=.21$, $p > .05$) variability. This test indicated no significant differences and supported the assumption that respondents were not different from non-respondents. At T_2 , three months after T_1 , 13 managers provided first

quarter objective salesperson performance reports from company records.

Instruments

–Social Competence

We define social competence as a salesperson's ability to interact effectively with customers using social skills. This variable was measured by using 5 items (Sternberg *et al.*, 1981). The sample items are: I deal effectively with customers and, I converse easily on a variety of subjects. The *alpha* coefficient of this scale was .88. The items were rated on a 5-point scale (1 =strongly disagree, 5 =strongly agree). (See loading analysis in Appendix-I)

–Professional Competence

This study operationally defines professional competence as a salesperson's ability, with appropriate task-specific knowledge, to perform effectively with customers. Five items were used from Cravens *et al.* (1993), modified by Johnson and Grayson (2005). The sample items are: I know my products very well, I am an excellent source of information about the products. The items were rated on a 5-point scale (1 =strongly disagree, 5 =strongly agree) ($\alpha = .80$).

–Cognitive Trust in a Salesperson

Cognitive trust in a salesperson is defined as the customer's beliefs or expectation about salesperson reliability and dependability. Five items adapted from McAllister (1995), modified by Johnson and Grayson (2005) and later modified by Yang *et al.* (2009) were used to measure cognitive trust. Sample items include, I can rely on my sales agent to do what is best at work and, I'm confident in my sales agent because (s)he approaches work with

professionalism. The items were rated on a 5-point scale (1 =strongly disagree, 5 =strongly agree) ($\alpha = .82$). Scores for customers reporting to each salesperson were averaged (i.e., aggregated) into one customer rating for each salesperson.

–Affective Trust in a Salesperson

Affective trust in a salesperson is defined as the salesperson's reciprocated interpersonal care and concern for the customer's feelings. Five items adapted from McAllister (1995), modified by Johnson and Grayson (2005) and later modified by Yang *et al.* (2009) were used. Sample items include, I'm confident that my sales agent will always care about my personal needs at work and, I can feel in the sales agent about my own concerns and needs. A 5-point Likert scale was used (1 =strongly disagree, 5 =strongly agree) ($\alpha = .95$).

–Salesperson Performances and Control Variables

Objective salesperson performance is defined as the extent to which a salesperson's activity contributed to achieving the organization's sales objectives and was used to assess overall effort in the sales task. We measured objective salesperson performance by using four items (MacKenzie, Podsakoff and Fetter, 1993) from company objective records for each agent evaluated in the three-month period that ended when the data for this study were collected: (1) first year premium (FYP); (2) first year commissions (FYC), which was the single most frequently used criterion for evaluating the objective performance of a salesperson, (3) total number of insurance applications written (i.e., policies sold for the 3-month period by each

respondent), and (4) the percentage of sales quota attained (Churchill, Ford and Walker, 1990). We standardized and combined these measures to create a single objective measure of salesperson performance (MacKenzie *et al.*, 1998). In view of prior research, we controlled for salesperson's factors, such as age, gender, education, self-esteem and prior salesperson performance. The four-item measure of self-esteem developed by Bagozzi (1978), those were, 1) I feel good about myself, 2) I feel I am a person of worth, the equal of other people, 3) I am able to do things as well as most other people, 4) On the whole, I am satisfied with myself. A 5-point Likert scale was used (1 =strongly disagree, 5 =strongly agree) ($\alpha = .75$).

Data Aggregation and Measurement Analyses

This study assesses salesperson competence at the unit level, using the salesperson as the level of analysis. We aggregate data collected regarding a customer's trust in a salesperson as rated by customers to the unit level (i.e., salesperson level) and customer data to an individual salesperson by averaging the scores given for each variable in the customer's rating of trust toward his or her salesperson. The two subscales of customer trust in a salesperson are focused on average salesperson behaviors that must be demonstrated within-customer agreement. Thus, we employ hierarchical linear models (HLM) (Hofmann, 1997; Raudenbush and Bryk, 2002) to perform two tests (Klein and Kozlowski, 2000). First, we compute within group an inter-rater agreement index (James, Demaree and Wolf, 1984) for cognitive and affective trust in a salesperson, suggesting an acceptable level

of inter-rater agreement, with an index of .70 or greater (Klein and Kozlowski, 2000).

We calculate intra-class correlations coefficients (ICC) according to Bliese's (2000) suggestion. The ICC(1), the ratio of between group variance to total variance in a measure that estimated the degree to which customers within salespersons responded similarly, represents whether measures are sufficiently reliable to model effects at the salesperson level. The ICC(2) represented reliability of the customer

results suggest that the four-factor model provided a good fit ($\chi^2=329.27$, $df=220$; CFI =.98, NFI =.95, SRMR =.05) (Hair *et al.*, 1998; Hu and Bentler, 1999), and the solution is proper (e.g., no negative variance estimates, etc.), with all items loading significantly on their respective factors (see Table 1). These results justify the examination of social competence, professional competence, affective trust, cognitive trust as distinct constructs.

Model		<i>df</i>	CFI	NFI	SRMR		
Four factors ^a	329.27	220	1.50	.98	.95	.05	-
Two factors ^b	473.40	227	2.09	.96	.93	.06	144.13(7)
One factor	2542.67	230	11.06	.67	.65	.35	2213.4(10)

Notes: Significant at $p < .01$.

a. The four factors used were social competence, professional competence, affective trust, cognitive trust.

b. The two factors used were salesperson competence, customer trust.

Table 1. Measurement Model Comparisons

mean (see Shrout and Fleiss, 1979). The result for cognitive and affective trust in salespeople showed significant ICC(1), .51 ($p < .001$) and .65 ($p < .001$), which are much higher than the cutoff value of .12 (Bliese, 2000). The ICC(2) for cognitive and affective trust in salespeople showed .70 ($p < .001$) and .79 ($p < .001$), which are slightly higher than the cutoff point of .70 (Bliese, 2000). In sum, the results of ICC(1) and ICC(2) are appropriate for aggregating the responses to the salesperson level for further analysis.

After aggregating the data, we use the LISREL program to perform a confirmatory factor analysis (CFA) to assess the convergent and discriminant validity of our salesperson-level constructs and compared a hypothesized one-factor model, a two-factor model, and a four-factor model. The

Mediation Analysis

To test our argument that customer trust mediated the relationship between salesperson competence and salesperson performance, we conducted a mediation analysis. Our hypotheses were tested in three-step procedures (Baron and Kenny, 1986). In addition, the Sobel (1990) test and the non-parametric bootstrapping test (Efron and Tibshirani, 1993) have been recommended as additional techniques for obtaining the parameters and determining whether the effect of the independent variable on the dependent variable via the mediator is significantly different from zero (Preacher and Hayes, 2008).

RESULTS

The means, standard deviations and correlations for all variables at the salesperson level of analysis variables are shown in Table 2 (see

Appendix-II). Except prior and current objective salesperson performance, all Cronbach's *alpha* coefficients for the scales were higher than the acceptable level of .70. There were positive correlations among social and professional competence, affective and cognitive trust, and objective performance.

Hypothesis Tests

Regression Results of Salesperson Competence on Customer Trust

Table 3 (see Appendix-III) shows the results of social and professional competence's effect on affective and cognitive trust. In Models 1 and 3, tenure ($\beta = .03, p < .01$) and prior performance ($\beta = -.11, p < .05$) explained a significant amount of variability in affective trust, but prior performance did not explain a significant amount of variability in cognitive trust. In Models 2 and 4, the two independent variables explained a significant amount of variability in affective trust beyond that of the control variables ($\Delta = .38, p < .001$). The unstandardized regression weight was significantly higher for social competence ($\beta = .42, p < .001$) than for professional competence ($\beta = .22, p < .01$) in affective trust whereas the unstandardized regression weight was significantly higher for professional competence ($\beta = .69, p < .001$) than for social competence in cognitive trust ($\Delta = .48, p < .001$). A significant relationship exists between social competence and affective trust but not between social competence and cognitive trust ($\beta = .08, p > .05$). There was also a significant relationship between professional competence and both affective and cognitive trust. Hypotheses 3a and 3b were supported.

Direct Effects and Mediated Relationships

Table 4 (see Appendix-IV) reports the results of the regression. Model 6 is the test for Hypothesis 1 and 2, which posits that both social and professional competence have a significantly positive effect on objective salesperson performance. As Model 6 shows, there were significant positive relationships ($\Delta = .26, p < .001$) between social competence and objective performance ($\beta = .60, p < .001$) and between professional competence and objective performance ($\beta = .44, p < .01$). Hence, Hypothesis 1 and 2 was supported. In Model 7, the two mediators were added to the regression and explained a significant amount of variability in objective performance beyond that of the control variables ($\Delta = .33, p < .001$). The unstandardized regression weight was significant for affective trust ($\beta = .67, p < .001$) and cognitive trust ($\beta = .30, p < .05$). There was a significant relationship between the mediators and the dependent variable. In Model 8, social competence and the two mediators were added to the regression. The two variables explained a significant amount of variability in objective performance beyond that of the control variables ($\Delta = .33, p < .001$). The unstandardized regression weight was significant for social competence ($\beta = .50, p < .001$) and affective trust ($\beta = .47, p < .001$) but not for cognitive trust ($\beta = .19, p > .05$). Thus, Hypothesis 4 was supported.

In Model 9, professional competence and the two mediators were added to the regression. The two variables explained a significant amount of variability in objective performance beyond that of

the control variables ($\Delta = .31, p < .001$). The unstandardized regression weight was significant for professional competence ($\beta = .31, p < .05$) and cognitive trust ($\beta = .62, p < .001$) but not for affective trust ($\beta = .28, p > .05$). Thus, Hypothesis 5a was supported. In Model 10, the two IVs and the two mediators were added to the regression. The two IVs and affective trust explained a significant amount of variability in objective performance beyond that of the control variables ($\Delta = .31, p < .001$). The unstandardized weight was significant for social competence ($\beta = .40, p < .01$), professional competence ($\beta = .31, p < .05$), affective trust ($\beta = .48, p < .001$) and cognitive trust ($\beta = .28, p < .05$). The results support a partial mediation because the results related to social and professional competence were still significant.

Sobel and Bootstrapping Test

Table 5 below demonstrated the mediating role of

mediated by affective trust. The results also show that the relationships between professional competence and objective performance (Sobel test statistic: 5.27, $p < .001$) were mediated by cognitive trust. In addition, the bootstrap test (Preacher and Hayes, 2004, 2008) examined the robustness of the mediation test by generating 1,000 bootstrap samples. If the confidence interval (CI) does not include 0, the indirect effect was significant and mediation was established. The bootstrap test revealed that the indirect effect of two mediators was significant. The 95 percent confidence interval excluded 0.

DISCUSSION AND CONCLUSION

This study draws from the perspectives of employee competence and job performance to extend our understanding of the competence factors that affect salesperson performance and how this effect is achieved. This study also uses a sales context to explore the mechanisms

Path	Sobel Test		Bootstrap Results for Indirect Effects			
			Indirect effects of IV on DV through proposed mediators (a x b paths)		Bias corrected and accelerated confidence interval (95%)	
	Test statistic	Std. Error	Bias	SE	Lower	Upper
SC → Affective trust → OSP	5.54***	.080	-.001	.078	.1684	.4830
PC → Cognitive trust → OSP	5.27***	.090	-.002	.015	.0369	.3785

* $p < .05$; ** $p < .01$; *** $p < .001$. Bootstrap same size =1000. SC= Social competence; PC= Professional competence; OSP= Objective salesperson performance.

Table 5. Results of Sobel and Bootstrapping Test

customer trust on the relationship among salesperson competence, positive affectivity and objective salesperson performance. The results confirmed that all the indirect effects were statistically significant. The relationships between social competence and objective performance (Sobel test statistic: 5.54, $p < .01$) were

underlying this relationship and to examine the effect of customer trust on a salesperson's objective performance. In examining social and professional competence, we find that the direct effect of social competence was higher than the effect of professional competence on objective performance. Both the correlations and the

regression coefficients showed that social competence was related to objective performance. The effect of salespeople's social competence, perhaps to an even greater extent than their professional competence, on their objective performance was consistent with Verbeke's study (2011).

Our findings show that salesperson competence has differential effects on the outcome variables. First, affective trust partially mediated the relationship between social competence and objective performance, but affective trust fully mediated the relationship between social competence. These findings support prior research that has examined the importance of interpersonal trust in salesperson relationships (McAllister, 1995). This prior research noted that manager assessments of objective performance were found to be strongly associated with cognition-based beliefs, which elucidates the role of customer trust in improving salesperson performance. Second, cognitive trust also partially mediates the relationship between professional competence and objective performance. In an attempt to better understand this finding, we here propose a possible explanation. These results are consistent with prior research (Webber, 2008) that has found a relationship between conscientiousness and manager ratings of performance.

This study also offers further evidence of the importance of competence and the distinct nature of cognitive and affective trust in salesperson performance. The present research contributes to a deeper understanding of

salesperson competence under different conditions of customer trusts and extant empirical studies on the determinants of salesperson performance in the workplace. We identify social and professional competence as two essential factors affecting salesperson performance in the sales context by examining the role of a customer's affective and cognitive trust in mediating the relationship between salesperson competence and salesperson performance. In conclusion, with the use of multiple data sources and a longitudinal design, the present research showed that positive social and professional competence might predict objective salesperson performance through two mediating variables: affective and cognitive trust. These findings contribute to the literature and assist in developing theories on personal selling and sales management.

IMPLICATIONS

-Theoretical Implications

The theoretical contribution of this study is that this study examines the determinants of a salesperson's performance from a personal selling point of view; furthermore, this study not only considers the competence-based factors that logically explain salesperson performance but also considers the mechanism underlying these factors. First, our research contributes to the salesperson performance literature by highlighting the importance of salesperson competence and customer trust as a mediator. Many sales management studies have focused on different levels of sales context variables as predictors of salesperson performance, but our

findings suggest that marketing researchers should consider distinct salesperson competence, such as social or professional competence, when studying salesperson performance in particular. Our study also suggests that social competence's effect on objective salesperson performance can be stronger than the effect of professional competence.

Second, affective and cognitive trust had either a full or partial mediating role in the relationship between the independent variables and salesperson performance. The effects of social competence on objective salesperson performance were fully mediated by the perceived degree of a customer's affective trust in salesperson, but a customer's affective trust could also positively affect a salesperson's objective performance. This study found a more positive impact for social competence than affective trust on objective salesperson performance. Third, our study makes a methodological contribution by using multiple data sources and two time points to avoid method bias, produce a single source and build a model that demonstrates the impact of a salesperson's social and professional competence on customer trust in salesperson performance.

-Managerial Implications

This research contributes to marketing practice by addressing several issues. First, firms should develop salesperson's social and professional competence in their interactions with customers by devoting more attention (and resources) to competence-based selection or recruitment

procedures and training programs. Regarding selection or recruitment, the results regarding instrumentality suggest that salesperson competence is positively related to performance and that managers might screen candidates usefully for sales positions on the basis of competence. Enhanced competence-based selection procedures also would improve employment interviewing practices.

Second, training salesperson by developing their social skills and product knowledge would facilitate customer affective and cognitive trust. Affective trust is more subjective in nature and is built through social exchange that includes reciprocal benevolence and understanding accumulated in a relationship. Cognitive trust relates to customer beliefs about salesperson reliability. Sales managers have the responsibility of developing the knowledge and skills necessary for building customer trust based on emotion or belief is more likely to develop.

Finally, this study could aid in understanding which competence factors affect salesperson performance and how these factors become more critical for sales managers. While this study demonstrated that salesperson performance could benefit from two distinct aspects of competence, affective trust was related to social competence but not professional competence. The findings of this study supported the notion that firms that manage their employees expect to see improved social and professional competence.

LIMITATIONS AND FUTURE DIRECTIONS

There are a few limitations to the study. First, we focus on only a single company of insurance industries in Taiwan; this sample is not necessarily generalizable to other contexts. However, we believe that taking samples from one company with a single pay and benefits system, training courses and working environment management system avoids any bias resulting from the impact of exogenous factors in different systems or environments (Koys, 2001). Thus, further research can apply similar models in other contexts, including other insurance companies or other industries (e.g., retail).

Second, the study focuses on salesperson competence as a predictor of how salesperson adapt to change and on the mediating role of customer trust. The research extends to consider the relative effects of these aspects of salesperson competence on performance and to what extent competence is mediated by salesperson performance. Future efforts examine the mechanisms by which mediator variables increase salesperson performance.

Finally, we have tracked salesperson performance for only three months. A longer study period, such as by a longitudinal design, confirm the causal interpretation and clarify the directions of the relationships among salesperson competence, performance, and other variables over time. A longer study period definitely demands more research effort to explore changes in customer trust over time.

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Items to Measure Factor Analysis

Items	Communality		Cumulative percent of variance	χ^2/df	Coefficient alpha
	Unrotated loading	Rotated loading			
Social competence			60.178	38.318/5	.88
I deal effectively with customers.	.518	.571			
I converse well.	.649	.735			
I speak clearly and articulately.	.623	.705			
I converse easily on a variety of subjects.	.624	.610			
I am good at reading others' body language.	.465	.388			
Professional competence			60.549	20.913/5	.80
I am knowledgeable.	.548	.683			
I know my products very well.	.502	.602			
I am not an expert.	.512	.612			
I am an excellent source of information about the products.	.417	.463			
My knowledgeable about my products negative side effects and how to alleviate.	.482	.553			
Cognitive trust in a salesperson			66.039	23.826/5	.82
I can depend on my sales agent to meet his/her responsibilities.	.518	.642			
I can rely on my sales agent to do what is best at work.	.614	.686			
My sales agent follows through with commitments he/she makes.	.613	.799			
Given my sales agent's track record, I have good reason to doubt his/her advice.	.623	.658			
I'm confident in my sales agent because (s)he approaches work with professionalism.	.538	.617			
Affective trust in a salesperson			67.866	28.366/5	.95
I'm confident that my sales agent will always care about my personal needs at work.	.655	.716			
If I shared my problems with my sales agent, I feel he/she would respond caringly.	.641	.711			
I can feel in the sales agent about my own concerns and needs.	.706	.783			
I'm sure I could openly communicate my feelings to my sales agent.	.587	.617			
I feel secure with my sales agent because of his/her sincerity.	.545	.566			

Extraction: Maximum-likelihood method

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11
1. Gender	.45	.45											
2. Age	2.54	.85	-.04										
3. Education	2.40	.82	.16*	-.36***									
4. Tenure	5.53	5.05	-.04	.57***	-.25***								
5. Self-esteem	3.22	.64	.09	.09	-.04	-.04	(.75)						
6. PP	.01	.99	.18*	.30***	-.08	.40***	-.05						
7. SC	3.70	.58	.03	.17*	-.07	.19*	.23**	.01	(.88)				
8. PC	3.72	.58	.06	.20*	-.04	.24**	.10	.10	.60***	(.80)			
9. Affective Trust	3.71	.59	.09	.06	-.15	.19*	-.03	-.07	.53***	.46***	(.95)		
10. Cognitive Trust	3.66	.59	.01	.05	-.10	.19*	.09	-.01	.49***	.71***	.57***	(.82)	
11. OSP	.28	.93	.03	.15*	-.09	.25**	.02	.14	.53***	.51***	.52***	.44***	-

n =165

PP= Prior performance; SC= Social competence; PC= Professional competence; OSP= Objective salesperson performance

p* < .05; ** *p* < .01; **p* < .001; Two-tailed tests.

For gender, 0 = female and 1 = male.

For age, 1 = under 25 years; 2 = 25-34 years; 3 = 35-44 years; 4 = 45-54 years; 5 = over 55 years.

For education level, 1 = did not graduate from high school; 2= high school graduate; 3= college graduate; 4= university; 5= graduate school or above.

Table 2. Means, Standard Deviations, and Correlations

Variables	Affective Trust				Cognitive Trust			
	Model 1		Model 2		Model 3		Model 4	
	β	SE	β	SE	β	SE	β	SE
Intercept	3.96***	.32	2.09***	.35	3.52***	.33	1.18***	.30
SC			.42***	.08			.08	.07
PC			.22**	.08			.69***	.07
Control								
Gender	.18	.09	.15	.08	.04	.09	.00	.07
Age	-.06	.07	-.09	.06	-.08	.07	-.13*	.05
Education	-.10	.06	-.11*	.05	-.06	.06	-.08	.04
Tenure	.03**	.01	.02	.01	.03**	.01	.01	.01
Self-esteem	-.03	.07	-.14*	.06	.09	.07	.02	.05
Prior performance	-.11*	.05	-.09*	.04	-.06	.05	-.05	.04
Overall	.01		.39***		.07		.55***	
Chang			.38***				.48***	
Model F value	2.79*		12.50***		1.82		23.79***	
Degree of freedom	164		164		164		164	

n = 165. SC= Social competence; PC= Professional competence
 p* < .05; ** *p* < .01; * *p* < .001

Table 3. Regression Results Regarding Salesperson Competence on Customer Trust

Variables	Objective Salesperson Performance											
	Model 5		Model 6		Model 7		Model 8		Model 9		Model 10	
	β	SE	β	SE	β	SE	β	SE	β	SE	β	SE
Intercept	-.02	.52	-3.03***	.56	-3.73***	.64	-3.93***	.61	-3.94***	.62	-4.03***	.61
SC			.60***	.13			.50***	.13			.40**	.14
PC			.44**	.13					.31*	.15	.33*	.17
AT					.67***	.14	.47***	.14	.28	.16	.48***	.13
CT					.30*	.13	.19	.13	.62***	.13	.28*	.16
Control												
Gender	.07	.15	.02	.13	-.07	.13	-.04	.12	-.08	.12	-.05	.12
Age	.00	.11	-.05	.09	.06	.09	.02	.09	-.00	.09	-.01	.09
Education	-.04	.10	-.05	.08	.05	.08	.02	.07	.01	.08	-.00	.08
Tenure	.04	.02	.02	.02	.01	.02	.01	.01	.01	.02	.01	.02
Self-esteem	.04	.12	-.12	.10	.04	.10	-.06	.23	.01	.10	-.05	.10
Prior performance	.04	.08	.08	.07	.14	.07	.13*	.16	.12	.07	.12	.07
Overall	.07		.36***		.40***		.40***		.38***		.42***	
Chang			.29***		.33***		.33***		.31***		.35***	
Model F value	1.872		10.97***		10.08***		11.42***		10.75***		10.92***	

n=165. *df*=164; SC= Social competence; PC= Professional competence; AT= Affective trust; CT= Cognitive trust
 * *p* < .05; ** *p* < .01; *** *p* < .001

Table 4. Direct Effect of Salesperson Competence and Mediation of Customer Trust on Objective Performance