UNIVERSITAT DE BARCELONA

When leaders prioritize their profit against the organizational goal

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PhD in Business

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When leaders prioritize their profit against the organizational goal

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LIBERTAS PERFVNDET · OMNIA LVCE
UNIVERSITAT DE BARCELONA

DEDICATION

To my parents

Maryam & Hamidreza

For their endless love, support and encouragement

And to my brother

Behrad

Without whom, none of my success would be possible

ACKNOWLEDGEMENT

I would like to express my sincerest gratitude and warm appreciation to all the people whose help was precious in this fantastic journey.

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THESIS STRUCTURE

The present study organized into seven chapters:

In chapter one, the general introduction, objectives and methodological approach presented. In chapter two, the literature review is summarized. Chapter three contains the theoretical background regarding evolutionary history, leadership and power, phycological distance and relevant characteristics of a leader's personality.

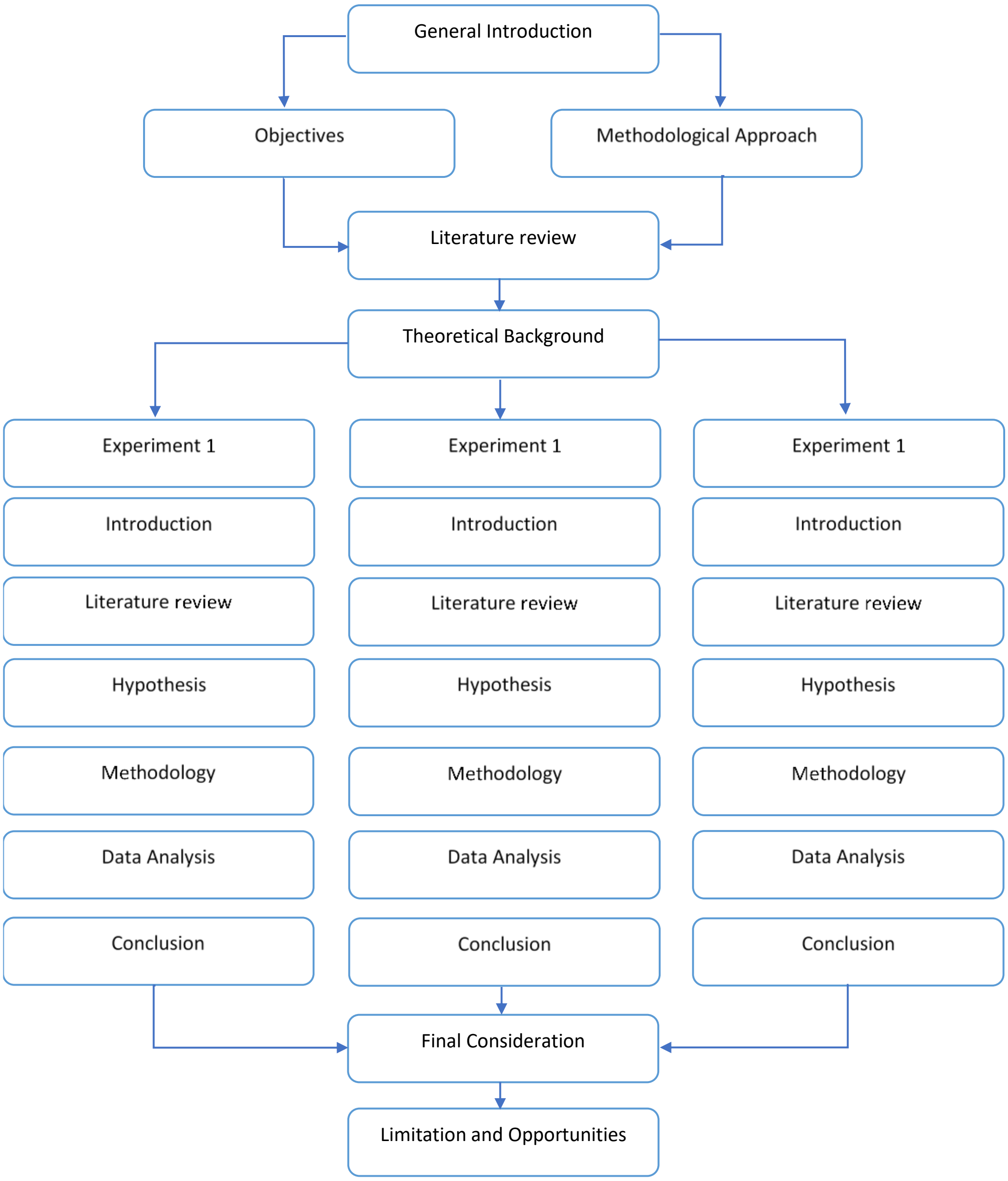
Chapters four, five and six explain three contributions in detail. They have been presented and defended at international conferences.

A complete abstract of chapter four, five and six, presented at La Asociación Española de Marketing Académico y Profesional (AEMARK 2017 Sevilla). An abridged version of chapter four was featured at the European Marketing Academy (EMAC 2018, Hamburg). Chapter five presented at the European Marketing Academy (EMAC 2021, Madrid) and as a work in progress presented at La Asociación Española de Marketing Académico y Profesional (AEMARK 2019, Cáceres).

Chapter seven includes the final consideration of this research, limitation and opportunities for future studies.

A flow diagram (Figure 1) of this research is designed for better illustration.

Figure 1: Thesis Structure



CHAPTER 1. GENERAL INTRODUCTION

1.2. Introduction

Newspapers and television are full of stories about inappropriate behaviour by political and business leaders published weekly. According to Guinote (2017), an individual's behaviour will be changed when they reach a leadership position and power, which only a few can control. Many of these allegations, which show the headlines, are related to abuse of power and inappropriate enrichment.

Although leadership has been defined as an individual’s ability to face a goal, with this ability, they influence other people to follow them in the endeavour to achieve the goal (Western, 2019). The study of leadership has been approached from many perspectives. Nevertheless, they do not have the same perception of leadership in North American and European authors, nor between Westerners and Orientals (Western, 2019). Among common themes in the leadership literature, the debate over whether leaders are born or made remains open. Therefore, the chapter is still on whether circumstances transform an individual into a leader or, on the contrary, their personality makes them a leader. Personality traits have been found to be medium to high heritability, so leadership traits may also be moderately heritable (Johnson, et al., 1998). Ultimately, leadership studies have been based on both areas, character and personality traits (Kirkpatick & Locke, 1991; Zaccaro, Green, Dubrow, & Kolze, 2018) and the circumstances that transform an individual into a leader (Western, 2019).

Leadership is not just about power, since power is the ability to control others activities through its sources (coercive, rewarding, legitimate, expert and referral) (Hatcher, 2005). Leadership is the competency to inspire people to follow the leader in achieving a goal (Western, 2019). However, both concepts are related since a leader without power does not make sense (Hatcher, 2005).

In this doctoral thesis, it is considered that leadership implies power and, precisely, this endowment of power can transform the leader’s perception of their followers. By the inspiration of the tradition of studies based on personality traits (Kirkpatick & Locke, 1991; Zaccaro, Green, Dubrow, & Kolze, 2018), we intend to study what personality traits moderate an employee with power (boss) and make them act as a leader who seeks to pursue the benefit of the group (company) rather than their personal benefit.

Various realms of knowledge have tried to find some explanations for the effect of power on behavior. Either from economic theory with the agency dilemma (Eisenhardt, 1989), social psychology, through the concept of psychological distance (Trope & Liberman, 2003; Liberman, Trope, & Stephan, 2007) or from evolutionary psychology, with the search for ultimate reasons of origin of leadership (King, Johnson, & Van Vugt, 2009).

The agency dilemma in a decision-making context proposes that: a "principal" (person or organization) delegates authority to an "agent" (person or organization). Because the interests of the two groups are not necessarily aligned, "agent" may make decisions that do not link to their employers' interests. According to economic theory, the agent who acts on behalf of the principal will be motivated to perform for their benefit rather than for the principal, posing a moral conflict (Eisenhardt, 1989; Hirst & Bebchuk, 2019).

Another theory that attempts to explain the selfish manner of those who achieve leadership position come from social psychology that considers social distance, a common concept in sociology, as a psychological distance (Stephan, Liberman, & Trope, 2010). Although it has covered several types of psychological distance, temporal distance is the most relevant for the study of leadership. It affects the interpretation of relationships between people or physical distance to places (Magee & Smith, 2013). In a sense, greater psychological distance becomes mindsets of cognitive abstraction (Stephan, Liberman, & Trope, 2010).

Evolutionary psychology has also tried to find explanations for both the origin and development of leadership (King, Johnson, & Van Vugt, 2009; Vugt & Ronay, 2014). Throughout evolutionary history, leaders play a critical role in achieving goals. Living in a group is full of compromise and conflict, so groups have demonstrated a need for leaders. Leaders use different strategies to solve coordination problems even in ancestral environments, such as group movement, intragroup and intergroup competition (Van Vugt, Hogan, & Kaiser, 2008; Van Vugt M. , 2006; Bastardoz & Van Vugt, 2019).

According to researchers in evolutionary psychology, leaders can use one of the most beneficial ways to inspire their followers, sacrificing their self-interest and personal goals to benefit their followers and organization (Conger & Kanungo, 1987; Shamir, House, & Arthur, 1993; Dust, Resick, Margolis, Mawritz, & Greenbaum, 2018). Indeed, these types of leaders with sacrificing behaviour have charismatic and influential personalities compare to dominant leaders (Choi & Mai-Dalton, 1999; De Cremer & Van Knippenberg, 2004; Van Knippenberg & Van Knippenberg, 2005; Yorges, Weiss, & Strickland, 1999). Consequently, self-sacrificial leaders evoke more positive affect, trust, cooperation, and good performance between their followers (De Cremer, 2006; Van Knippenberg & Van Knippenberg, 2005; Giurge, van Dijke, Zheng, & De Cremer, 2019).

There are often conflated for status hierarchies and decision-making hierarchies, but it will be helpful to discriminate between them. Leaders have a decision-making position in the group where individuals face problems and disproportionate influence on group decision-making and can prioritize resources in return (Van Vugt M. , 2006; Northouse, 2021). Here in this research, we will consider the transformation process suffered by individuals who achieved a leadership position within a business organization and, therefore, a position of power in a business decision-making context. This consideration will be made both from social psychology and from evolutionary psychology. Although both fields have been developed from different theoretical processes, for two decades, multidisciplinary approaches have been recommended in marketing studies (O'Shaughnessy, 1997). Social psychologists are recently interested in exploring the effect of the power of an individual's behaviour as an ability to influence people based on a position in the hierarchy (Keltner, Gruenfeld, & Anderson, 2003; Lammers, Stapel, & Galinsky, 2010; Maner & Mead, 2010).

Today, in advanced societies, the hierarchical order of social structures is organized according to the merit of subjects that comprise it. Thus, the old structures based on aristocratic origin or family to which someone belongs have changed by social advancement based on merit. High achievers reach higher positions compared to less achievers (Smith, Jostmann , Galinsky, & Van Dijk, 2008; van Dijke, De Cremer, Langendijk, & Anderson, 2018). However, the social system does not have to work with great precision in all contemporary societies. What transcends to the community is that individuals who do not achieve positions of power are because they perform imperfectly are less capable or motivated than those who have reached powerful positions (Guinote, 2007).

These beliefs, widespread in modern societies, that the powerful individuals reach their position by their own effort, meaning that when an individual comes to a place of leadership with power and authority in an organization, this fact leads to a process of personal transformation that changes the vision that s/he has of herself, her idea of others, followers or subordinates. It begins to see others as pieces that could be used to achieve their own goals (Anderson & Berdahl, 2002; Galinsky, Gruenfeld, & Magee, 2003; Smith & Bargh, 2008; Galinsky, Magee, Gruenfeld, Whitson, & Lijenquist, 2008; Smith & Trope, 2006; Guinote, 2007a).

Shreds of evidence have been collected on the mental transformation of individuals who have achieved positions of leadership and power. First, powerful leaders see the futures more optimistically, perceive that they control the destiny and lead them to make risky decisions (Fast, Gruenfeld, Sivanathan, & Galinsky, 2009). Second, when individuals exert leadership, they begin to consider others, even former colleagues, differently. For instance, they begin to pay more attention to themselves than the needs of others (Rucker, Dubois, & Galinsky, 2011; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018). They establish a social distance between themselves and the followers or subordinates (Kipnis, 2017) and even tend to ignore other people's suffering (Van Kleef, et al., 2008; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018). Third, through this process of estrangement and reification, they perceive their subordinates as mere instruments of manipulation to help them achieve their own goals (Gruenfeld, Inesi, Magee, & Galinsky, 2008).

Although the literature praises leaders' role, some individuals are capable of working beyond their own interest and even take personal costs to benefit their group or organization (Conger & Kanungo, 1987; Shamir, House, & Arthur, 1993; Saleem, Bhutta, Nauman, & Zahra, 2019). Nevertheless, there are many shreds of evidence in the literature that individuals who achieve a position of power are more likely to deceive (Lammers, Stapel, & Galinsky, 2010; Gerlach, Teodorescu, & Hertwig, 2019). In this sense, they tend to act socially inadequately, putting their interest in priority (Gonzaga, Keltner, & Ward, 2008).

The classic book “Power, corruption, and rectitude” (Rogow & Lasswell, 1963) mentioned that leaders who exercise power obey two factors: the individual needs of the exaltation of ego and the organization’s structure. Personality factors are under the influence of different circumstances; how they grow, their childhood, the type of education and the deprivations they suffered determine how they will use power as adults. And regarding the organizational context, tradition, reputations, and leadership are pointed as factors that encourage or discourage corrupted behaviour (Rogow & Lasswell, 1963).

The focus of this thesis is on the effect of power on the behaviour of individuals. Additionally, we want to evaluate different personality factors, exploring what kind of personality traits discourage promoted leaders from falling into the temptation to pursue selfish behaviour.

1.2. Objectives

Although different theories have previously been pointed out (the agency dilemma, psychological distance and evolutionary theories) attempt to explain the tension between leadership and power (Van Vugt, Hogan, & Kaiser, 2008; Boehm, 1999). In this doctoral thesis, we would like to analyze how individuals’ decision-making process changes when they receive a preferment, reaching a position of leadership and power.

To find explanations for this behavior change, we use the concept of psychological distance developed in social psychology as a theoretical basis. Psychological distance is a mindset that subjects establish concerning other people or objects when their position changes to them, such as a preferment that implies a difference in the social hierarchy in the organization (Trope & Liberman, 2003). When individuals experience social distance from other individuals, they feel less involved with them and, consequently, their attitude and behaviour towards them changes (Liberman, Trope, & Stephan, 2007).

This doctoral thesis, framed in the context of the business decision-making process, particularly sales team management, aims to study how the promotion of an employee to a higher position (leader of a sales team) generates a psychological distance from the rest of the sellers. In addition, a measure will be proposed to estimate the psychological distance between the promoted leaders and followers.

In addition, we would like to analyze how leader behaviour is reversed against the company's interest, prioritizing short-term performance over sellers' medium and long-term performance by implementing a remuneration strategy.

Finally, inspired by the tradition of looking for leaders characteristics (Kirkpatick & Locke, 1991; Zaccaro, Green, Dubrow, & Kolze, 2018), we will analyze different personality traits to define a profile of the best leaders. Personality traits include social self-control, the willingness to make the cognitive effort and the predisposition to make the best decision.

1.3. Methodological Approach

This thesis uses a laboratory experiment design to test the proposed hypotheses. Experiments are designed to verify causal relationships and, therefore, must be carried out in controlled environments to validate that when the researcher manipulates one or more variables and analyses their effect on the experimental units, this effect results from manipulation and not of uncontrolled factors.

A theory is a set of ideas and relationships established between them, explaining events and making predictions about future events (Vargas, Duff, & Faber, 2017). Furthermore, scientific theories must be verifiable and must be stated to demonstrate whether they are falsifiable or not (Popper, 2005). Experimental research has been the primary tool for testing and refining theories.

Marketing researchers use experiments to analyze collected information from markets, customers, sellers, etc. (O'Shaughnessy & O'Shaughnessy, 2002). The literature on marketing and research on consumer behaviour affirms that the search for causal relationships or causal explanations occupies a prominent place in a positivist social science framework (Vargas, Duff, & Faber, 2017). That is, the positivist approach emphasizes the causal explanation and considers three assumptions (Popper, 2005; Hunt, 1991):

- Ontological, which has to do with the definition or identity of the concept of study. It is often expressed in words (for example, what entities exist? Is the brand or leadership an entity?)
- Methodological. This concept refers to the most appropriate research procedure to meet the objectives in a scientific framework, such as psychology and economics (According to Iacobucci (2016), the basic sciences that makeup marketing). Therefore, the methodology can be understood as the set of procedures that determine a scientific investigation. (For example, what research designs are suitable for generating new knowledge? Are experiments a good tool for studying the elements of leadership?)
- Epistemological. The concept refers to the discipline used to apply science to validate the certainty or falsifiability of scientific knowledge. (For example, what criteria are adequate to evaluate ability? Are the standards proposed by the statistical criteria good? Is ANOVA an excellent standard to verify the hypothesis's acceptance or rejection based on the collected results?)

In summary, experiments in social sciences and marketing follow the positivist logic by proposing a methodology. It can establish causal relationships between ontological entities and use statistics, ANOVA, to establish probabilities of causality and generate new knowledge (Hunt, 1991; O'Shaughnessy & O'Shaughnessy, 2002; Vargas, Duff, & Faber, 2017).

The origin of experimental design dates back to the beginning of the 20th century; it was initiated by Ronald Fisher (Box, 1980). According to his definition: Experiments are "only experiences carefully planned in advance and designed to form a secure base of new knowledge" (Fisher, 1935, cited in Box, 1980, p. 8). Although his first investigations were in agriculture by carrying out experiments with crops, his application soon spread to the rest of the experimental sciences (Box, 1980).

In the field of behavioural sciences, Kirk (2013) proposed a definition of experimental design based on the mere description of the process: Experimental design refers to a plan to assign subjects (people or animals, as experimental units) to experimental conditions defined by the researcher, and statistical analysis of the results associated with the plan. The experimental procedure follows the scientific logic of positivism. However, it explicitly warns us to limit research hypotheses to questions that can be answered using available procedures or developed by the researcher. For example, Kirk (2013) illustrates it through a study on animals' behaviour. The phases are: (1) it is hypothesized that microwave radiation alters the appetite of animals, (2) so an experiment is proposed in which a sample of albino rats (as homogeneous as possible) are exposed to radiation of microwaves, and it is observed if their food consumption decreases, (3) this hypothesis can be investigated if the researcher has albino rats, a procedure both to manipulate the radiation level and a scale to measure the food consumption of rats.

The logic of the experiments in the behavioural sciences (for example, psychology and economics) is the same as in the rest of the scientific realms. It consists of manipulating one or more independent variables by a researcher. And observing, using a record of scale, the effect of this manipulation on another variable, called dependent (Sawyer, Worthing, & Sendak, 1979; Vargas, Duff, & Faber, 2017; Venkatesan, 1967). The independent variable is also called the treatment and can be quantitative, as in the albino rats' example in microwatts (0; 20,000; 40,000 microwatts). It can also be qualitative when various levels of treatment represent different types rather than different amounts. The dependent variable is the measure used to evaluate the effects of manipulating the independent variable. It may be select based on theoretical considerations. Although in many investigations, the choice is determined by practical reviews (Kirk, 2013).

Unwanted effects and annoying variables: One of the most significant difficulties while conducting experiments is controlling the environment in which they are to be carried out. The degree of control is different among the laboratory or field experiments. As its name suggests, laboratory experiments are carried out in the most controlled environments and with a homogeneous sample. However, it seems an artificial environment, the only way to achieve greater internal validity (the degree to which the results are valid, free of biases or systematic errors). On the other hand, the field experiments carried out in more natural environments. Therefore, it is more challenging to control unwanted effects and annoying variables. The field experiments allow us an extrapolation of the results to the population (external validity). The cost of an uncontrolled environment will be sacrificing internal validity (Huertas-Garcia, Casas-Romeo, & Subira, 2013; Nevin, 1974; Pessemier, Burger, Teach, & Tigert, 1971; Vargas, Duff, & Faber, 2017; Venkatesan, 1967).

The potential sources of unwanted effects and nuisance variables can be very varied. Even if we consider the laboratory environment, it is possible to generate unwanted effects. For example, the instructions' presentation may vary slightly from one researcher to another and be interpreted differently by each experimental subject. Measurement or registration errors can also occur with the subjects' responses or experimental units (Vargas, Duff, & Faber, 2017). Additionally, laboratory environmental factors such as lighting, noise level, and temperature may not be constant for all experimental units, and individuals may experience lapses of attention, concentration, or interest.

Furthermore, the effects of annoying variables can take several forms: they can systematically distort the results in a particular direction, generating biases, or increase the variability of the phenomenon being measured, increasing the variance of the error (Nevin, 1974; Venkatesan, 1967). In the analysis of variance (ANOVA), the variability explained by the researchers' manipulation is contrasted precisely with the error variance, which is the variability between the observations that cannot be attributed to the effects of the independent variable (Kirk, 2013).

However, in many investigations, such as this thesis, the process departs from this pattern. Because nature, rather than the researcher, manipulates the independent variable (in this study, personality traits). In these circumstances, research strategies in which the researcher does not control the independent variable include quasi-experiments and surveys (Vargas, Duff, & Faber, 2017; Kirk, 2013).

1.3.1. Difference between experiments and quasi-experiments

As described above, an experiment allows a researcher to test a hypothetical relationship between an independent variable and a dependent variable by manipulating the independent variable. The procedure is characterized by: (1) the manipulation by the researcher of one or more independent variables, (2) the use of controls, such as the random assignment of experimental subjects or units to the experimental conditions, and (3) the careful observation or measurement of one or more dependent variables.

Mill (1872) proposed that the use of experiments is necessary to infer causality and generate knowledge. For example, to conclude that a factor *A* causes an effect on *Y*, the following requirements must be met:

- The existence of concomitant variation, *A* and *Y*, vary together in the way predicted by the hypothesis. Whenever *A* is present, *Y* occurs (sufficiency of *A*); and *A* must be present for *Y* (need of *A*) to occur (Cook, Campbell, & Shadish, 2002).
- Chronological order (first *A* occurs, then *Y* happens)
- Elimination of other factors that can influence *Y*.

Compliance with all three produces evidence of causality (Mill, 1872; Cook, Campbell, & Shadish, 2002; O'Shaughnessy & O'Shaughnessy, 2002; Kirk, 2013).

Quasi-experiments are similar to experiments, except that the independent variable does not randomly assign the subjects since it can come from nature (personality traits of the experimental unit). When randomization is not possible for practical or ethical reasons, it is necessary to use pre-existing groups (Cook, Campbell, & Shadish, 2002; Vargas, Duff, & Faber, 2017). This difficulty in assigning subjects interprets the results less straightforward than in experiments because it is difficult to rule out all variables other than the independent ones as explanations of an observed difference (for example, gender, age, educational level, profession, etc.).

Controls and restrictions are applied to alleviate the unwanted effects, such as using only the preselected subjects (for example, considering twins as sampling units) or other less restrictive selections (for example, considering similar groups) control variables and random assignment. As a general principle, increasing the degree of control that the researcher can exercise over randomization, the less difficult it will be to unambiguously interpret the research result (Cook, Campbell, & Shadish, 2002; Vargas, Duff, & Faber, 2017).

Following a positive approach to establishing causal relationships, both in the design of experiments and quasi-experiments, involves a series of activities:

- To Formulate empirical hypotheses related to scientific hypotheses.
- Determination of the experimental conditions (independent variable) to be used, the measure (dependent variable) to be recorded and the external conditions (annoying variables) to control.
- Specification of the number of subjects (experimental unit or cell) required and the population sample
- Specification of the procedure for assigning subjects to experimental conditions
- Determining the statistical analysis (ANOVA or regression analysis) (Kirk, 2013)

1.3.2. The use of experimental design in marketing

According to Steward (2010), between 1925 and 1980, the primary tools used in market research by researchers were developed. In general, most of the techniques were taken from other disciplines, in particular from psychology. However, in recent years, these techniques have been improved and perfected in a very relevant way. However, for Steward (2010) more than a decade ago, still, the four dominant methodologies were: (1) Focus groups, (2) Research and survey sampling, (3) Experimental design and (4) Multivariate data analysis.

Regarding the use of experimental design in marketing, The experimental design was one of the first market research tools developed during the 1920s. For example, one of the pioneers was Hopkins (1923), who used simple experimental designs (A / B tests) to evaluate the effectiveness of the advertising, considering alternative media, copies and promotions. However, during the Second World War, significant development of experimental techniques took place. For example, to improve the taste of combat rations (the famous K rations), flavour experiments were carried out to design appetizing foods for soldiers (Pangborn, 1964). During the postwar period, the experimental design continued to be used. For example, Pessemier (1960) even simulated fake stores to create a familiar shopping environment and study the effect of price changes on products. In fact, by the mid-1970s, experimental research had become the dominant research tool (Stewart, 2010).

Among all the marketing research methods, experimentation in the field or the laboratory offers the tremendous potential to provide management with accurate information on marketing actions (Frey & Haller, 2021; Pessemier, Burger, Teach, & Tigert, 1971). In fact, in one of the latest articles published on the design of experiments in marketing, Frey & Haller (2021) praise its use for the design, development and improvement of products. Furthermore, the efficiency achieved with experimental designs can be used to plan products in a business environment with limited resources.

1.3.3. The use of simulation games in marketing

Business simulation games have been used in American universities for more than 60 years. According to Faria (2006), the first simulation game was used at the University of Washington in 1957. Its development has been so extensive that virtually all American universities use them at the end of the century. At the beginning of the twenty-first century, 64% of marketing professors in the United States used simulation games to train students (Faria & Wellington, 2004).

The effectiveness of these games as an educational instrument has also been documented as an indirect way of putting the acquired knowledge into practice (Vos & Brennan, 2010). As Wolfe and Roberts (1993) point out, simulation games offer students a valid representation of managers' problems in the business world. Furthermore, Drea, Tripp, and Stuenkel (2005) found that students who participated in the marketing simulation game showed a statistically significant difference in their performance on the post-game evaluation compared to the control group. Similar results were obtained in a sales management simulation by Cook and Owens-Swift (2006) and in more recent papers such as Woodham (2018). They simulated decisions in the marketing mix, where the researcher demonstrated improvements in sales analysis skills and problem-solving, etc.

However, the use of simulation games as an experimental tool in the marketing area is much scarcer. For example, Tkachenko, Kochenderfer & Kluza (2016) use a customer relationship management (CRM) policy simulation model to increase customer satisfaction, reduce attrition, and increase expected customer's lifetime value. Another example is Macdonald, Zobel, Melnyk & Griffis (2018). They propose combining a structured experimental design with simulations of discrete events in different points of connexions in the supply chain. They study the possible issues of conflict to improve its management. Simulator experiments are used when real-life marketing policy evaluation can be very complicated, time-consuming, or prohibitively expensive. Thus, simulator experiments are a suitable economic alternative to carry out rapid tests (Tkachenko, Kochenderfer, & Kluza, 2016).

There are ample shreds of evidence during the past 75 years that researchers have been used university students in laboratory experiments due to their degree of homogeneity. Student groups are more homogeneous than other groups (Vargas, Duff, & Faber, 2017). The concern for the external validity of the experiment results has opened a debate on the possibility of generalizing these results to the rest of the population. Humorously, some author has come to question whether university students' use is appropriate, for example, asking if second-year students are really "people" (Greenberg, 1987).

However, more recently, the usage of consumer, professional, and vendor samples has also been questioned in academic research studies on advertising, marketing, consumer behaviour, behavioural economics, and psychology because of the limited geographic and demographic variability of the samples. In other words, most of the studies are carried out with WEIRD people (Western, educated, industrialized, relatively rich and democratic countries) (Henrich, Heine, & Norenzayan, 2010). Using samples from a limited range of countries prevents the results from being generalized to the population as a whole and, much less, being used in other settings and treatments.

Given that almost two-thirds of the world's population lives in Asia and tends to be more collectivist than individualistic Western culture, their decision-making process will be totally different from that commonly used by WEIRD (Vargas, Duff, & Faber, 2017). However, all researchers must establish a balance between the internal validity generated by the homogeneous samples of the experiments and the external validity with less controlled field experiments (Vargas, Duff, & Faber, 2017). But there are also topics of academic studies, as is the case of this thesis, where external and ecological validity is relatively unimportant in the context of the quasi-experiment. Since the object of this experiment is to analyze an independent variable that comes from human nature itself (personality traits of the experimental unit).

CHAPTER 2. LITERATURE REVIEW

This chapter describes the context in which the study of leadership has focused. In particular, the management of the commercial team is considered one of the marketing management tools of the company.

2.1. Sales management

Sales Management can be noticed as an essential section of the organization's marketing mix. It is important to develop the organization's strategy consistent with the marketing strategy. One of the crucial parts of the marketing strategy in B2B markets is personal selling. Sales management is responsible for managing the personal selling, sales planning, sales strategies, sales promotion activities, pricing strategy, superintending the sales team are in concern of sales management (Johnston & Marshall, 2019; Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

The secret to success and the lifeblood of an organization is sales, so proper management of the sales process is inevitable. An effective sales management process will guide the organization to meet and surpass the target. Sales management should be aware of any changes in the marketplace and take necessary action to reconcile the entire system to these changes (Johnston & Marshall, 2019).

Previous studies show that sales management is under the influence of changes in this century. Globalization, technology and customer expectation, electronic sales channels changed the selling process and affected sales management (Johnston & Marshall, 2019; Anderson R. E., 1996). Some of these changes can affect the purchasing system. Moreover, purchasing and supplying system affects the sales management system and the company's profitability (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019; Cravens, 1995).

Besides, these changes are happened by external and internal factors. External factors such as political, social and economic issues and internal factors contain products, price, distribution and communication, which is the marketing mix. Both of these factors must be in the concern of the sales managers. All the activities of the sales department are supervised by sales management. They must be aware of any changes to generate business with customers (Johnston & Marshall, 2019).

Innovation, technology and leadership are three themes that should be considered by sales management and should be used to develop the sales operation, sales strategy and sales analysis (Johnston & Marshall, 2019).

Innovation strengthens sales success. Using the innovative service will help the organization to build an adaptable structure to the market. It enables the system to be flexible in any circumstances. Nowadays selling process changed from transactional to relationship, so it has a profound effect on success to make a long term and unique relationship with the customers. Sales fruitfulness can increase by technology as a critical part of the twenty-first century (DeVincentis & Rackham, 1999; Dixon & Tanner Jr, 2012; Hartmann, Wieland, & Vargo, 2018). Technology enables sales management to create a unique database of all the market information, a proper CRM system, and an evaluation system (Johnston & Marshall, 2019).

Leadership is also one of the main components of a successful business. The relationship between the sales manager and sales force has been changed in the current dynamic sales environment. The traditional relationship was more formal; managers were responsible for supervising and controlling the sales force, their relationship was based on the top-down strategy. Nowadays, the layers of hierarchy decreased, and managers are more flexible and approachable (Brashear, Bellenger, Boles, & Barksdale Jr, 2006; Schwepker & Schultz, 2015; Eva, Robin, Sendjaya, van Dierendonck, & Liden, 2019).

A successful sales management system requires a competent leader, not a good manager. It means that being a good leader is more important than being a good manager. Leaders should mentor and empower the salesforce and enable them to make a decision. It is essential to share information and communicate with the salesforce instead of controlling them (Brashear, Bellenger, Boles, & Barksdale Jr, 2006; Bradford, Rutherford, & Friend, 2017).

Leaders should consider the below steps to implement a proper sales management system in the organization:

The primary step is to create the sales program of the organization. The second is to enforce the sales program through the sales operation. Sales operation includes activities related to selecting and hiring talented staff, training and developing their skills. The salesforce is the heart of the organization; they are representative of the organization to the market. Their target should be set up realistically based on their assigned territory.

The third is the sales strategy that contains high-level tactics setting goals and determining various activities to achieve the purposes; it designates how to utilize the resource for obtaining the objectives (Freedman, 2015; Bryson, Edwards, & Van Slyke, 2018). Planning a sales strategy entails a set of activities and decisions to analyze the initial company situation concerning sales resource allocation that contributes to the company goals, marketing objectives, and customer relationships (Panagopoulos & Avlonitis, 2010; Homburg, Kuester, & Krohmer, 2013; Inyang & Jaramillo, 2020).

The fourth is sales analysis that refers to different scales to determine the contribution of the salesforce in the organizational success in the market (Babakus, Cravens, Grant, Ingram, & Laforge, 1996; Sihag & Rijsdijk, 2019; Katsikeas, Auh, Spyropoulou, & Menguc, 2018). Leaders should ensure compliance between the organization strategy and sales team activity by evaluating the salesforce performance (Babakus, Cravens, Grant, Ingram, & Laforge, 1996; Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020).

Human Capital is unique and the most critical resource for companies to achieve their goals, ameliorate their performance, develop, and remain innovative (Becker & Gerhart, 1996; Boon, Den Hartog, & Lepak, 2019). It is an expertise depository that belongs to the salesforce (Goldin, 2016; Johnston & Marshall, 2019).

However, to attain the best result out of this unique resource needs a leadership capability to design an effective formula. Leaders should adequately implement this formula since it is the key to interlock the sales performance of human capital with the organization strategy (Noble & Mokwa, 1999; Johnston & Marshall, 2019; Brashear, Bellenger, Boles, & Barksdale Jr, 2006).

2.2. Management of the sales team

One of the critical aspects of sales management is building a capable sales team. The sales team is the heart of the organization. They are representative of the organization to the market (Johnston & Marshall, 2019). Building a group includes the process of selecting and hiring talented staff, training and developing their skills. The salesforce performance is influenced by various factors: personality and characteristics, motivative elements, and satisfaction (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019; Atefi, Ahearne, Maxham III, Donavan, & Carlson, 2018).

Recruiting and selecting a talented salesforce is challenging for sales managers. It changes the position of a sales manager from the seller to the buyer. A sales manager should consider different characteristics, qualifications and abilities to hiring a new salesforce. On the other hand, as this process is directly related to the sales management and sales strategy, any changes in one of the mentioned areas may have affected hiring (Jobber & Lancaster, 2009; Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

To enhance company objectives, the sales manager should develop a system to train and educate the salesforce, especially the new team members. The sales manager needs to clearly view the salesforce's ability to put them in the correct position and use these potentials effectively. The salesforce training can flourish their ability (Jobber & Lancaster, 2009; Atefi, Ahearne, Maxham III, Donavan, & Carlson, 2018).

To stay in the current challenging business environment, training of the salesforce is inescapable. Sales training have a positive effect on the performance of the salesforce. It helps them to become a greater sellers, ameliorate confidence and improve the customer relationship. Hence it allows the organization to move in the path of its goals (Atefi, Ahearne, Maxham III, Donavan, & Carlson, 2018).

Salesforce career is dynamic and challenging, and as mentioned earlier, their performance can be affected by different factors; motivation is one of them. Unfortunately, there is not enough attention to the motivation of the salesforce, and this lack can affect the sales efficiency and fruitfulness of the business. Unmotivated salesforce can perform their task but in the wrong direction. They may waste their time and energy on improper activity.

Motivating the sales force is a critical role of sales managers to guide them through more significant achievement for the organization's goal. Their target should be set up realistically based on their assigned territory (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Work performance of human capital is measurable and defines their ability to fulfil their task in the organization (Martono, Khoiruddin, & Wulansari, 2018). Work performance can be affected by two factors, internal and external factors. Internal factors include motivation, job satisfaction rules and regulations, and intellectual ability. External factors contain the workplace environment, and it is made up of all the elements that can affect productivity, including the management system, remuneration strategy, leadership behaviour (Martono, Khoiruddin, & Wulansari, 2018).

To evaluate the human capital's contribution to the company objectives, managers define some criteria to assign resources to their team members, such as behavioural criteria, outcome, and customer relationship management (Babakus, Cravens, Grant, Ingram, & Laforge, 1996).

1. A behavioural criterion. It refers to all the duties of the salesforce in the company, including selling or non-selling activities (e.g. data collection, reports, paperwork, sales meeting, gain product knowledge). Salesforce can enrich the company culture and help build a better product (Panagopoulos & Avlonitis, 2010).
2. The sales outcome is a quantitative criterion representing the short-term result of sales force activity (e.g. market share, sales revenue).
3. Customer relationship management alludes to those activities to satisfy the customers, properly manage the interaction and establish a long-lasting relationship based on the corporate interest (Panagopoulos & Avlonitis, 2010). Consumers expect more than ever in the new marketing trends, so the sales manager role as a decision-maker is more highlighted nowadays. When a company consistently deliver great experiences and value to the customers, it can build customer

> relationships that turn casual buyers into evangelists. These principles are now more emphasized than ever (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

A carefully mapped out strategy of decision-making regarding our employee's performance who represents our company within the market is the key to success. Organization and coordination of different elements to work together effectively are harder when groups are larger; consequently, the role of leadership and decision-maker is more critical in evaluating resource allocation of individuals (Carneiro, 2000; Tooby, Cosmides, & Price, 2006; Bastardoz & Van Vugt, 2019).

2.3. Remuneration strategy

How an organization pays and rewards, its human capital is becoming more analytical in business to the business firm and increasingly concerned by top executives in the organization. Remuneration strategy is critical in the human resource management system as it is directly related to performance efficiency. Implementing a proper remuneration strategy in an organization has a significant effect on salesforce behaviour and, consequently, improves the company's objectives.

Providing proper remuneration in the organization is obligatory to develop a fair reward system for human resources. Remuneration is a reward for the employees as compensation for their contribution through the company objective. It has a significant effect to motivate employees that retain a high-level performance (Güngör, 2011; Martono, Khoiruddin, & Wulansari, 2018).

Based on the social exchange theory, acknowledging the proper performance of employees make them behave appropriately (Cropanzano & Mitchell, 2005; Cortez & Johnston, 2020). Companies who build motivation for the employees prosocially motivate them and encourage them to go along with its benefits (Kuvaas & Dysvik, 2009). It contains strategies, policies, and processes to guarantee that employee accredits contribute by the company's management system (Kuvaas, Buch, Weibel, Dysvik, & Nerstad, 2017).

The motivation of employees is one the result of proper implementation of the remuneration system in a company. This powerful instrument fortifies productive behaviour, promotes the success of the company aligns with the core values. The employee's motivation increases the loyalty to the organization and avoids corruption (Dobre, 2013; Agustiningsih, Thoyib, Djumilah, & Noermijati, 2016; Martono, Khoiruddin, & Wulansari, 2018).

According to the Path-Goal Theory, if an employee feels the appreciation of the previous achievement, he will tend to expand his effort for the company's sake (Evans, 2002; Meredith, Shafer, & Mantel Jr, 2017). Motivation is a flow that affects behaviour. A motivated employee is more productive and self-driven and takes more responsibility suggesting that they are more undertaking their job (Ryan & Deci, 2000; Grant, 2008; Vansteenkiste, et al., 2007; Kuvaas, Buch, Weibel, Dysvik, & Nerstad, 2017).

The remuneration can be financial and non-financial besides justly and even-handedly following the work performance (Armstrong & Stephens, 2005). It also can be direct and indirect. The commission received by an employee as a reward for the correct behaviour is a direct remuneration. On the other hand, indirect compensation contains development opportunities, more facilities, increased job responsibilities, security and insurance, and tranquillity in the workplace (Michael, 2019).

One of the primary roles of a leader in the implementation of the remuneration strategy is rewarding the correct behaviour of the salesforce and motivate them in the direction of the company's objective and retain competitors in the market (Agustiningsih, Thoyib, Djumilah, & Noermijati, 2016; Martono, Khoiruddin, & Wulansari, 2018).

The aim is to reward the employee according to the value they create for the company; rewarding the proper behaviour conveys the right message about what is the company's purpose (Armstrong & Stephens, 2005; Victor & Hoole, 2017; Boichuk, Bommaraju, Ahearne, Kraus, & Steenburgh, 2019). Rewarding competent behaviour increases the motivation and satisfaction of human capital (DeCenzo & Robbins, 2010; Caligiuri, Lepak, & Bonache, 2010) and elaborates a high-performance culture (Armstrong & Stephens, 2005; Michael, 2019).

Planning an appropriate remuneration strategy is momentous as the available resources are limited. Hence sales managers must study the sales force performance carefully and sincerely. A proper strategy entails a set of activities and decisions to analyze the company's initial situation concerning sales force resource allocation, marketing objectives, and managing customer relationships (Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020).

2.4. Sales manager selection process

In the current business environment, sales managers are a vital part of B2B companies for leading, coaching, motivating and evaluating the sales team. They should be confident that their team has received sufficient tools and training to attain its objectives. They tie up the company's vision to the profit producer source (Dalrymple, Corn, & DeCarlo, 2004; Dubinsky & Ingram, 1983; Cron, DeCarlo, & Dalrymple, 2010).

Researches that have been done in the area of the role of sales managers indicate that a talented sales manager can increase the profit of the sales department by increasing the efficiency of the salesforces. Sales managers have a wide range of responsibilities. They must have the ability to establish a fruitful relationship with people, customers, their salesforce and other coworkers in the organization and also business partners (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

There are various sales organizations, and in each one, sales managers can have different titles such as sales leader, branch manager, or area directors. They can have direct or indirect responsibility of guidance of the salesforce; in all the scenarios, they should act based on the sales management system (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

In a traditional organization with a hierarchical system, the responsibility of sales managers is more controlling; they should control the reports and check the salesforce's generated outcome. This traditional system can be efficient in steady environments. But in the turbulent environment of this century, it is mandatory to have a dynamic approach to survive in the unpredictable market. The role of sales managers improved from just being a supervisor to a leader (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019). Based on this new role, sales managers should have more concentration on the relationship and collaboration. This relationship is not just limited to the salesforce and customers of the company; it also contains all their relationships with other departments of the organization. This new manner put together all the departments as a unique unit to move forward through the company objectives and increase the company's profitability (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019; Valdivieso de Uster, 2018).

Sales managers have to make a profitable collaboration instead of just controlling top-down and following rigid guidelines to achieve the goals. For instance, marketing and sales manager should work jointly to produce the best result out of the available resources. They should collaborate in the same direction as win and failure can have the same influence on both departments, and the development of their activities have a direct impact on the success of the organization (Jobber & Lancaster, 2009; Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

In the leading sales organization culture, the role of sales managers developed from a criticizer to coaching, and this manner is not limited to the new member of the sales teams. Training and coaching are necessary for all the salesforce to improve their performance and maximize efficiency to obtain the best result (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019; Atefi, Ahearne, Maxham III, Donavan, & Carlson, 2018).

Well trained salesforces are the power of an organization to move forward. When they receive the decision-making authority regarding the customer, they can be more efficient and responsive. They act more motivated and are more satisfied with the situation. This sharing of information and responsibility between sales managers and salesforces empowers them, increases satisfaction, and flourishes their ability. Most importantly, it helps the sales management system build the next generation of sales managers (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Competent sales leaders are the best analyzer of the information. They collect the data from the market, evaluate and analyze the data, and share it with their team members instead of withholding it. They plan, research and perform the best strategy with the help of educated salesforces (Johnston &

Marshall, 2019; Rich, 1997). Recruiting a leader for the position of a sales manager needs a proper evaluation as it would catapult the progress of the business and profitability. Some organizations would like to hire their sales manager from outside of their community. On the other hand, many organizations promote the most successful sales force to a higher position and elevate them to sales manager (Deeter-Schmelz, Kennedy, & Goebel, 2002; Plank, Reid, Koppitsch, & Meyer, 2018).

The duty of sales managers is highly different from the salesperson. Some people successfully transmit this elevation and responsibility, but evidence suggested that a skilled sales force may not necessarily be a successful sales manager; sometimes, there is a mismatch between the person and the role of the sales manager (Deeter-Schmelz, Kennedy, & Goebel, 2002; Spencer, 1972; Brewer, 1997; Ziyal, 1995; Plank, Reid, Koppitsch, & Meyer, 2018). Hiring an incompetent leader for this position may cause damages to your reputation in the market, wasting the resource, losing customers and market share. It may waste lots of time and resources of the company (Mehta, Dubinsky, & Anderson, 2002).

A competence promotion system is functioning as a motivator. There are consequences in promoting the best salesforce to a managerial position. Specific skills are mandatory to have the responsibility of this position (Jobber & Lancaster, 2009). A leader for this position must be able to evaluate and analyze the performance of the team members and influence the sales team to behave toward the sales strategy of the company and the accomplishment of goals. The ability to pursue and motivate the team is meaningful; it facilitates the path to train the team and solve the severe impediment by improving their consent. To be the best seller in the company is not necessary to have these skills (Jobber & Lancaster, 2009; Anderson, Hair, & Bush, 1992; Dugan, Hochstein, Rouziou, & Britton, 2019).

The characteristic of a sales manager may influence their behaviour and decision-making process and effectiveness and, consequently, may affect the sales force's performance (Sager, Yi, & Futrell, 1988). Therefore, we aim to evaluate how different personalities can moderate the transformation in the behaviour of sales managers in the organization.

CHAPTER 3. THEORETICAL BACKGROUND

3.1. Evolutionary history, leadership, and power

Evolutionary history has shown that leaders have played a fundamental role in human communities that have allowed them to achieve goals. The relationship between leaders and followers is a universal aspect of human nature. This response to an unwritten agreement or convention whereby the followers give power to the leader and the leader is committed to making the best decisions to benefit the group (Van Vugt, Hogan, & Kaiser, 2008; Buss, 2015).

Leadership scholars define various definitions of leadership.

- Leadership is a flow that one individual in the role of leader enforces a group of people to follow the shared goals (Gardner J. G., 1990).
- Leadership is a persuasion process whereby a group of individuals follow a leader to obtain a common objective (Northouse, 2021).
- "Leadership can be defined as the nature of the influencing process and its resultant outcomes that occurs between a leader and followers and how this influencing process is explained by the leader's dispositional characteristics and behaviours, follower perceptions and attributions of the leader." (Antonakis, Cianciolo, & Sternberg, 2004, p. 5).
- Leadership is a penetration connection between leaders and followers to attain reciprocal goals (Rost, 1991).
- Leadership is the ability of social influence to encourage people to engage in a function or piece of business (Chemers, 2014).

There are numerous definitions for leadership, emphasizing the importance of the relation between leader and follower and their shared goals. Followers will accuse the organization's objectives if the team receive a guideline from an influential leader (Bass, 1990; Gardner, et al., 2020; Rudolph, Rauvola, & Zacher, 2018).

Living in a group is full of compromise and conflict, so groups have demonstrated a need for leaders (Buss, 2015). However, when an individual achieves a leadership position, has two options, they can continue to improve the expected benefit or change and put their interests above those of the group. Despite the social benefits of having leaders who can work beyond their interest, There are many shreds of evidence in the literature that leaders who achieve a position of power are more likely to deceive and prioritize their benefits (Lammers, Stapel, & Galinsky, 2010; Lammers, Galinsky, Gordijn, & Otten, 2012; Maner & Mead, 2010; Anderson & Berdahl, 2002; Galinsky, Magee, Gruenfeld, Whitson, & Lijenquist, 2008; Deng, Zheng, & Guinote, 2018).

The effect of power on human life is remarkable; it can change the behaviour, consideration, sensation, and other areas of the life of a human being (Guinote, 2007a; Keltner, Gruenfeld, & Anderson, 2003). Throughout history, human communities leaders have helped them manage the primary challenges, distribute resources, diffuse intergroup disagreements, and help followers achieve their goals. The relationship between leaders and followers acts according to an implicit social convention wherein followers reliance on the leader for decision making and leaders pact to make decisions based on the group’s best profit (Van Vugt, Hogan, & Kaiser, 2008; Bastardoz & Van Vugt, 2019).

The experimenting of power can cause dishonesty. It means that leaders use their power selfishly to increase their capacity for violence and dominance and pursue their purposes, instead of using their power for flourishing the common goal can (Maner & Mead, 2010; Deng, Zheng, & Guinote, 2018). Although some authors point out that power in itself cannot cause selfishness or involving mutual assistance in working toward a common goal, but feeling powerful can encourage them to follow their plan and benefits (Galinsky, Gruenfeld, & Magee, 2003; Guinote, 2008; Overbeck & Park, 2006). After seeing these pessimistic views of the effect of power on leaders behaviour, we are interested in seeing some factors that sales management may consider to prevent their leaders from using their power for their benefit rather than its profit.

3.2. Leadership and social distance

One of those changes in behaviour caused by power is the increase of psychological distance concerning subordinates. This psychological distance between people is called social distance (Liberman, Trope, & Stephan, 2007). In this study, we will estimate this distance. The increase in the social distance makes leaders think more aloof and abstract about subordinates, prioritizing their interests over those in a lower position (Kopelman, 2009).

The Construal level theory (Trope, Liberman, & Wakslak, 2007; Higgins, Kruglanski, & Van Lange, 2012) explains an abstract relation between psychological distance and how individuals think about a subject or issue. It means that objects, people, and events are represented in individuals minds with different degrees of concretion or specific details. It depends on the psychological distance perceived by the receiver (these distances can be temporal, geographic and social) (Trope & Liberman, 2003). Among the different types of mentioned psychological distance, we will focus on social distance in our study. For instance, establishing a more significant social distance towards a person means that individuals perceive that person as very far away from themselves with little emotional and practical involvement with him (Lammers, Galinsky, Gordijn, & Otten, 2012).

The construal-level theory considers that when there is a social distance between two individuals, the subject is perceived as a more abstract entity. That is to say, depersonalized, in which you look for more service that they can offer you over any other interest (Vohs, Mead, & Goode, 2008).

Several investigations in the leadership domain have explicitly focused on the effect of achieving a position of power in an organization with the establishment of a social distance concerning followers, besides, how this social promotion affects the perception of followers more abstractly and how this level of mental representation influences the judgments of the leaders (Lammers, Galinsky, Gordijn, & Otten, 2012; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

In the current research, based on these previous findings, we propose creating an index of social distance concerning the followers and creating this index aims to establish a relationship between the estimated social distance between the leader and the followers and how the leader pays more attention to his objectives for the company's objectives

3.3. Relevant characteristics of leader's personality

As previously mentioned, there is a long tradition of studying the psychological profile of leaders, trying to find those personality traits that contribute to their development (Kirkpatick & Locke, 1991; Zaccaro, Green, Dubrow, & Kolze, 2018). In this doctoral thesis, three of these characteristics will be analyzed: social self-control, the desire to know and the need for control.

3.3.1. Social self-control

Social self-control is a concept proposed by Snyder (1970) that attempts to reflect the degree to which individuals manage their behaviour and expressions when dealing with other people. Thus, while some people are totally uninhibited and act naturally and spontaneously in a social context, others are more careful with their image or how they will be perceived by the social environment, consciously adjusting their expressions and behaviours to disappoint (Snyder, 1987).

Social self-control is a personality trait that describes the ability of individuals to "strategically cultivate public appearances" (Gangestad and Snyder, 2000, p. 530). According to the degree of self-control, individuals are classified into two groups. Those who maintain high self-control, social pragmatists, resemble chameleons since they adjust their public expression (attitudes and behaviours) to the expectations of others, and low self-controllers, those who try to convey the image of spontaneity and sincerity. This personality trait has been studied in the case of leaders since high self-controllers are competent to satisfy social expectations and increase their leadership perspective (Day & Schleicher, 2006; Kudret, Erdogan, & Bauer, 2019).

3.3.2. Cognitive effort

Another personality trait that leaders can be classified with is their natural predisposition to perform complex mental exercises that require cognitive effort. This trait reflects the interest shown by individuals in knowing and structuring difficult situations to understand their process (Cacioppo & Petty, 1982). Although all individuals have a certain degree of proneness, they usually categorized in two extreme poles: those who show a greater disposition to the cognitive effort, who also like to participate in debates, evaluate ideas and solve complex problems, while, at the opposite pole, there are the ones with a low predisposition, they prefer more repetitive tasks requiring little mental effort, tend to process information superficially and draw conclusions in a heuristic way (Dole & Sinatra, 1998).

Some individuals' willingness to make cognitive effort has been associated with Epstein's dual system (Epstein, 2010). According to his proposal, individuals have two information processing systems, one more rational and the other more experiential. When individuals use the rational system to analyze information, make diagnoses and make decisions. They apply logic, the deductive process and verbal argumentation to draw unemotional conclusions. When individuals use the experiential system, they base their decisions on intuitive processes based on images and their emotions.

Although it has not been possible to establish a direct relationship between predisposition to cognitive effort and the dual theory (Epstein, 2010), there is a tendency for individuals who desire the cognitive effort to use the rational system more than less predisposed individuals. In fact, an association has been established between the more cognitive individuals with high-elaboration ideas (of an abstract nature) and those with a lower need for cognition with the use of low-elaboration heuristics (Dole & Sinatra, 1998).

Therefore, it is an interesting personality trait to study in leaders and see how their predisposition to cognitive effort moderates the leaders' perception of psychological distance and their disposition to selfishness.

3.3.3. The best decision-makers

Another personality trait that we aim to study is the predisposition of some individuals to make the best decision. Schwartz et al. (2002) proposed this idea, who used Simon's (1955) criticism of rational choice presented by economic theory as the basis of their analysis. He pointed out that some individuals desire to search deeply among the multiple alternatives and choose the best. In contrast, others browse the alternatives to find an option that meets their expectation and select it.

As in all psychological traits, all people approach different scenarios with different decision-making processes. However, the literature shows a prevalence in some individuals optimizing their decisions; they were called maximizers. Others who seek a compromise solution, settling for a choice that exceeds an acceptability threshold, were called satisfiers (Schwartz, et al., 2002).

Maximizer individuals tend to be more perfectionistic, less optimistic and more neurotic (Schwartz, et al., 2002). But, as leaders' characteristics, we are much more interested in study how this trait affects the decision-making process. Given that leaders with a maximizers profile perform a more exhaustive analysis of the options (Dar-Nimrod, Rawn, Lehman, & Schwartz, 2009; Shortland, Alison, & Thompson, 2020). They consume more time and make a more significant effort in making decisions (Polman, 2010) than the satisficers leaders. Unfortunately, it does not seem to pay off since maximizers feel less satisfied with the choices they become more stressed (Leach & Patall, 2013). (Dar-Nimrod, Rawn, Lehman, & Schwartz, 2009; Chowdhury, Ratneshwar, & Mohanty, 2009; Shortland, Alison, & Thompson, 2020), and their strategies often do not provide the best results (Parker, De Bruin, & Fischhoff, 2007).

CHAPTER 4. Do clothes make the men? The moderating role of self-monitoring[1]

[1] An abridged version of this article was featured in Euoropian marketing academy 2018, Hamburg

4.1. Abstract

One of the crucial tasks of sales managers is controlling sales team effort and performance to verify that all activities follow the organizational goals. However, when an employee was promoted to be a manager, he undergoes a process of transformation that increases the psychological distance concerning his new subordinates. This psychological behaviour is called social distance (Liberman, Trope, & Stephan, 2007). In addition, this empowerment makes them prioritize their interests over others and use subordinates to achieve their personal goals. In this study, we will estimate the social distance. Also, we want to see how some of the manager's personality traits, the degree of social self-control, moderates this behaviour and affects the evaluation criteria used for the compensation system of the sales force.

Keywords: sales manager, leadership, self-monitoring

4.2. Introduction

One of the most characteristic human elements of B2B channels is their sales force. Having a high-educated and trained sales team for long-term sales processes can contribute to a good performance. For some undifferentiated industrial products and services, the perceived quality of the sales force is an essential feature of differentiation against competitors (Ganesan, 1994; Grayson & Ambler, 1999). Therefore, one of the primary responsibilities of the sales manager is to control the sales task and make sure that everyone acts most effectively according to the organizational goals (Cravens, Ingram, LaForge, & Young, 1993; Cravens, 1995).

Among the sales manager’s tasks, a precise evaluation of the sales force will guide a sales manager to make better decision-making towards a profitable business (Dalrymple, Corn, & Decarlo, 1988). It helps to recognize the work performance quality and, consequently, rewarding the correct behaviour will increase the salesforce confidence and motivation. Further, the precise evaluation identifies weaknesses, so it helps to improve those areas (Jobber & Lancaster, 2009; Ingram, LaForge, Avila, Schwepker Jr, & William, 2019; Atefi, Ahearne, Maxham III, Donavan, & Carlson, 2018).

One of the most addressed issues by management literature is the sale’s compensation system. Each company develops its system combining salary and bonus in different proportions, based on some criteria. To implement the best compensation system, sales managers should analyze the performance of their sales forces. Performance activities include sales data (by segment or by product line) or sales improvements, in addition to some measures of effort, such as the number of visits or time spent with clients, experience or knowledge, attitude, etc. And, finally, the salesforce is part of the B2B brand image; some criteria on the quality of service provided must also be evaluated (Jobber & Lancaster, 2009; Iacobucci, 2016).

However, something less studied, how the sales manager’s personality affects the salesforce evaluation and compensation criteria. When a person is assigned a position of power, this affects the psychological distance that s/he maintains for subordinates. It involves how s/he perceives subordinates (Gruenfeld, Inesi, Magee, & Galinsky, 2008), establishing a more significant social distance with followers (Liberman, Trope, & Stephan, 2007).

This study will measure this social distance between the sales manager and the sales forces and explore how different degrees of self-monitoring, a personality trait, contribute to modify the evaluation and compensation criteria.

This document reports the results obtained from an experiment carried out with a sample of undergraduate business administration students who participated in a sales management simulation exercise. Since the experiment simulates a decision-making process, each participant assumes the role of leader and manages the remuneration of their subordinates (salespeople) based on the results obtained. Consequently, the data collected from observation shows how a salesperson who is promoted to leader of their team experiences a psychological transformation that establishes a psychological distance with their subordinates. Can this psychological distance be measured? Does any characteristic of a leader personality help to reduce that distance?

In addressing these questions, we make three contributions to the marketing literature. First, our research is among the first in marketing to measure the psychological distance of a newly promoted leader. Second, we reveal important aspects of the salesforce compensation process by the notion that short-term objectives take precedence over effort and quality of service. Third, after demonstrating our basic effect, we investigated the moderating role of the leader's social self-control and its impact on compensation decisions and the short-term and long-term goals of the sales team.

4.3. Theoretical framework

4.3.1 When someone has charge of a sales team

A previous study shows when an employee is promoted to be a team leader of a group of salesforce, endowing with authority and power to decide on resources, this change in position affects both the perception of themselves and their subordinates (Guinote, 2007a).

The effect of power on human life is considerable; it can change the behaviour, consideration, sensation and other areas of the life of a human being (Guinote, 2007a; Keltner, Gruenfeld, & Anderson, 2003). Throughout history, human communities leaders have helped them manage the primary challenges, distribute resources, diffuse intergroup disagreements, and help followers achieve their goals. The relationship between leaders and followers acts according to an implicit social convention wherein followers trust a leader to make the best decision for the group. Leaders agree to follow how that leads to achieving the group's best profit (Van Vugt, Hogan, & Kaiser, 2008; Bastardoz & Van Vugt, 2019).

Power experimenting can cause dishonesty. It means powerful leaders use their power selfishly to increase their resources and pursue their own goals instead of using their power and authority to flourish the group's common goal (Maner & Mead, 2010; Deng, Zheng, & Guinote, 2018). Although some authors point out that power in itself cannot cause selfishness or involving mutual assistance in working toward a common goal. But feeling powerful can encourage them to follow their plan and benefits (Galinsky, Gruenfeld, & Magee, 2003; Guinote, 2008; Overbeck & Park, 2006).

4.3.2. leadership and social distance

One of the main objectives of this study is to measure the psychological distance derived from assuming a position of power. Although this relationship between power and psychological distance has been treated in depth in the literature (Smith & Trope, 2006), there is little empirical evidence of its existence; some precedent is Lammers et al. (2012). However, as far as our knowledge reaches, there are no precedents in marketing or sale-team management.

According to the proposal of Lammers et al. (2012), when a salesperson assumes a leadership position and, therefore, of power, a perception of self-sufficiency occurs that leads to social distancing. Since empowerment increases the ability to control their own results and, in addition, the results of others (Magee & Galinsky, 2008), it makes them relatively less dependent on the decisions of others (Overbeck, Tiedens, & Brion, 2006). Ultimately, promotion to a team leader position makes individuals perceive that they will no longer need the help of others to achieve their goals (Keltner, Gruenfeld, & Anderson, 2003; Lammers, Galinsky, Gordijn, & Otten, 2012; Rucker, Dubois, & Galinsky, 2011; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

It has also been studied how the perception of self-sufficiency is a driver of social distance. For example, Vohs, Mead & Goode (2006) conducted a study on the psychological consequences of handling money. They proposed a series of experiments where groups of participants had to complete different tasks such as forming sentences from words. Two scenarios were considered: one where money was gambled, and the other was not. They found that the motivation of money changes individuals' behaviour as it improves their performance but, at the same time, worsens their behaviour towards others. The results suggest that money brings the motivation of orientation towards self-sufficient behaviours. They preferred to play alone, reduced the request for help from other members and even put a greater distance between them than those who participated in games without money (Vohs, Mead, & Goode, 2008).

In short, the empowerment and self-sufficiency it generates drives to increased psychological distance from subordinates. This psychological distance between people is called social distance (Liberman, Trope, & Stephan, 2007). In this study, we will estimate this distance. This increase in the social distance makes leaders think more aloof and abstractly about subordinates, prioritizing their interests than those in a lower position (Kopelman, 2009).

Although, in general, powerful individuals act less pro-social and allocate more resources for themselves than powerless individuals (Galinsky, Gruenfeld, & Magee, 2003), but not all people who endowed with power act in the same way.

Powerful individuals can act differently (Galinsky, Gruenfeld, & Magee, 2003) and make decisions based on their personal experiences (Weick & Guinote, 2008). Based on the above arguments, we propose the following hypothesis:

Hypothesis 1. When individuals reach a position of power, they allocate more resources to themselves compared to their subordinates.

4.3.3. The moderation role of social self-control

This research aims to show that the connection between leadership and social distance depends on the manager's personality: how they conceive experimenting with power. Specifically, we propose that the perception of social distance towards subordinates will be moderated by the degree of social self-control

Personality plays an important role in management, so it is essential to understand how personality differences affect the organization. Before the 1980s, there was a common belief that personality had no remarkable effect on individuals' work performances (Guion & Gottier, 1965). Nowadays, there is plentiful evidence of the validity of many personal characteristics in comprehending manners, attitudes, and outcomes in the workspace (Day & Schleicher, 2006). In recent years, evolutionary psychology has been increasingly concerned about the emotional and self-assessment mechanisms, which follow dimensions adaptively in social contexts (Frank, 1988; Barkow, 1989; Kirkpatrick & Ellis, 2001).

The concept of social self-control was introduced by Snyder in the 1970s while studying how people monitor their behaviour when dealing with other people. Social self-control attempts to analyze individuals' behaviour within the group and how the group notices their behaviour.

Snyder (1987) realized some people tend to monitor their behaviour, present themselves to others, and use nonverbal language. While others act spontaneously, they do not care what others think about them, and, therefore, they work without paying attention to their forms of expression in public. It is not essential how other people think about them and their behaviour.

High social self-control individuals are better learners, can control their emotional expression and behaviour. Consequently, they have a more remarkable ability to influence others in the way they want. While, lower social self-controllers behave based on their own internal beliefs and attitudes, regardless of social condition and often less observant of the social context and consider the possibility of expressing a different self-presentation from their internal state falsehood undesirable (Gangestad & Snyder, 2000).

Regarding the relationship between leaders and followers, Day and Schleicher (2006) indicated that those with a high level of self-control are skilled in facing social conflicts, increasing their leadership perspective, and more likely to attain promotions (Kilduff & Day, 1994). High social self-control individuals tend to satisfy public expectations. One of their main goals is to impress others. They tend to be social pragmatists contributing to improving their status and power within the group (Gangestad & Snyder, 2000).

Low social self-control individuals are also interested in their general impression. They try to convince others what they show is not a false image. It is a true reflection of self; therefore, they are less eager to impress others with behaviour and attitude far from their self-experiences (Gangestad & Snyder, 2000).

We believe that high social self-control individuals will be willing to sacrifice even their resources for the sake of the group when they receive a position of power. They have a predisposition to impress others and show that their behaviour plays an important role (Snyder, 1987). Also, they are more concerned about how other individuals will evaluate them, and they are sensitive to the expression of others in social situations (Snyder, 1987). Consequently, we expected that the future and the organization's success would be significant for preserving their image.

Low social self-control individuals also try to impress others. In this case, they want to show a true reflection of themselves (Gangestad & Snyder, 2000). Therefore, low social self-control or leaders will likely offer less reluctance to express how their empowerment has affected them. We expected that they show clearly a greater interest in their objectives and being more demanding with subordinates to accomplish them above the company's interests, in other words, showing the greater social distance from their associates. Based on the previous literature, this study formulates the below hypothesizes:

Hypothesis 2. High social self-control sales managers will allocate fewer resources to themselves than the low self-control managers.

Hypothesis 3. Low social self-control sales managers will show more interest in compensating for short-term results than those with high self-control degrees.

Hypothesis 4. High self-control sales managers are more interested in compensating their team's effort compared to low self-control sales managers

Hypothesis 5. High self-control sales managers will show more interest in punishing returns as quality failures than low self-control.

4.4. Methodology

This research examines whether empowering an individual, turning them into a sales team leader, generates a mindset change that produces a psychological distancing from subordinates. We organized a simulation with a sample of undergraduate business administration and management students to test this proposal. However, we first carried out a pretest with 50 students who evaluated four scenarios to verify the operation of the simulator and use it in estimating the measure of social distance.

4.4.1. Participants

Participants of this experiment were 200 on-campus students (89 men, 111 women, average age 21 years) who took part in a lab experiment. They participated as volunteers in the computer rooms of a large university in Spain.

4.4.2. Design and procedure

The use of simulation exercises in business management involves replicating a real function in an artificial environment (Thavikulwat, 2004). According to Summers (2004), in these business games, students learn how to decide in the real world by making decisions in a simulated company, most of the time in an industrial or competitive environment. The simulation exercises can be varied since they can focus on both the internal mechanisms or dynamics of the company, its interaction with its environment or both at the same time (Clarke & Clarke, 2009).

The simulation exercise proposed in this study is focused on a particular management function, which is the remuneration of the sales team based on their monthly performance. The simulation was conducted online in a computer room. When the simulation commenced, the whole scenario explained to the participants in detail. For more information, see Annexe 4.

In this scenario, each participant has to imagine that s/he has been hired in an electronic equipment company as a salesperson (B2B). Due to their excellent performance, s/he received a promotion to a sales manager position in this company. Their responsibility as a sales manager is to analyze the monthly activity report of the three salesforces under his supervision for one year (12 months). They should decide how to allocate and divide the company's commissions generated between three salespeople and themselves, in the form of a percentage based on the received monthly report.

The job descriptions and responsibilities of a sales manager were explained in detail to the participants. They were also reminded that their decisions might have consequences on the success and future of the company. They should evaluate the monthly report wisely, divide the commission between themselves and the salesforces, and consider their decision-making implications. As participants are business administration and management students, they have acquaintance with the function of sales manager in the organization.

The monthly activity report contains three criteria for evaluation and consideration: Sales outcome, Number of visits of the customers, and Number of returned products.

1. The sales outcome is a quantitative measure and shows the revenue each salesforce made for the company last month.
2. The number of visits of customers is a behavioural criterion. It refers to the sales meetings and approaching the customers, including selling and non-selling activities.
3. The number of the returned product refers to CRM, the customers' satisfaction degree.

For the formation of the scenarios, the experimental design's logicas been followed (Huertas-Garcia, Gázquez-Abad, & Forgas-Coll, 2016). For each of the simulator factors (sales outcome, number of visits and number of returned products), three levels encoded by vectors (1, 0, -1) have been considered. It produces a full factorial design of $3^3 = 27$ scenarios. Twelve randomized scenarios were taken for each factor, considered as independent from one another.

Each participant with the role of the promoted sales manager receives a report in the simulator each month based on the sales team's performance, additionally with the total income achieved for the company and the profit amount that can be assigned as commission for the team. Once the sales team's activity performance has been assessed, s/he must divide the commission between the three salesforces and themselves. For more information, see Annexe 4.

The commission allocated to themselves is a dependent variable, the commission assigned to the three salesforces based on their monthly report is another dependent variable. These three evaluation factors are coded vectors are independent variables.

After completing the simulation part, participants answered 25 questions of the self-monitoring scale (Snyder, 1974) as an estimator of participant's social self-control degree and some classification data. The self-monitoring scale contains 25 statements that each participant has to answer if the statement is true or false for them.

Some examples of items: "My behaviour is usually an expression of my true inner feelings, attitudes, and beliefs"; "At parties and social gatherings, I do not attempt to do or say things that others will like", "When I am uncertain how to act in a social situation, I look to the behaviour of others for cues", among others. The full scale is shown in Annexe 1.

A coding is assigned to each answer. Individuals classified according to the guideline provided by (Ickes & Barnes, 1977): high self-monitor individuals for scores between 15-22 points. The medium self-monitor individuals between 9-14 and low self-monitor individuals between 0-8. The result of this scale is another independent variable.

4.5. Results

Once participants completed the simulation, all the answers to the simulations and the questionnaire of the self-monitoring scale were reviewed. Some incomplete questionnaires discarded.

First, we compare the results between the pretest and the leadership test. In the pretest, a different scenario was proposed. Instead of the sales manager position responding to a rise in the organisation's hierarchy, it was explained that a group of friends created an electronic equipment marketing company and, together, decided to select one as a leader of the team because of their educational background in business management.

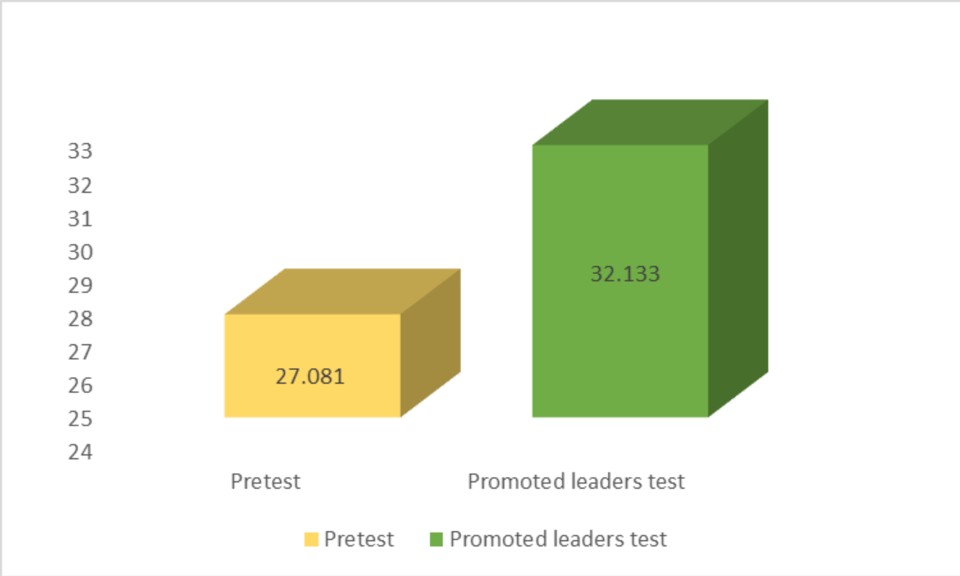
In the pretest scenario, 50 undergraduate business administration and management students participate.

The commission allocation to the selected leader in the pretest was (M = 27,081, SD = 13,278). In comparison, the result assigned to the sample of 200 participants in the simulated scenario of the promoted sales manager is (M = 32,133, SD = 14,815).

The ANOVA analysis (F (1, 2599) = 12249, p <0.01) indicates that the difference is significant. Consequently, promoted sales managers show more social distance in commission allocation. Differences will be 5,052 commission points more, representing a difference of 18.65%. The comparison between the pretest and promoted leaders scenario showed in figure 2.

Also, the comparison between the part of the commission assigned to employees when they are partners and friends is (M = 24.52, SD = 9.88), not detecting significant differences with the leader's commission at p > 0.05. In the case of the position of promoted leader in the company, the average commission assigned to their employees is (M = 22,624, SD = 9,929), with significant differences (F (1, 9799) = 15.685, p <0.01). That is to say, on average, team leaders assigned 9.50 points (an increase of 42 %) more to themselves than to their sales team.

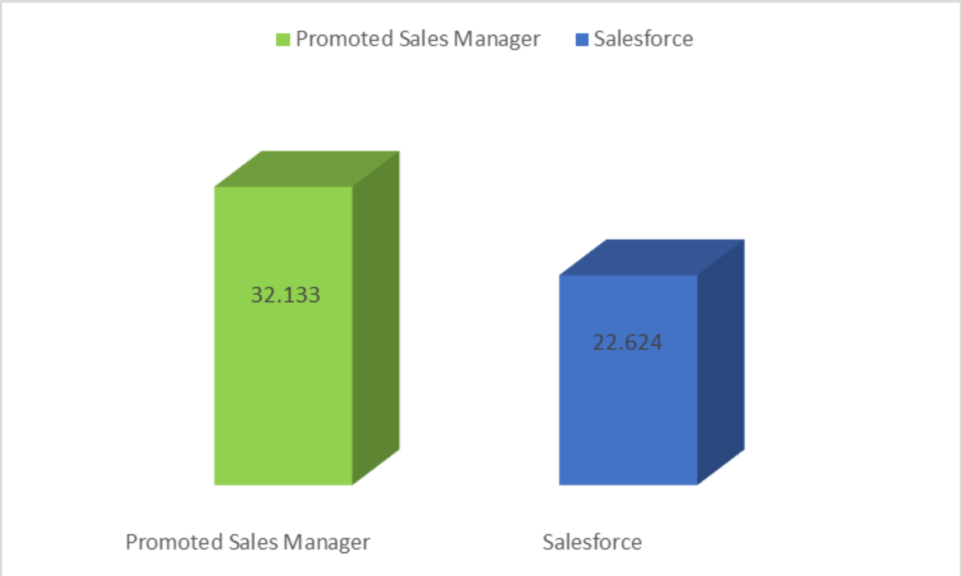
Figure 2: The comparison between the pretest and promoted leaders scenario for resource allocation



With all these data collected, we can affirm that when an individual who occupies a salesforce position is promoted in a hierarchical organization and reaches a power position, they assign more resources to themselves than when they have the same place with partners. Furthermore, they also allocate more resources to themselves compared to their subordinates. That is, we can say that hypothesis 1 is fulfilled. (For more details, see Table 9 and Table 10 in Annexe 5). The differences in resource allocation between the sales manager and sales team showed in figure 3.

Second, to try to see if the promoted leader in the organisation's hierarchical structure used any evaluation criteria to explain the commission increases assigned to themself, a regression analysis was used. This regression is between the commission assigned to them (continuous dependent variable) and the result of the performance of the salesforce (independent variables encoded by vectors: sales outcome, number of visits and number of returns). The result was not significant (F (3, 2408) = 0.1047, n.s.). For more details, please see Table 13 in Annexe 5. In other words, the assignment of a higher or lower commission to themself did not respond to any management criteria or the performance of the salesforce.

Figure 3: The remuneration allocation differences between the promoted sales manager and salesforce



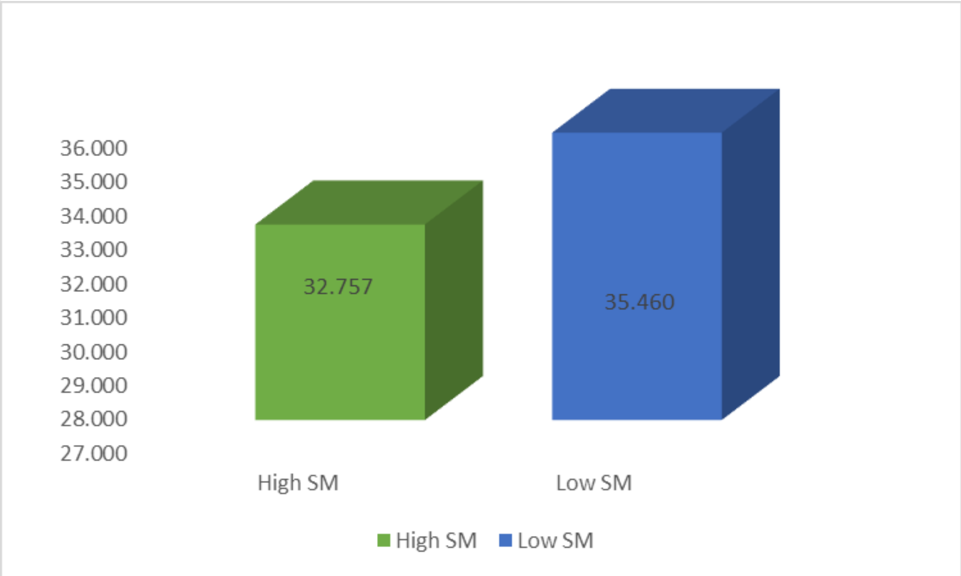
Third, we estimated whether the commission assigned to sellers responded to any evaluation criteria. To verify this, we estimate the commission allocated to each seller (continuous dependent variable) concerning the results obtained by the employee (independent variables encoded by vectors: Sales outcome, number of visits and number of the returned product).

The results were significant (R^2 = 0.30; F (3, 2408) = 348.63, p <0.01), showing the existence of criteria to explain the assignment of commission to sellers. The main criterion was the seller's outcome (B = 6.514, SE = 0.206, t (2408.) = 31.491, p <0.01), the second the number of visits (B = 1.294, SE = 0.206, t (2408.) = 6.258, p <0.01), and, finally, of negatively the number of returns (B = -0.802, SE = 0.206, t (2408.) = -3.877, p <0.01). For more details see Table 14 of Annex 5. While it is possible to find correlations between the commission allocated to each seller based on her/his commercial management, it is impossible to find any relationship between the management of her/his team and the proportion of commission allocated to himself.

Fourth, we study the moderating role of social self-control degree on leaders' behaviour, decision-making, evaluation criteria and dividing the remuneration between themselves and the sales team. Following the process proposed by Allard & Griffin (2017) of dividing the participants among those who obtained scores a standard deviation below and above the mean on the self-control scale, participants were divided into two groups. Individuals with scores between 15-22 categorized as high social self-control, and individuals with scores between 0-8 as low social self-control. After dividing individuals into two groups, the social distances between team leaders and employees were estimated.

Low social self-control promoted sales manager allocate a higher margin rate (*M*=35.460, *SD*=15.748) than high social self-control (*M*=32.757, *SD*=14.512), with significant differences (F (1, 1210) = 9.246, p <0.01). The result contradicts hypothesis 2, where we predicted that sales managers with high social self-control would allocate fewer resources than managers with low self-control. For more details, see Table 11 and Table 12 of Annexe5. The comparison between high and low self-control in commission allocation showed in figure 4.

Figure 4: Comparison between High and Low Social self-control promoted sales managers in commission allocation to themselves



Also, using regression analysis, the dependent variables were adjusted for all outcome-independent variables without obtaining any type of correlation as in the general analysis.

Finally, we evaluated the criteria used by the sales manager to evaluate the performance of the salesforce and the amount of commission assigned to each one through linear regression.

The results show that leaders with low degree of social self-control, as we had predicted in hypothesis 3, have more consideration for short-term results (such as sales outcome) than leaders with high degree of social self-control. Low social self-control (B = 7.46, SE = 0.46, t (452) = 16.01, p <0.01) versus high social self-control (B = 6.95, SE = 0.32, t (752) = 21.46, p <0.01) which differences are significant (Difference of means: z = 20.746, p <0.01). With which hypothesis 3 is confirmed.

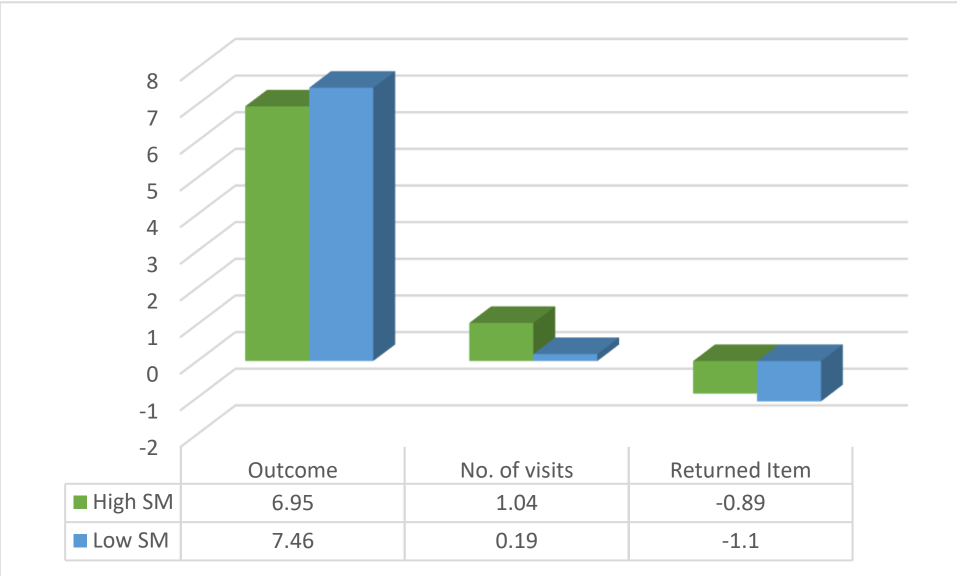
Regarding hypothesis 4, that leaders with a high degree of social self-control are more interested in compensating the medium-term effort of their team compared to the low degree of social self-control, it is also confirmed.

High social self-control (B = 1.04, SE = 0.32, t (752) = 3.23, p <0.01) versus low social self-control (B = 0.19, SE = 0.46, t (452) = 0.40, p = *n.s.*) which differences are significant (Difference of means: z = 34.577, p <0.01). With which hypothesis 4 is confirmed.

In addition, the findings showed that a high degree of social self-control leaders is not interested in penalizing the salesforce with a bad reputation more than low social self-control leaders. It is pretty contrary to what we had predicted with hypothesis 5.

Low social self-control leaders (B = -1.10, SE = 0.46, t (452) = -2.37, p <0.05) versus high social self-control (B = -0.89, SE = 0.32, t (752) = -2.76, p < 0.01) which differences are significant (Difference of means: z = 8.542, p <0.01). Therefore, hypothesis 5 is not fulfilled. For more details, see Table 15 and Table 16 of Annexe 5. The related information and comparison data between the high and low social self-control are summarized in figure 5.

Figure 5: Measures of remuneration allocation divided by High and Low Social self-control



In short, our predictions have been partially fulfilled. While leaders who manifest a low degree of social self-control show a greater interest in short-term results, they punish quality failures more severely. In comparison, leaders with high self-control pay more attention to the effort of salespeople to visit potential customers and, therefore, a more significant concern for the future.

4.6. Discussion

Our results are aligned with the previous literature (Guinote, 2007a; Keltner, Gruenfeld, & Anderson, 2003; Guinote, 2017). In the sense that when individuals reach a position of power, they develop a tendency to prioritize their interest over company goals and objectives and allocate more resources for themselves rather than other team members.

For instance, Liberman, Trope, & Stephan (2007) claimed that when an employee assigned to a leader's position, endowed with power, it increases the social distance, which contributes to considering subordinates more aloof and abstractly. In this study, through a simulation exercise, we have measured this social distance. This simulation exercise focuses on a sales management function, dividing the remuneration among the leader and the sales team based on their monthly performance.

To test our first hypothesis, we simulated two scenarios. We designed a pretest simulation to evaluate the differences between a friend group in the resource allocation and a team with a promoted manager. We compared the result of two simulations.

Our result showed that when a person receives precedence in a company, s/he will be affected by a mental transformation causes social distancing with the sales team. This social distance affects the decision-making process and, consequently, the remuneration allocation. As a promoted leaders, they decided to receive more commission than the team members. The result showed that, on average, team leaders assigned 9.50 points (an increase of 42 %) more to themselves than to their sales team. These differences were not significant in the pretest scenario.

We also evaluated the evaluation criteria for the remuneration allocation by promoted leaders. Our result didn't show any relation between the salesforce performance activity and the remuneration allocated to the leader. Additionally, we evaluated the link between the commission assigned to the salesforce and the evaluation criteria. It was impossible to indicate any relationship between the salesforce management and the evaluation criteria.

On the other hand, we analyzed the personality role in lengthening or narrowing social distance. In fact, in this study, we used aspects of the self-monitoring theory introduced by Mark Snyder to evaluate the behavioural differences in the decision-making of high and low social self-control individuals when they achieve power.

We have divided the sample into two groups according to their degree of self-monitoring scale. High social self-control individuals show a profile of sensitivity to how others evaluate and monitor them. They tend to be a social pragmatist and have public expressions. When they belong to a group, they show positive behaviour to satisfy public expectations and impressing others. It seems that social self-control personality trait affects their behaviour as leaders, in our case as sales managers.

Based on our result, high social self-control individuals allocated a lower proportion of resources to themselves than low social self-control individuals. In contrast, low social self-control managers, who care less about other's opinions, showed more selfish behaviour and allocated more resources to themselves.

Besides, different personality profiles contribute to defining management criteria. As high social self-control are sensitive to social appropriateness and the expression of others, they proposed a control and compensation system more in line with medium and long-term company objectives and sellers' interests. Although the first criterion of rewarding the seller's activity is the outcome of the sale, they also valued the effort, measured by the number of visits of customers, and punish the number of returned products more moderately.

According to our investigation, low social self-control individuals try to act following their "true self" (Gangestad & Snyder, 2000). They do not hide their true intention, manifest a greater interest in achieving their objectives, and compensate those who contribute to achieving their goal.

Our results showed that low social self-control individuals emphasized rewarding the financial work (outcome and profit) and penalized based on the number of returned products to a greater extent. However, they do not consider the effort of the salesforce since it is a medium and long-term criterion that benefits the company. That is, they have a greater focus on the short-term result.

CHAPTER 5. Who runs the company? The eminence role of leaders in the implementation of remuneration strategy[2][3]

[2] This article presented at European Marketing Academy 2021 Madrid
[3] A short version of this article presented as a work in progress in AEMAER 2019

5.1. Abstract

In the current global business environment, remuneration strategy is becoming more critical as it directly affects human capital efficiency and affects its objectives. Defining an adequate remuneration strategy requires a precise analysis of human capital behaviour. Different factors influence this analysis. In this context, we pursue the vital role of a leader to synchronize the remuneration strategy. Furthermore, through a simulation, we analyzed the effect of receiving preferment on the different evaluation criteria of salesforce performance in a business firm. To determine how this power affects the implementation of the remuneration strategy. Additionally, we would like to evaluate how cognition ability can moderate the behaviour of the leader.

Keywords: Remuneration strategy, Need for cognition, Human Capital

5.2. Introduction

Leaders exist to get things done through human capital. Among the leaders' functions, a precise evaluation of human capital is critical as they are the strategic weapon in an organization. A proper assessment of human capital guides leaders to implement an adequate remuneration strategy towards a profitable business. Moreover, it identifies the quality of work performance. (Dalrymple, Corn, & Decarlo, Sales Management, 1988).

Based on evolutionary history, the relationship between leaders and followers is a universal aspect of human nature. This response to an unwritten agreement or convention whereby the followers give power to the leader and the leader is committed to making the best decisions to benefit the group. It follows manners in the group's best profit (Van Vugt, Hogan, & Kaiser, 2008; Bastardoz & Van Vugt, 2019). A rich literature in social psychology points to leaders behaviour testifies that when a person reaches a leadership position, s/he experiences a mental variation that transform the inferences s/he makes about followers (Anderson & Berdahl, 2002; Chen, Lee-Chai, & Bargh, 2001; Guinote, Weick, & Cai, 2012; Galinsky, Magee, Gruenfeld, Whitson, & Lijenquist, 2008).

More recently, some researchers have associated this behaviour with a change in the perception of social distance (Lammers, Galinsky, Gordijn, & Otten, 2012; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018). In this research, we propose that this mental change caused by receiving power and authority can influence the behaviour of the leaders in the implementation of the remuneration strategy. It can affect the evaluation criteria of salesforces and consequently the remunerations assigned to the sales team under supervision, regardless of their work performance. This mental transformation can be defined as a temporal cognitive orientation that leads to variations in the fluidity sensation associated with the perception and how information is processed, which modifies the analysis and interpretation of stimuli (Gollwitzer, 1990).

With this research, we make two main contributions: first, we expand our knowledge about the underlying mechanisms in the human capital remuneration strategies by conceptualizing their fundamental elements. Second, through a simulation, we corroborate the relationships between the leader, the team's remuneration strategy, and its impact on its objectives. We verify how the compensation criteria can be moderated by the level of cognitive ability of the team leaders.

5.3. Theoretical framework

5.3.1. Why the remuneration strategy is important?

How an organization pays and rewards, its human capital is becoming more analytical in business to the business firm and increasingly concerned by top executives in the organization. Remuneration strategy is critical in the human resource management system as it is directly related to performance efficiency. Implementing a proper remuneration strategy in an organization has a significant effect on human resources behaviour and, consequently, improves the company's objectives.

Remuneration is a reward for the employees as compensation for their contribution through the company objectives. Providing proper remuneration in the organization is obligatory to develop a fair reward system for human resources. It has a significant effect to motivate employees that retain a high-level performance (Güngör, 2011).

Based on the social exchange theory, acknowledging the proper performance of employees make them behave appropriately (Cropanzano & Mitchell, 2005). Companies who build motivation for the employees prosocially motivate them and encourage them to go along with the company's benefits (Kuvaas & Dysvik, 2009). It contains strategies, policies, and processes to guarantee that employee accredits contribute by the company's management system.

The motivation of employees is one the result of proper implementation of the remuneration system in a company. This powerful instrument fortifies productive behaviour, promotes the success of the company aligns with the core values. The employee's motivation increases the loyalty to the organization and avoids corruption (Dobre, 2013; Agustiningsih, Thoyib, Djumilah, & Noermijati, 2016).

According to the Path-Goal Theory, if an employee feels the appreciation of the previous achievement, he will tend to expand his effort for the company's sake (Evans, 2002). Motivation is a flow that affects behaviour. A motivated employee is more productive and self-driven and takes more responsibility suggesting that they are more undertaking their job (Ryan & Deci, 2000; Grant, 2008; Vansteenkiste, et al., 2007).

The remuneration can be financial and non-financial besides justly and even-handedly following the work performance (Armstrong & Stephens, 2005). It also can be direct and indirect. The commission received by an employee as a reward for the correct behaviour is a direct remuneration. On the other hand, indirect compensation contains development opportunities, more facilities, increased job responsibilities, security and insurance, and tranquillity in the workplace.

One of the primary roles of a leader in the implementation of the remuneration strategy is rewarding the correct behaviour of the salesforce and motivate them in the direction of the company's objective and retain competitors in the market (Agustiningsih, Thoyib, Djumilah, & Noermijati, 2016; Martono, Khoiruddin, & Wulansari, 2018).

The aim is to reward the employee according to the value they create for the company; rewarding the proper behaviour conveys the right message about what is the company's purpose (Armstrong & Stephens, 2005). Rewarding competent behaviour increases the motivation and satisfaction of human capital (DeCenzo & Robbins, 2010; Caligiuri, Lepak, & Bonache, 2010) and elaborates a high-performance culture (Armstrong & Stephens, 2005).

Planning an appropriate remuneration strategy is momentous as the available resources are limited. Hence sales managers must study carefully and deeply the sales force performance. A proper strategy entails a set of activities and decisions to analyze the company's initial situation concerning sales force resource allocation, marketing objectives, and managing customer relationships (Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020).

5.3.2. Evaluation of human capital

Human Capital is unique and the most critical resource for companies to achieve their goals, ameliorate their performance, develop, and remain innovative (Becker & Gerhart, 1996). It is an expertise depository that belongs to the salesforce (Goldin, 2016).

However, to attain the best result out of this unique resource needs a leadership capability to design an effective formula. The sales manager should adequately implement this formula since it is the key to interlock the sales performance of human capital with the organization strategy (Noble & Mokwa, 1999). To evaluate the human capital contribution to the company objectives, managers define some criteria to assign resources to their team members, such as behavioural criteria, outcome, and customer relationship management (Babakus, Cravens, Grant, Ingram, & Laforge, 1996; Sihag & Rijsdijk, 2019; Katsikeas, Auh, Spyropoulou, & Menguc, 2018).

A behavioural criterion of sales force performance refers to all the duties of the sales force in the company, including selling or non-selling activities (e.g. data collection, reports, paperwork, sales meeting, gain product knowledge). Salesforce can enrich the company culture and help build a better product (Panagopoulos & Avlonitis, 2010).

The outcome is a quantitative criterion representing the short-term result of sales force activity (e.g. market share, sales revenue).

Customer relationship management alludes to those activities to satisfy the customers, properly manage the interaction and establish a long-lasting relationship based on the corporate interest (Panagopoulos & Avlonitis, 2010). Consumers expect more than ever in the new marketing trends, so the sales manager role as a decision-maker is more highlighted nowadays. When a company consistently deliver great experiences and value to the customers, it can build customer relationships that turn casual buyers into evangelists. These principles are now more emphasized than ever (Johnston & Marshall, 2019).

A carefully mapped out strategy of decision-making regarding our employee’s performance who is representing our company within the market is the key to success. Organization and coordination of different elements to work together effectively are harder when groups are larger; consequently, the role of leadership and decision-maker is more critical (Carneiro, 2000; Tooby, Cosmides, & Price, 2006).

Available evidence suggests that, generally, leadership theories illustrate what defines leaders and how leaders affect their followers and manage the resources (Drath, et al., 2008). In this study, based on the concept of remuneration strategy, we investigate how the evaluation of human capital goes beyond all the aspects of the remuneration strategy implementation. We will analyze the remuneration strategy in different parts of salesforce evaluation criteria.

5.3.3. The moderating role of cognitive ability

According to studies regarding cognition, individuals have different behaviour based on the degree of their cognitive ability. Additionally, the process of decision making and information analysis is not the same for all (Payne, Storbacka, Frow, & Knox, 2009).

Planning a remuneration strategy involves analysis concerning human capital activities and their contribution to the organizational goal. One of the critical roles of leaders in defining an effective remuneration strategy is evaluating salesforce performance (Babakus, Cravens, Grant, Ingram, & Laforge, 1996; Sihag & Rijsdijk, 2019; Katsikeas, Auh, Spyropoulou, & Menguc, 2018). Critical thinking is required as any single decision can affect the business firm (Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020).

In this research, we propose that the determination of the remuneration strategy can be affected by personality traits, and it may corrupt. For instance, highly motivated individuals systematically process the information, concentrate on the critical elements, and obtain a consistent diagnosis. On the other hand, people with less motivation use mental shortcuts to complete the task with less effort and reach inconsistent diagnoses (Petty, Briñol, Loersch, & McCaslin, 2009).

The willingness to make cognitive effort stated by some individuals is a personality trait reflecting how individuals are willing to make effortful mental activities and tend to engage and enjoy effortful thought. A scale called the need for cognition (NFC) has been developed to measure this personality trait. The need for the cognition scale is a usual scale in the marketing literature. It shows that naturally, individuals who have a great disposition to make cognitive effort tend to think, explore and accumulate information to find relationships among the events in their world (Allard & Griffin, 2017). Besides, they show preferences to perform complex tasks rather than simple ones. In contrast, a low degree of disposition to make cognitive effort tends to depend on others to complete their tasks (Cacioppo, Petty, & Feng Kao, 1984).

Individuals with a high degree of disposition to make a mental effort are less susceptible to use the heuristic process to elaborate on their diagnosis (Meyers-Levy & Tybout, 1989). They are inclined to effectively thinking analyses the quality of information effortfully. In contrast, individuals with a low disposition to make a mental effort tend to find a simple solution for evaluation, such as information sources (Brinol, Petty, & Tormala, 2004).

Leadership is an influencing phenomenon between leaders and followers. This phenomenon can be affected by leaders' personality traits, tendencies, and cognitive ability of leaders (Antonakis, Cianciolo, & Sternberg, 2004). thus, in the context of the team's remuneration, we attempted to understand the influence of cognitive ability on judgment and decision-making.

We hope that leaders with a great disposition to make a mental effort do not use mental shortcuts to evaluate the performance of their team members and use rational criteria in favour of the organization's future. We expect that change in the situation (promotion as a team leader) and its pernicious effects will be compensated by team leaders' innate tendencies (cognition grade).

Based on the above arguments we proposed :

Hypothesis 1. The degree of willingness to mental effort of leaders affects the allocation of resources (commission percentage) to themselves.

Hypothesis 2. Sales managers with a low degree of disposition to make a mental effort (vs high) apply the quantitative criterion as a simple clue for evaluating their sales force.

Hypothesis 3. Sales managers with a high degree of disposition to make a mental effort (vs low) consider the effortful criteria of performance of their salesforce to implement the remuneration strategy.

Hypothesis 4. Sales managers with a high degree of disposition to make a mental effort (vs low) contemplate the quality of the salesforce relationship with customers as a criterion to assign the remuneration strategy.

5.4. Methodology

This study aims to examine whether empowering an individual with a higher position in a hierarchical organizational structure by making them the boss or supervisor of a salesforce team transforms the perception of themself and the perception of the other employees.

Abundant literature, both in social and evolutionary psychology fields, indicates that the change in social status leads to a mental shift in the perception of self-sufficiency and social distancing from subordinates (Lammers, Galinsky, Gordijn, & Otten, 2012; Smith & Trope, 2006; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

To test this proposal, we organized a quasi-experiment with undergraduate business administration students that they were invited to participate in a management simulation exercise (Thavikulwat, 2004). Management simulation exercises are prevalent in business schools and business faculties; therefore, they can be considered typical in this context (Clarke & Clarke, 2009).

5.4.1. Participants

A sample of 200 students (89 men, 111 women, average age 21 years) from the Economics and Business faculty of one of the largest universities in Spain participated in a laboratory quasi-experiment.

5.4.2. Design and procedure

As a scenario to carry out the quasi-experiment, a simulation exercise focused on studying the decision-making of a group leader regarding the remuneration of their subordinates based on the performance obtained during twelve exercises (12 months).

The students who volunteered were summoned in groups to computer rooms to participate in a simulation exercise; they were only informed that they would try a simulator as part of the regular exercises of marketing management subjects. The participants did not receive any reward for their participation.

Once in the classroom, the researcher explained the background and told them to follow a link to the simulator. The researcher explained to the participants that they had to imagine, an electronic equipment trading company had hired them as B2B vendors. After one exercise, due to their strong performance and education in business administration, they were promoted to team leader.

Their new responsibility is to analyze the monthly performance reports of three vendors for 12 months and manage the commission allocation to each vendor and themselves due to their management effort. According to Vohs, Mead & Goode (2006), simulation exercises, even if they are not real money, generate behaviours similar to games with real money. In other words, they are equally challenging and motivating.

The job descriptions and responsibilities of a sales manager were explained in detail. As all are business administration students, they have acquaintance with the function of sales manager in the organization. They should also remind that their decisions may have consequences on the success and future of the company.

The simulator follows a sequence according to a full factorial experimental design of three factors in three levels ($3^3 = 27$ combinations), of which 12 random combinations have been taken according to the logic of subsets proposed by Huertas-García et al. (2016). The three factors (sales outcome, number of visits and number of returned products) were considered independent from each other.

In addition, the simulator calculated the total amount of commission to be distributed according to the total income generated in each month. To avoid the interference of the numbers' size and make the 12 exercises comparable, the participant was asked to assign the remuneration in percentages.

The monthly activity report contains three criteria for evaluation and consideration: Outcome, number of visits of the customers, and number of returned products.

1. The sales outcome is a quantitative measure and shows the revenue each salesforce made for the company last month.
2. The number of visits of customers is a behavioural criterion. It refers to the sales meetings and approaching the customers, including selling and non-selling activities.
3. The number of returned items refers to CRM, the customers' satisfaction degree, which refers to their activity quality.

Each participant with the role of the sales manager has divided the commission between the salesforce and themselves.

- The commission allocated to themselves is a dependent variable.
- The commission assigned to the three salesforces based on their monthly activity report is a dependent variable.
- The three criteria for evaluation (sales outcome, number of visits of the customers, and number of returned items) are coded vectorially, and they are independent variables.

After completing the simulation part, we want to measure the natural predisposition to make a mental effort. It is a personality trait that divides the individuals into two extreme poles: the most predisposed, who manifest a greater interest in knowing and structuring complex situations to understand their process, evaluate ideas and try to solve complex problems (Cacioppo & Petty, 1982) and the less predisposed ones, who prefer to carry out more repetitive tasks with little mental effort, process information superficially and draw conclusions heuristically (Dole & Sinatra, 1998).

The literature recommends the Need For Cognition Scale for evaluation. This scale contains 18 statements (nine directly scored and the other nine reverses scored) to estimate this predisposition. Some examples of items: “I prefer complex to simple problems”, “I like to have the responsibility of handling a situation that requires a lot of thinking”, “Thinking is not my idea of fun (it is a reverse-scored item)”, etc. The full scale is in Annexe 2.

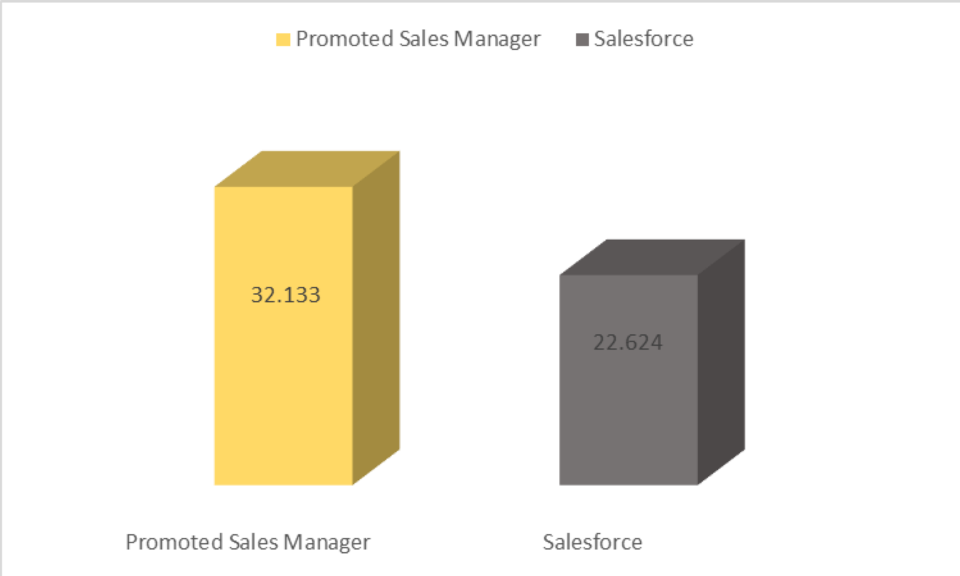
In this case, they must state their degree of agreement or disagreement with each statement, a scale of 9 points from a very strong agreement to a very strong disagreement (Cacioppo, Petty, & Feng Kao, 1984). The result of the NFC scale is another independent variable.

5.5. Result

When participants completed the experiment, all replies reviewed, and incomplete questionnaires were discarded.

First, as in previous experiments, we estimated the differences between the average percentage of the commission assigned by the group leader to themself and the average allocate to the sales team under their supervision. Promoted sales managers gave more percentage of margin to themselves (M=32.133, SD= 14.815) than to their salesforces (M= 22.624, SD = 9.929), (Difference of Average z =7.546, p <0.05). For more details, see Table 17 and Table 18 of Annexe 6. As it already has been pointed out in previous experiments, this difference responds that when an individual reaches a position of power in a hierarchical structure, s/he considers that s/he deserves a higher remuneration/his subordinates. Phenomenon explained by the literature with the concept of social distance and psychological distance (Lammers, Galinsky, Gordijn, & Otten, 2012; Magee & Galinsky, 2008; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018). The difference between the remuneration allocation of promoted sales managers and salesforce showed in figure 6.

Figure 6: Comparison of remuneration allocation between the promoted sales manager and salesforce



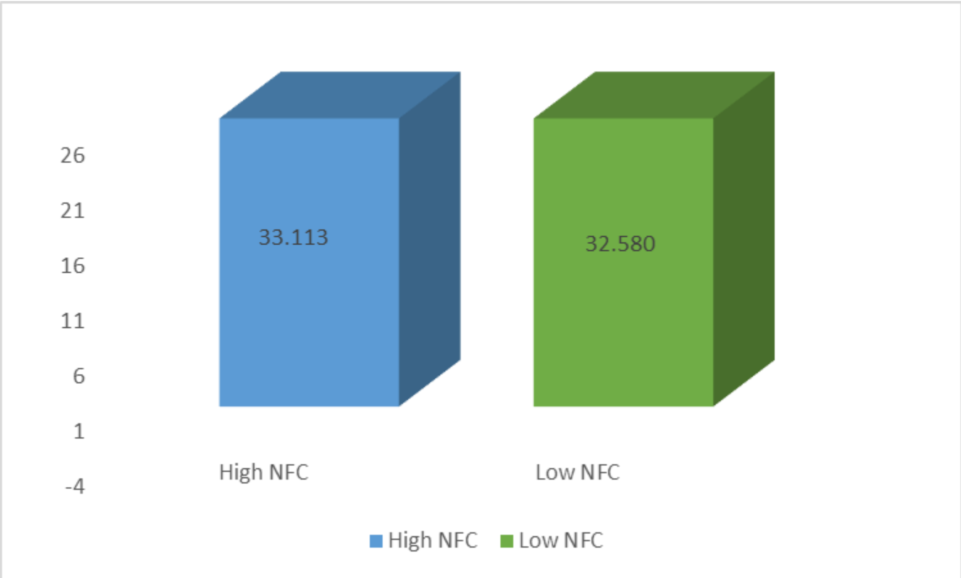
We have also previously estimated whether the higher remuneration assigned to themself by the leader responds to any criteria related to the team performance. We regressed the resources allocated to themselves with the outcome variables obtained by salesforce (sales outcome, number of customer visits, and number of units returned). The results showed that the salesforce performance doesn't affect the allocated resource to the manager.

Second, we aim to study the moderating role of the predisposition to the cognitive effort of leaders on assigning the commission to themself and their sales team. We followed the process proposed by Allard & Griffin (2017), which divides the participants among those who obtained scores with a standard deviation below and above the mean on the NFC scale. Then, we divided the participants into two groups, based on their scores on the need for cognition scale: the most predisposed to make a cognitive effort and those least willing to make the mental effort.

After dividing the participants into two groups, high and low degrees of cognition, we estimated the effect of preferment on implementing the remuneration strategy. Our results did not show any significant differences in the determination of the remuneration between the low degree of cognition (M=32.580, SD=15.030) and the high degree of cognition (M=33.113, *SD*=13.724) (difference of average *z*=0.2025, n.s.). For more details, see Table 19 and Table 20 in Annexe 6.

Hypothesis 1 Rejected; therefore, the degree of willingness to mental effort of the leaders does not affect the allocation of resources (commission percentage) to themselves. The comparison between the low and high degrees of cognition showed in figure 7.

Figure 7: Comparison of Remuneration allocation between Low and High NFC



Regarding the rest of the hypotheses formulated, we evaluated the measures used by participants to allocate the commission. It was estimated through linear regression.

As we predicted in hypothesis 2, low NFCs had more consideration on the sale outcome as a short-term result for the compensation of their team members than high NFC.

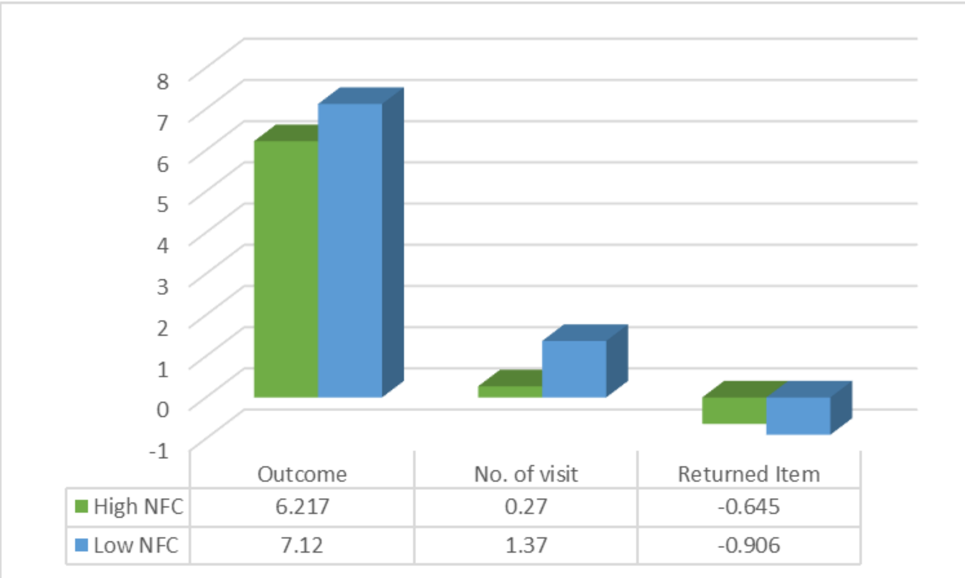
Low NFC (B = 7.12, SE = 0.35, t (668) = 19.79, p <0.01) versus high NFC (B = 6.21, SE = 0.34, t (788) = 18.27, p <0.01) which differences are significant (Difference of means: z= 50.087, p <0.01). With which hypothesis 2 is confirmed.

Regarding hypothesis 3, according to which sales leaders with a high degree of willingness to make a mental effort consider the criteria of performance effort (number of visits of clients) of their sales force a more relevant measure to implement the remuneration strategy than those with low willingness. However, the results point to the opposite; low NFCs had more consideration on the performance effort for the compensation of their team members than high NFC.

Low NFC (*B* = 1.37, *SE* = 0.35, *t*(668) = 19.79, *p* <0.01) versus high NFC (*B* = 0.27, *SE* = 0.34, *t* (788) = 0.79, *p* = n.s.) which differences are significant (Difference of means: *z*= 60.545, *p* <0.01). According to these findings, hypothesis 3 is rejected.

Our results show, contrary to what we predicted in hypothesis 4, that sales managers with low willingness to make a mental effort consider the quality of service performed by the sales team, measured this criterion by the number of returned items, as a more important criterion than those with a high willingness. Low NFC (*B* = -0.90, *SE* = 0.35, *t*(668) = -2.51, *p* <0.05) versus high NFC (*B*= -0.64, *SE* = 0.34, *t* (788) = -1.89, *p* <0.05) which differences are significant (Difference of means: *z* = 14.310, *p* <0.01). With which hypothesis 4 is rejected. For more details, see Table 21 and Table 22 of Annexe 6. Measures of remuneration allocation divided by a high and low degree of cognition showed in figure 8.

Figure 8: Measures of remuneration allocation divided by High and Low NFC



5.6. Discussion

In this experiment, we worked on a comprehensive overview of the remuneration strategy and the various criteria that may affect it. One of the critical roles of sales managers is to define an effective remuneration strategy and formula to motivate their salesforces. In this research, we evaluated the role of a leader in implementing the remuneration strategy and how authority affects the evaluation process in the business firm.

We simulated a scenario to evaluate the effect of receiving preferment on implementing the remuneration strategy and how power can affect the decision-making process. Our results follow the previous research that receiving authority can manipulate leaders' behaviour and act based on their interests. It indicates that when individuals receive precedence as a manager, their decision making is under the influence of power, and they work more selfishly and allocate more resources to themselves.

In this scenario, we evaluated which factors can affect resource allocation criteria for a sales manager and which elements they use to enlighten the salesforce according to the organizational objectives. We used three criteria in this scenario: First, the outcome of the sale, a quantitative measure, shows the revenue each salesforce made for the company last month. Second, the number of visits of the customers is a behavioural criterion. It refers to the sales meetings and approaching the customers, including selling and non-selling activities. Third, the number of returned items refers to CRM, the customers' satisfaction degree and quality of their activity. Our result showed that the performance of salesforce doesn't affect the resources allocated to the manager. It means that different aspects of the salesforce activity don't affect the manager's compensation.

Critical thinking is required for managers as any single decision can affect the business firm (Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020). In this research, we proposed that the willingness to make a cognitive effort can affect leaders' decision-making process. To measure this willingness, we used the Need For Cognition Scale to evaluate this characteristic in the behaviour of leaders (Cacioppo & Petty, 1982).

The determination of the remuneration strategy can be affected by personality traits, and it may corrupt. For instance, highly motivated individuals systematically process the information, concentrate on the critical elements, and obtain a consistent diagnosis. On the other hand, people with less motivation use mental shortcuts to complete the task with less effort and reach inconsistent diagnoses (Petty, Briñol, Loersch, & McCaslin, 2009).

The need for the cognition scale is a usual scale in the marketing literature. It shows that naturally, individuals who are eager to make cognitive effort tend to think, explore and accumulate information to find relationships among the events in their world (Allard & Griffin, 2017). Besides, they show preferences to perform complex tasks rather than simple ones. In contrast, a low degree of disposition to make cognitive effort tends to depend on others to complete their tasks (Cacioppo, Petty, & Feng Kao, 1984).

In this context, we divided the sample into two groups according to their degree of willingness to make a cognitive effort. Then, we estimated the effect of preferment and power on the evaluation criteria and dividing the remuneration into both groups.

Our result did not show any significant differences between the low and high degree of willingness to make a cognitive effort in compensation and resource allocating to themselves. It indicates no significant differences in the behaviour of individuals with a high and low degree of willingness to make a cognitive effort when they receive authority or achieve a powerful position in dividing the resources between themselves and their sales team.

In the context of the salesforce remuneration strategy, we estimated the effect of willingness to make a cognitive effort to decide and implement a remuneration strategy.

Based on the previous cognitive studies, individuals have different behaviours according to their cognitive ability. The process of decision making and information analysis is not the same for all (Payne, Storbacka, Frow, & Knox, 2009). Planning a remuneration strategy involves analysis and decisions concerning the sales force activities how they contribute to achieving the organisation's goal (Panagopoulos & Avlonitis, 2010; Inyang & Jaramillo, 2020).

According to our prediction, an individual with a lower degree of willingness to make a cognitive effort concentrates on the outcome as a quantitive measure (short-term result). A low degree of cognition (NFCs) usually tends to do the easy tasks. They are eager to find a simple solution to elaborate on their diagnosis (Brinol, Petty, & Tormala, 2004). Even though individuals with a high degree of cognition are more eager to be engaged in information processing and being inclined to practical thinking and analysis, the quality of information effortfully,

Based on this result, individuals with a high degree of willingness to make a cognitive effort showed less involvement in assessing the action and the quality of the salesforce performance. It seems that individuals with a low degree of willingness to make a cognitive effort are more under the role of a sales manager as a designer of remuneration strategy and a better evaluator of the work performance of team members in the organisation.

CHAPTER 6. Do leaders seek the best decisions? Effect of power on sales leader evaluation, the moderating role of the predisposition to seek the best decision

6.1. Abstract

In this study, we examined the behaviour of maximizers leaders (those who seek to make the best decision) versus satisficers leaders (those who settle for a good enough decision). We evaluated their ability to make decisions regarding the remuneration allocation of their employees (sales team) and themselves in a business decision-making simulation game. Through a quasi-experiment, the participants were divided into maximizers and satisficers, and their decisions were analyzed. We found that while maximizers sought to make the best decisions, they rewarded their sales team's short-term performance more than satisficers. In addition, maximizers also awarded the effort of their sales team to a lesser extent. They punished quality failures more extensively than satisficers.

Keywords: Sales Manager, Maximization, Remuneration,

6.2. Introduction

The secret to success and the lifeblood of an organization is sales, so proper management of the sales process is an absolute must. An effective sales management process will guide the organization to meet and surpass the target. Sales management is under the influence of changes in this century. Globalization, technology and customer expectation, electronic sales channels changed the selling process and consequently affected sales management (Johnston & Marshall, 2019). Sales managers must be aware of any changes to generate business with customers (Johnston & Marshall, 2019).

Additionally, by evaluating the salesforce performance, leaders ensure the compliance between the organization strategy and sales force activity (Babakus, Cravens, Grant, Ingram, & Laforge, 1996; Panagopoulos & Avlonitis, 2010; Sihag & Rijsdijk, 2019; Katsikeas, Auh, Spyropoulou, & Menguc, 2018). However, to attain the best result from the available resources, each organization needs a leadership capability to design an effective formula to implement a proper remuneration strategy. This formula should be adequately implemented since it is the key to interlock the sales performance of human capital with the organization strategy (Noble & Mokwa, 1999; Johnston & Marshall, 2019).

Leadership is one of the main components of a successful business. The relationship between the leaders and followers has been changed in the current dynamic sales environment. A successful sales management system requires a competent leader, not a good manager. It means that being a good leader is more important than being a good manager. Leadership is the ability of social influence to encourage people to engage in a function or piece of business (Chemers, 2014). There are numerous definitions for leadership, emphasising the importance of leader and follower relationship and their shared goals (Bass, 1990; Chemers, 2014; Gardner J. G., 1990; Northouse, 2021; Antonakis, Cianciolo, & Sternberg, 2004; Rost, 1991).

Several investigations in the leadership domain have explicitly focused on the effect of achieving a position of power in an organization with the establishment of a social distance concerning followers, besides, how this social promotion affects the perception of followers more abstractly and how this level of mental representation influences the judgments of the leaders (Lammers, Galinsky, Gordijn, & Otten, 2012; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

In the current research, based on these previous findings, we propose to study a personality trait of leaders, a natural predisposition of some individuals to try to make the best decision. Simon (1955) made a profound criticism of the economic theory model. He stated that economic agents sought to maximize the profit of any decision and pointed out that not all economic agents follow this logic. Instead, some people prefer to reach an acceptable decision with little attempt than dedicating more effort to find the best decision.

These ideas were taken by Schwartz et al. (2002), who analyzed that it could be a personality trait of people. They discovered that, indeed, among individuals, some manifest a predisposition to search deeply among the multiple alternatives, trying to choose the best option. In contrast, others display a more conformist attitude and simply scrutinize the different alternatives and select the option that suits them without spending more effort to verify if it is the best option.

In this paper, we report the results of an experiment with a sample of business administration undergraduates who participated in a management simulation game and took data on their predisposition to make the best decisions. We also investigate how this personality trait moderates the relation between leaders and followers.

6.3. Theoretical framework

6.3.1. Sales manager or sales leader

In the current business environment, sales managers are a vital part of B2B companies for leading, coaching, motivating and evaluating the sales team. They should be confident that their team has received sufficient tools and training to attain its objectives. They tie up the company’s vision to the profit producer source (Dalrymple, Corn, & DeCarlo, 2004; Dubinsky & Ingram, 1983; Cron, DeCarlo, & Dalrymple, 2010).

Researchers that have been done in the area of the role of sales managers indicate that a talented sales manager can increase the profit of the sales department by increasing the efficiency of the salesforces (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019). Sales managers have a wide range of responsibilities. They must have the ability to establish a fruitful relationship with people, customers, their salesforce and other coworkers in the organization and also business partners (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

There are various levels in the sales organization, and sales managers can have different titles such as sales leader, branch manager or area directors. They can have direct or indirect responsibility of guidance of the salesforce; in all the scenarios, they should act based on the sales management system (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

In a traditional organization with a hierarchical system, the responsibility of sales managers is more controlling, and they should control the reports and check the outcome the salesforces have generated. This traditional system can be efficient in controlled environments. But in the turbulent environment of this century, it is mandatory to have a dynamic approach to survive in the unpredictable market. The role of sales managers improved from just being a supervisor to a leader (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Sales managers based on this new role should have more concentration on the relationship and collaboration. It is not just limited to the salesforce and customers of the company; it also contains all their relationships with other departments of the organization. This new manner put together all the departments as a unique unit to move forward through the company objectives and increase the company's profitability (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Sales managers have to make a profitable collaboration instead of just controlling top-down and following rigid guidelines to achieve the goals. For instance, marketing and sales manager should work jointly to produce the best result out of the available resources. They should collaborate in the same direction as win and failure can have the same influence on both departments, and the impact of their activities have a direct effect on the success of the organization (Jobber & Lancaster, 2009; Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

In the leading sales organization culture, the role of sales managers developed from a criticizer to coaching, and this manner is not limited to the new member of the sales teams. Training and coaching are necessary for all the salesforce to improve their performance and maximise efficiency to obtain the best result (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Well trained salesforces are the power of an organization to move forward. When they receive the decision-making authority regarding the customer, they can become more efficient and responsive. They act more motivated, and they are more satisfied with the situation. This sharing of information and responsibility between sales managers and salesforces empowers them, increases satisfaction, and flourishes their ability. Most importantly, it helps the sales management system build the next generation of sales managers (Ingram, LaForge, Avila, Schwepker Jr, & William, 2019).

Competent sales leaders are the best analyzer of the information. They collect the data from the market, evaluate and analyze the data, and share it with their team members instead of withholding it. They plan, research and perform the best strategy with the help of educated sales forces. On the other hand, they have more responsibility to identify the potential and ability of each team member and treat them properly. Coaching and motivation are an essential part of their responsibilities.

The characteristic of a sales manager may influence their behaviour and decision-making process and effectiveness and, consequently, may affect the sales force's performance (Sager, Yi, & Futrell, 1988). Evolutionary history has shown that leaders have played a fundamental role within human communities that have allowed them to achieve goals (Buss, 2015). However, when individuals reach a leadership position, they can continue to ameliorate the situation for their followers or change and put their interests above those of the group.

Recently, social psychologists are interested in exploring the effect of power on the individual's behaviour and have discovered the profound transformation in their behaviour. Personal transformation is one of the variations caused by power in the individuals. Personality can play a fundamental role in this transformation; personal transformation changes the leader's vision about followers or subordinates. They see others as pieces that they can use to achieve their own goals. An example of transforming their image of themselves, powerful leaders see the future more optimistically; they perceive controlling the future and leading followers to make risky decisions (Fast, Gruenfeld, Sivanathan, & Galinsky, 2009).

Recruiting a leader for the sales manager position needs a proper evaluation as it would catapult the progress of the business and profitability. Some organizations would like to hire their sales manager from outside of their community. On the other hand, many organizations promote the most successful salesforce to a higher position and elevate them to sales managers.

The duty of sales managers is highly different from the salesperson. Some people successfully transmit this elevation and responsibility, but evidence suggested that a skilled sales force may not necessarily be a successful sales manager; sometimes, there is a mismatch between the person and the role of the sales manager (Deeter-Schmelz, Kennedy, & Goebel, 2002; Spencer, 1972; Brewer, 1997; Ziyal, 1995).

There are consequences in promoting the best salesforce to a managerial position. Hiring an incompetent leader for this position may cause damages to the reputation of the company in the market, wasting the resource, losing customers and market share. It may waste lots of time and resources of the company (Mehta, Dubinsky, & Anderson, 2002). A competence promotion system is functioning as a motivatorSpecific skills are mandatory to have the responsibility of this position (Jobber & Lancaster, 2009).

A leader for the sales manager position must be able to evaluate and analyze the performance of the team members and influence the sales team to behave toward the sales strategy of the company and the accomplishment of goals. The ability to pursue and motivate the team is meaningful; it facilitates the path to train the team and solve the severe impediment by improving their consent. To be the best seller in the company is not necessary to have these skills (Jobber & Lancaster, 2009; Anderson, Hair, & Bush, 1992).

6.3.2. Maximimizers or satisficers sales managers

The decision-making process balances precision and endeavour (Payne, Bettman, & Johnson, 1988). The personality of individuals can affect this process (Kirkpatick & Locke, 1991; Zaccaro, Green, Dubrow, & Kolze, 2018). One of the issues less discussed in the leadership literature is the natural tendency of some individuals to dedicate effort to choosing the best decision, which in the literature has been called the maximizers versus satisficers (Jain, Bearden, & Filipowicz, 2013). The origin of this psychological personality trait is not in psychology but the theorists of economics. Simon (1955) proposed that, contrary to the normative hypothesis that economic agents pursue maximization, decision-makers are more likely to seek good enough goals than to try to find what is absolutely better in the real world. Maximizer individuals tend to spend more resources to find the best option than satisficer individuals who are seeking good enough alternatives.

The previous study argued that these behaviours were systematically prevalent in some individuals. However, the tendency to maximize varies between individuals (Schwartz, et al., 2002). What is important for this study has shown by subsequent research: Maximizers are looking for the best alternative, but the situation will be very different if they reach it later. The differences are also related to the success and results of pursuing their goals (Polman, 2010).

Schwartz et al. (2002) have suggested a contrast between the decision-making process of maximizers and satisficers individuals. Some individuals intend to select the best, and some just want a satisfactory solution (Simon, 1955). However, as we have pointed out previously, looking for the best decision does not mean ending up finding it. For example, in a study on the decision-making process, Bruine de Bruin et al. (2007) found that those classified as maximizers made a more significant number of bad decisions than those categorised as satisficers. In another study, Polman (2010) found that maximizers simply pick out a bigger number of alternatives. The range of indeterminacy was greater (a greater number of better and worse results). Therefore, more difficult for assessing than those rated as satisficers.

Schwartz and his colleagues (2002) developed a scale to analyze their behavioural tendency between individuals to measure and categorise individuals. They validated this scale through different experimental studies and questionnaires. The result of their investigation showed that maximizers tend to have the best choice, not an alternative that is good enough, repeatedly they are asking themselves, "Is this the best outcome" rather than "is this a good outcome?" (Schwartz, et al., 2002).

Researchers recognized that maximizers and satisficers are emotionally different. They examined the relationship between the maximization scale and the range of psychological correlates. Maximizers and satisficers experience different emotions after decision making. These emotions encludes remorse, satisfaction, depression, self-esteem, hopefulness etc. (Schwartz, et al., 2002).

Maximizers, compare to satisficers, are less happy. They regret more, less confident about the success of their decision and less hopeful about the future (Schwartz, et al., 2002; Nenkov, Morrin, Schwartz, Ward, & Hulland, 2008). It seems that the decision-making process for maximizers does not finish after choosing the best option. There will be emotional consequences. They are also under the influence of social comparison (Nenkov, Morrin, Schwartz, Ward, & Hulland, 2008; Keys & Schwartz, 2007). Additionally, maximizers are more sensitive about the consequence of their decision. They repeatedly have the internal conversation to ensure that their decision is the best one and have the best choice (Schwartz, et al., 2002; Nenkov, Morrin, Schwartz, Ward, & Hulland, 2008).

As discussed before, proper implementation of remuneration strategy motivates the salesforce in the company's direction. Therefore, we hope that maximizer rewards the salesforce according to the value they created for the company and makes the best decision regarding profit sharing. Therefore :

Hypothesis 1. Maximizers sales managers are more precise and endeavour than satisficers in the implementation of remuneration strategy

Remuneration is a reward for the employees as compensation for their contribution through the company objectives. Providing proper remuneration in the organization is obligatory to develop a fair reward system for human resources. An adequate system has a significant effect of motivating employees that retain a high-level performance (Güngör, 2011).

Work performance of human capital is measurable and defines their ability to fulfil their task in the organization (Martono, Khoiruddin, & Wulansari, 2018). To evaluate the human capital's contribution to the company objectives, sales managers define some criteria to assign resources to their team members, such as behavioural criteria, outcome, and customer relationship management (Babakus, Cravens, Grant, Ingram, & Laforge, 1996).

Consumers expect more than ever in the new marketing trends, so the sales manager's role as a decision-maker is more highlighted nowadays. When a company consistently deliver great experiences and value to the customers, it can build customer relationships that turn casual buyers into evangelists. These principles are now more emphasized than ever.

A carefully mapped out strategy of decision-making regarding our employee's performance who is representing our company within the market is the key to success. Organization and coordination of different elements to work together effectively are harder when groups are larger; consequently, the role of leadership and decision-maker gets more significant and critical (Carneiro, 2000; Tooby, Cosmides, & Price, 2006).

Social psychologists explore the effect of power on the behaviour and decision-making process to evaluate the transformation in people's behaviour after receiving power. Power is defined as an ability to influence other people, and it is usually based on a position in the hierarchy (Keltner, Gruenfeld, & Anderson, 2003; Magee & Galinsky, 2008).

When an individual has a leadership rank in society, they begin to consider followers differently. They pay more attention to their need than others profit (Rucker, Dubois, & Galinsky, 2011). They establish a social distance between themselves and followers or subordinates (Kipnis, 1972) and even tend to ignore the suffering of other people (Van Kleef, et al., 2008). Through this process of estrangement and reification, they perceive their subordinates as mere instruments of manipulation to help them achieve their own goals (Gruenfeld, Inesi, Magee, & Galinsky, 2008).

Personality defines who we are and how we act in different situations. Therefore, the character has a direct effect on the decision-making process. This study analysed the behaviour differences between maximizers and satisficers individuals when promoted to a sales manager position. We measured this transformation in their behaviour to evaluate how their personality as a maximizer or satisficers will affect the performance evaluation and the implementing remuneration strategy.

One of the critical roles of a sales manager is to evaluate the salesforce performance. Maximerzers individuals tend you spend more resources to find the best option for decision making. We expect that maximizers in the sales manager position act more accurately, divide the remuneration between themselves and the salesforces fairly. We hope that maximizers consider the salesforce performance profoundly and make the best decision. As maximizers are eager to have the best choice, we believe that they use all the criteria to evaluate the salesforce performance in the sales manager position, including selling or non-selling activities. Therefore we propose the below hypothesis :

Hypothesis 2. Sales managers with a low predisposition to make the best decisions (vs high) apply the quantitative criterion as a simple clue for evaluating their sales force.

Hypothesis 3. Sales managers with a high predisposition to make the best decision (vs low) consider their salesforce's effort as a good criterion to implement the remuneration strategy.

Hypothesis 4. Sales managers with a high predisposition to make the best decision (vs low) contemplate the quality of the salesforce relationship with customers as a criterion to assign the remuneration strategy.

6.4. Methodology

This research aims to analyze how the natural predisposition to choose the best alternative of some leaders determines their decision-making in a hierarchical organizational structure. In fact, it starts from considering a scenario where a salesperson has been promoted to a position of greater responsibility (power) where s/he will supervise the task of a group of salespeople and assign them the most appropriate commission ratio for their performance.

Abundant literature indicates that a change in the position of an individual in the hierarchical structure of an organization has already been pointed out implies a mental change in the perception of self-sufficiency that leads to social distancing from their subordinates (Lammers, Galinsky, Gordijn, & Otten, 2012; Smith & Trope, 2006; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

On this occasion, we will study the moderating role that can play the natural predisposition of the individual to choose the best alternative for the management of the commercial team.

To test this proposal, we conducted a quasi-experiment with undergraduate business administration students. First, we invited them to participate in a management simulation exercise (Thavikulwat, 2004). Management simulation exercises are prevalent in business schools and colleges, so students are familiar with them and see them as a regular activity in this context (Clarke & Clarke, 2009).

6.4.1. Participants

We collected data from a sample of 200 undergraduate business administration students (89 men, 111 women, average age 21 years). They were asked to participate as volunteers for this experiment in the computer rooms of a large university in Spain.

6.4.2. Design and procedure

A simulation exercise was developed to carry out the quasi-experiment of the decision-making process of a team leader who assesses the performance of a group of sellers for 12 months. The volunteer participants were summoned in groups to computer rooms to complete the simulation exercise. Participants did not receive any reward for their participation.

When the simulation commenced, the whole scenario is fully explained to participants: they have to imagine they are in the position of a salesforce in a company. Based on their excellent performance and activity, they are promoted to a sales manager position in this company.

Their responsibility as sales managers is to evaluate the monthly activity reports of their salesforce. In addition, they must analyse their teams' performance. Based on this evaluation, they should decide how to allocate and divide the commission assigned between salesforce and themselves in the form of a percentage based on this report.

In line with Clarke & Clarke (2009), the business decision simulator consists of artificially replicating a real business management function. The function that the simulator aims to replicate is the salesforce management, as well as their remuneration. In this case, it is about assigning commission, depending on the result achieved by each seller, the percentage of commission that is considered most appropriate for the company's objectives, and stimulating the salespeople.

The simulator replicates twelve economic exercises of the sales team. It follows a sequence of full factorial experimental design of three factors in three levels ($3^3 = 27$ combinations), of which 12 random combinations have been taken according to the logic of subsets proposed by Huertas-García et al. (2016). Each of the three factors (sales outcome, number of visits and number of returned products) is assigned three levels coded by vectors (1, 0, -1) representing different amounts of sales, visits and returned units. In addition, it has been considered in the simulator that the three factors are independent. It means that in an exercise, one of the members has the highest number of sales, the average number of visits and the lowest number of returned products or any other possible combination.

At the beginning of the exercise, the researcher describes the scenario and encourages participants to decide according to the professional requirement of business management that they are studying. The job descriptions and responsibilities of a sales manager are explained in detail to them. They are also reminded that their decisions may have consequences on the success and future of the company. As all are business administration students, they have acquaintance with the function of sales manager in the organization.

The monthly activity report contains three criteria for evaluation: Sales outcome, the number of visits the customer, and the number of returned products. The sales outcome is a quantitative measure and shows the short term result. It showed the revenue each salesperson generated last month. The number of visits of the customers is behavioural criteria refer to the sales meetings and approaching the customers, including selling and non-selling activities. Finally, the number of returned items refers to the satisfaction degree of our customers.

Each participant with the role of the sales manager has divided the commission between the salesforce and themselves. Although non-real money is handled in simulation games, according to Vohs, Mead & Goode (2006), the simulation of obtaining real money generates similar behaviours to participants in games where what is handled is real money. In other words, incentives to earn money, even fictitious, generate the same behaviour in risk-takers and function as motivating stimuli. Therefore, the commissions allocated to themselves and the commission assigned to the three salesforces based on their monthly report are dependent variables.

After completing the simulation part, participants answered the Maximization scale developed by Schwartz and his colleagues in 2002. The maximization scale contains thirteen statements regarding decision making. Some examples are: “Whenever I’m faced with a choice, I try to imagine what all the other possibilities are, even ones that aren't present at the moment”, “No matter how satisfied I am with my job, it's only right for me to be on the lookout for better opportunities”, “When I am in the car listening to the radio, I often check other stations to see if something better is playing, even if I am relatively satisfied with what I am listening to”. The full scale is shown in Annexe 3.

Each item should rate from 1 (completely disagree) to 7 (completely agree). Maximization scale scores is another dependent variable.

6.5. Result

When the experiment was completed, all replies reviewed, and incomplete questionnaires were discarded.

Following the logic of the previous procedures, we propose to study the moderating role that the predisposition to choose the best decision of the leaders can play in the management of their team of salespeople. Specifically, we want to know how this natural predisposition (personality trait) influences when assigning a percentage of commission to themself concerning the remuneration of their team.

Again, we followed the Allard & Griffin (2017) process and divided the participants into those who scored one standard deviation below and above the mean on the maximization scale. Specifically, the average score of maximizers are higher than 5.5, and the average score of satisficers are less than 2.5. The score of the maximization scale is an independent variable in this experiment.

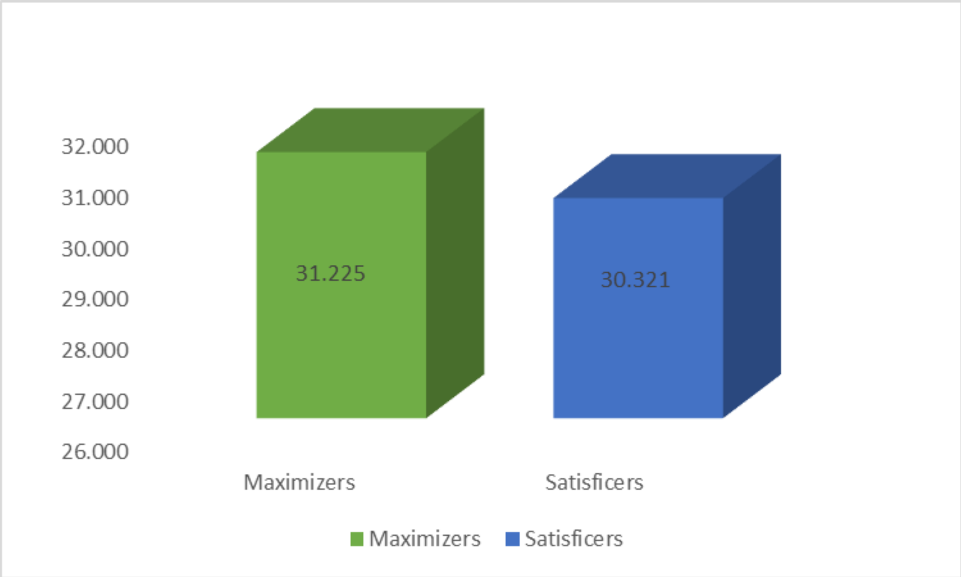
To study the moderate role that the predisposition to make the best decision of leaders can play by assigning a commission percentage to himself. We divided the participants into two groups, the maximizers and the satisficers. We estimated the effect of this personality trait on implementing the remuneration strategy.

Our results did not show any significant differences in the determination of the remuneration allocation between the maximizers (M=31.225, SD=16.706) and satisficers (M=30.321, SD=13.882) (F(1, 1018) = 0.432; p = *n.s.*).

We rejected hypothesis 1 and, therefore, the degree of willingness to seek the best decision of the leaders does not affect the allocation of resources (commission percentage) to themselves. For more details, see Table 23 and Table 24 of Annexe 7.

The comparison of the remuneration allocation between maximizers and satisficers leaders has shown in figure 9.

Figure 9: The Comparison of the remuneration allocation between Maximizers and Satisficers sales Manager



Regarding the rest of the hypotheses formulated, we evaluated the participants' measures as sales managers to assign the commission. It was estimated by linear regression.

Contrary to what was predicted in hypothesis 2, sales managers with a high predisposition to make the best decision (maximizers) had more consideration on the sales outcome as a short-term result for the compensation of their team members than satisfiers.

Maximizers (B = 7.02, SE = 0.37, t (848) = 18.85, p <0.01) versus satisfiers (B = 4.08, SE = 0.87, t (164) = 4.66, p <0.01) which differences are significant (Difference of means: z = 42.538, p <0.01). With which hypothesis 2 is rejected because the values point in the opposite direction to what was expected.

Regarding hypothesis 3, according to which sales leaders with a high willingness to make the best decision (maximizers) consider the measure of performance effort (number of visits of clients) of their sales force as a more relevant measure to implement the remuneration strategy than those with the low willingness (satisficers). However, the results point to the opposite. Satisficers sales managers had more consideration on the performance effort for the compensation of their team members than maximizers.

Satisficers (B = 1.68, SE = 0.87, t (164) = 1.92, p <0.05) versus maximizers (B = 0.94, SE = 0.37, t (848) = 2.54, p < 0.01) which differences are significant (Difference of means: z = 10.707, p <0.01). According to these findings, hypothesis 3. is rejected again because values point toward the opposite direction proposed by the hypothesis.

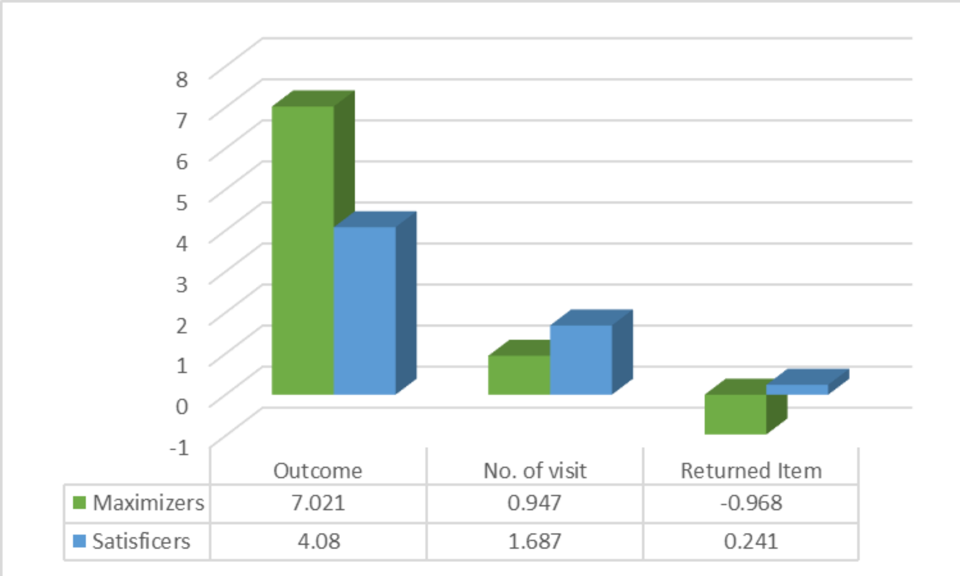
On this occasion, the results obtained corroborate hypothesis 4. sales managers with a high predisposition to make the best decision (maximizers) consider the quality of service performed by the sales team. We measured this criterion by the number of returned items as a more important criterion than those with a low willingness (satisficers).

Maximizers (B = -0.96, SE = 0.37, t (848) = -2.60, p <0.01) versus satisfiers (B = 0.24, SE = 0.87, t (164) = -0.27, p = *n.s.*) which differences are significant (Difference of means: z = 17.362, p <0.01). With which hypothesis 4. is accepted.

Contrary to expectations and, in line with what was pointed out by Bruine de Bruin et al. (2007), maximizing individuals made, in general, worse decision-makers than satisficers in the implementation of remuneration strategy. Based on our result, maximizers individuals have more consideration on the outcome (short term result) and customer satisfaction than satisficers. We measured these criteria by the revenue they generated last month and the customer's returned items. Satisficers sales managers pay more attention to the effort of the sales team to get new customers and, therefore, to medium-term objectives. Medium-term activities are considered all sales meetings and number of visits of the customers, including selling and non-selling activities. For more details, see Table 25 and Table 26 of Annexe 7.

All the related information and comparison data between maximizers and satisficers individuals to divide the remuneration between the salesforce are summarized in figure 10.

Figure 10: Measures of remuneration allocation divided by Maximizers and Satisficers



6.6. Discussion

In this research, we evaluated the effect of the natural predisposition of individuals as a personality trait on the decision-making process of sales managers. Researchers stated that the decision of individuals could be affected by their personalities. They discovered that some individuals tend to search deeply to choose the best option (Maximizers). In contrast, some display a more conformist attitude and select good enough (Satisficers) (Schwartz, et al., 2002).

The importance of the relation between leaders and followers stated by shares of evidence. Followers can achieve the organization's goal if they receive a proper guideline from a competent leader (Bass, 1990). Being a leader can change the mindset regarding the other colleague and may cause to establish a social distance with followers (Rucker, Dubois, & Galinsky, 2011; Lammers, Galinsky, Gordijn, & Otten, 2012; Foulk, Lanaj, Tu, Erez, & Archambeau, 2018).

Based on these previous findings, in this research, we investigated the differences between maximizers and satisficers individuals when promoted to the sales manager position. In addition, we evaluated how their personality trait moderates the relation between leaders and followers. Consequently, it affected their evaluation of the salesforce performance and the implementation remuneration strategy.

One of the critical roles of a sales manager is to evaluate the salesforce performance. Maximerzers individuals tend you spend more resources to find the best option for decision making. We expected that maximizers individuals in the sales manager position act more accurately, divide the remuneration between themselves and the salesforces fairly. Our results did not show any significant differences in determining the remuneration allocation between the maximizers and satisficers sales managers. It seems that the degree of willingness to seek the best decision of the leaders does not affect the allocation of resources (commission percentage).

Different factors can measure the contribution of the salesforce to the company objective. The sales manager is responsible for defining the proper criteria to evaluate the performance and assign resources to sales teams such as behavioural criteria, outcome, and customer relationship management (Babakus, Cravens, Grant, Ingram, & Laforge, 1996). We assessed the measures that the participants used as sales managers to assign the commission. It was estimated by linear regression.

Since satisficer individuals tend to seek good enough alternatives, we expected to show a higher consideration to sales outcome, a short term result and an easy task to select.

But our result showed that sales managers with a high predisposition to make the best decision (maximizers) had more consideration on the outcome of the sale as a short-term result for the compensation of their team members than satisficers.

As maximizers are eager to have the best choice, we believed that they would use all the criteria to evaluate the salesforce performance in the sales manager position, including selling or non-selling activities and considering their team members' effort. However, according to our result, sales leaders with a low willingness to make the best decision believe in performance effort criteria (number of visits of clients) more than maximizers.

Since the decision-making process for maximizers does not finish after choosing the best option and they are also under the influence of social comparison (Nenkov, Morrin, Schwartz, Ward, & Hulland, 2008; Keys & Schwartz, 2007). We expected that sales managers with a high predisposition to make the best decision (maximizers) consider the quality of service performed by the sales team and customers' satisfaction degree. We measured this by the number of returned products. Our result was in line with what we predicted. It showed maximizer sales managers pay more attention to customer satisfaction than satisficers.

Against our expectation, our results are more in line with previous findings of Bruine de Bruin et al. (2007) and Polman (2010). They found out that maximizers make more decisions, but it doesn't mean that all decisions will be categorised as proper decisions. Therefore it would be complicated to state that maximizers are better decision-makers than satisficers.

To summarise our result, maximizers consider the outcome (short term result) and customer satisfaction for the remuneration allocation. We measured these criteria by the revenue they generated each month and the customer's returned items. Satisficers sales managers pay more attention to the effort of the sales team to get new customers and, therefore, to medium-term objectives. Medium-term activities are considered all sales meetings and the number of customers they visit or approach, including selling and non-selling activities.

CHAPTER 7. The final consideration, Limitation and Opportunities

7.1. Final consideration

Why is leadership important? During the time of health, peace and prosperity, leadership will not seem like an important essence. However, in the political situation and business gambling, life savings, and sectarian divides, leadership plays a critical role in life and death (Van Vugt, Hogan, & Kaiser, 2008; Bastardoz & Van Vugt, 2019). Leadership is a persuasion process whereby a group of people follow the guideline of a leader to achieve their goals (Northouse, 2021). The relation between leaders and followers is the universal aspect of the human being. According to their opinion or feelings, the followers give the authority and power to the leader, and the leader is committed to making the best decision for the sake of the group (Van Vugt, Hogan, & Kaiser, 2008; Bastardoz & Van Vugt, 2019).

However, there are shreds of evidence in the previous literature that they can transform their behaviour when individuals reach a leadership position. They may use their power for their interest (Anderson & Berdahl, 2002; Galinsky, Magee, Gruenfeld, Whitson, & Lijenquist, 2008; Keltner, Gruenfeld, & Anderson, 2003; Smith & Bargh, 2008; Guinote, 2007a; Maner & Mead, 2010; Deng, Zheng, & Guinote, 2018; Guinote, 2017).

Among all the transformations that may occur for individuals due to power, we focused on psychological distancing in this research. Power increase the psychological distance between a person in a higher rank in a hierarchy and followers. This psychological distance is called social distance in the literature (Liberman, Trope, & Stephan, 2007). As much as this social distance increases, leaders act more selfish, and they prioritize their interests above all the subordinates (Kopelman, 2009).

The Construal level theory (Trope, Liberman, & Wakslak, 2007) explains a strong relationship between psychological distance and how individuals think about an issue. It considers that when there is a social distance between individuals, the subordinates are perceived as a more abstract entity. In means, leaders look for more service that they can offer over any other interest (Vohs, Mead, & Goode, 2008).

By considering the above arguments, this study framed a decision-making simulation to evaluate the social distancing in the B2B firms and how it can affect the dividing the remuneration between the team members. In addition, we used the three personality traits as a moderator to define a good leader's profile (social self-control, the willingness to make the cognitive effort and the predisposition to make the best decision).

In Chapter 4, we evaluated the social distancing between a promoted sales manager and their salesforce. We proposed that when individuals reach a position of power, they allocate more resources to themselves than their subordinates because of the increase in social distance. Through two simulation exercises, we measure the social distance between the sales manager and salesforce. These simulation exercises focused on a sales management function, dividing the remuneration among the leader and the sales team based on their monthly performance.

Our results are aligned with the previous literature (Guinote, 2007a; Keltner, Gruenfeld, & Anderson, 2003; Guinote, 2017). It showed that when an employee promoted to be a sales manager, s/he develops a tendency to prioritize their interest over company goals and objectives and allocate more resources for themself rather than other team members. When a person receives precedence in a company, s/he has been affected by a mental transformation that causes social distancing with the sales team. This social distance affects the remuneration allocation, and they decide to receive more commission than the team members. The result showed that, on average, team leaders assigned 9.50 points (an increase of 42 %) more to themselves than to their sales team.

We also used three criteria for the evaluation of sales team performance and the remuneration allocation. Additionally, we evaluated the link between the commission assigned to the salesforce and the evaluation criteria. Our result didn’t show any relation between the salesforce performance and the remuneration allocation to the leader. Therefore, it was impossible to indicate any relationship between the salesforce performance and the evaluation criteria.

In this chapter, we used aspects of the self-monitoring theory introduced by Mark Snyder to evaluate the behavioural differences in the decision-making process of high and low social self-control promoted sales managers. Furthermore, to determine how this characteristic affects lengthening or narrowing the social distance between leader and followers and dividing the remuneration among the team.

We have divided the participants into two groups according to their degree of self-monitoring scale. Three evaluation criteria considered for assessing the sales force's performance: sales outcome, number of visits of customers, and number of returned items. Based on our result, high social self-control managers allocated less commission to themselves than low social self-control sales managers. On the other hand, low social self-control managers showed more selfish behaviour and kept more resources. According to our investigation, low social self-control individuals try to follow their "true self" and not hide their true intentions (Gangestad & Snyder, 2000).

High social self-control sensitizes to social appropriateness and the expression of others. Based on our result, they implemented the compensation system according to the medium and long-term objectives of the company and team interests. Although the first criterion of their attention is the sale outcome, they also valued the effort, measured by the number of customers' visits, and punishment for the returned products more moderately. In contrast, low social self-control individuals emphasized rewarding the financial work as a short term result (outcome and profit) and penalized returned products to a greater extent.

In Chapter 5, we worked on the various criteria that may affect the implementation of remuneration strategy as an essential part of the sales management system. We evaluated the role of a leader in implementing the remuneration strategy and how authority affected the evaluation process in the business firm. We simulated a scenario to assess the effect of receiving preferment on implementing the remuneration strategy and how power can affect the decision-making process. Our results followed the previous research that receiving authority can manipulate leaders' behaviour and make them act based on their interests. We proposed that the willingness to make a cognitive effort influence the leaders' decision-making process. To measure this willingness, we used the Need For Cognition Scale to evaluate this characteristic in the behaviour of leaders (Cacioppo & Petty, 1982).

The need for the cognition scale shows that naturally, individuals who are eager to make cognitive effort tend to think, explore and accumulate information to find relationships among the events in their world (Allard & Griffin, 2017). They tend to perform complex tasks. In contrast, a low degree of disposition to make cognitive effort tends to depend on others to complete their tasks (Cacioppo, Petty, & Feng Kao, 1984). In this context, we divided the participants into two groups according to their degree of willingness to make a cognitive effort to measure the effect of precedence on the evaluation criteria and divide the remuneration into groups. Our result did not show any significant differences between the low and high degree of willingness to make a cognitive effort in commission allocating.

According to our prediction, sales managers with a lower degree of willingness to make a cognitive effort concentrate on the outcome as a quantitive measure (short-term result). A low degree of cognition (NFCs) usually tends to do the easy tasks. They are eager to find a simple decision-making solution (Brinol, Petty, & Tormala, 2004). In contrast with what we predicted, individuals with a high degree of willingness to make a cognitive effort showed less contribution in assessing the quality and effort of salesforce activity.

Chapter 6 investigated another objective of this research: The differences between the maximizer and satisficers individuals as a promoted sales manager in a B2B organization. We simulated a scenario to evaluate their character in the position of a promoted sales manager. And how their personality trait moderates the relationship with their salesforce. Maximerzers individuals tend you spend more resources to find the best option for decision making (Schwartz, et al., 2002). Our results did not show any significant differences in determining the remuneration allocation between the maximizers and satisficers sales managers.

We also assessed the behaviour of these two groups on the evaluation criteria of salesforce contribution in the company objective. We aimed to realize the criteria they use to review their team performance. It was estimated by linear regression. First, we evaluated the sale outcome as a short-term result. We expected that satisficers, as they tend to select suitable enough options, show a higher consideration to this factor. But our work showed that sales managers with a high predisposition to make the best decision (maximizers) had more reflection on the outcome.

Second, We evaluated the effort (number of visits of the customer) as an evaluation criterion. Based on the personality of maximizers who tend to choose the best option, we predicted that they would consider the effort of their team members for the remuneration allocation, but our result showed the opposite.

Third, we measured the customer satisfaction criterion. One of the personality traits of maximizers is that the decision-making process for them do not finish after choosing the best option. They are also under the influence of social comparison (Nenkov, Morrin, Schwartz, Ward, & Hulland, 2008; Keys & Schwartz, 2007). As we predicted, maximizers showed attention to this factor for rewarding the sales team.

Our results regarding the maximizers individuals behaviour followed the previous findings. It means that maximizers make so many decisions, but the enormous number of decisions doesn't prove that all are the best ones (Bruine de Bruin, Parker, & Fischhoff, 2007; Polman, 2010).

7.2. Limitation and opportunities

As a suggestion for future study in the same theoretical framework, researchers can examine differences between men and women in the decision-making process. Recently psychologists researcher willing to acknowledge that some aspects of social behaviour, personality, and abilities differ between women and men (Eagly & Sczesny, 2009; Halpern, 1997). Social experts maintain that the situations faced by women and men are variable across societies and historical periods as the social organization changes in response to technological, ecological, and other transformations.

In our experiments, we designed a simulation scenario for the remuneration allocation. We aimed to evaluate the decision-making process of how sales managers divide the remuneration between themselves and their sales team to analyse their behaviour. In our simulation scenario, the remuneration was money as a direct remuneration. There are different types of compensation that managers can provide for their team to reward them correctly. All styles of remuneration are summarized into two categories: direct and indirect. It would be interesting to design simulation scenarios with indirect remuneration types in future studies. It can be design based on different types of bonuses, travel allowance, and indirect remuneration. The change in the kind of remuneration can affect the decision-making process of individuals.

The lack of incentive hampered the data collection process and participation of volunteers in this research. There was a massive amount of incomplete questionnaires after finishing the experiments. The higher completed questionnaire causes deeper evaluation and interpretation of the analysed model. It would be interesting to expand this research by increasing the number of participants.

Researchers can examine these hypotheses in different countries in future studies to identify the differences in decision-making among different cultures and economic situations. To evaluate how status changes moderate the remuneration implementation.

Future researchers should investigate whether our findings can be used as a basic questionnaire to interview a sales manager in a company. They can analyse if it will make the process of recruiting a talented sales manager easier or not.

There are a variety of personality traits that can affect the behaviour of individuals. As a suggestion for future studies, researchers can expand this investigation by using the concept of regulatory focus theory, evaluating the decision-making process, and persuading on reaching a goal among promotion focus and prevention focus.

To test the hypotheses of this study, we carried out the survey and simulation in a controlled laboratory to test factors that affect leader behaviours. One of the difficulties of this research was managing an experiment and controlling the environment of the investigation. As mentioned before, the situation should be highly controlled in the laboratory experiment, and the sample should be homogeneous. Although the experiment is artificial compared to a field study, it was the only way to obtain internal validity, free of biases and systematic error.

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ANNEXE

Annexe 1. The Self-Monitoring Scale

1. Instruction

The statements below concern your reactions to several situations. No two opinions are exactly alike, so consider each piece of information carefully before answering.

If a statement is true or primarily accurate as applied to you, mark TRUE as your answer. If a statement is false or not usually true as applied to you, mark FALSE as your answer. You must answer as frankly and as honestly as you can.

2. The questionnaire of Self-Monitoring Scale

No.	Statement	True	False
1	I find it hard to imitate the behaviour of other people.		
2	My behaviour is usually an expression of my true inner feelings, attitudes, and beliefs.		
3	I do not attempt to do or say things that others will like at parties and social gatherings.		
4	I can only argue for ideas I already believe.		
5	I can make impromptu speeches, even on topics about which I have almost no information.		
6	I guess I put on a show to impress or entertain people.		
7	When I am uncertain how to act in a social situation, I look to the behaviour of others for cues.		
8	I would probably make a good actor.		
9	I rarely need the advice of my friends to choose movies, books, or music.		
10	I sometimes appear to others to be experiencing deeper emotions than I actually am.		
11	I laugh more when I watch a comedy with others than when alone.		
12	In a group of people, I am rarely the centre of attention.		
13	In different situations and with different people, I often act like very different persons.		
14	I am not particularly good at making other people like me.		

15	Even if I am not enjoying myself, I often pretend to be having a good time.		
16	I'm not always the person I appear to be.		
17	I would not change my opinions (or how I do things) to please someone else or win their favour.		
18	I have considered being an entertainer.		
19	In order to get along and be liked, I tend to be what people expect me to be rather than anything else.		
20	I have never been good at games like charades or improvisational acting.		
21	I have trouble changing my behaviour to suit different people and different situations.		
22	At a party, I let others keep the jokes and stories going.		
23	I feel a bit awkward in a company and do not show up quite so well as I should.		
24	I can look anyone in the eye and tells a lie with a straight face (if for the right end).		
25	I may deceive people by being friendly when I really dislike them.		

3. Scoring the scale

The scoring key is reproduced below. You should circle your response of true or false each time it corresponds to the keyed response below.

Add up the number of responses to your circle. The total is your score on the Self-Monitoring Scale.

1. False	2. False	3. False	4. False	5. True
6. True	7. True	8. True	9. False	10. True
11. True	12. False	13. True	14. False	15. True
16. True	17. False	18. True	19. True	20. False
21. False	22. False	23. False	24. True	25. True

Annexe 2. The Need For Cognition Scale

1. Introduction

The Need for Cognition Scale is an assessment instrument that quantitatively measures the degree of enjoyment to think (Cacioppo & Petty, The need for cognition, 1982). Cacioppo and Petty created the Need for Cognition Scale in 1982. The original scale included 34 questions. Two years later, Cacioppo and Petty collaborated with Chuan Feng Kao to shorten the scale to the 18 item format used in the Wabash National Study of Liberal Arts Education.

What Questions Does the Need for Cognition Scale ask?

The Need for Cognition Scale asks individuals to rate the extent to which they agree with each of 18 statements about the satisfaction they gain from thinking (Cacioppo, Petty, & Feng Kao, The efficient assessment of need for cognition, 1984).

The scale asks participants to describe the extent to which they agree with each statement using a 9-point scale with the following values:

+4= very strong agreement
+3 = strong agreement
+2 = moderate agreement
+1 = slight agreement
0 = neither agreement nor disagreement
-1 = slight disagreement
-2 = moderate disagreement
-3 = strong disagreement
-4 = very strong disagreement

Out of the 18 statements on the Need for Cognition Scale, nine are reverse scored. Therefore, the Need for Cognition Scale is 72 (18 items multiplied by 4 points each) and the lowest possible score is -72.

2. The questionnaire of NFC Scale

-4	-3	-2	-1	0	+1	+2	+3	+4
very strong disagreement	strong disagreement	moderate agreement	moderate disagreement	neither agreement nor disagreement	slight agreement	moderate agreement	strong agreement	very strong agreement

No.	Statement	Score
1	I would prefer complex to simple problems.	
2	I like to have the responsibility of handling a situation that requires a lot of thinking.	
3	Thinking is not my idea of fun.*	
4	I would rather do something that requires little thought than something sure to challenge my thinking abilities.*	
5	I try to anticipate and avoid situations where there is likely a chance I will have to think in-depth about something.*	
6	I find satisfaction in deliberating hard and for long hours.	
7	I only think as hard as I have to.*	
8	I prefer to think about small, daily projects to long-term ones.*	
9	I like tasks that require little thought once I’ve learned them.*	
10	The idea of relying on thought to make my way to the top appeals to me.	
11	I enjoy a task that involves coming up with new solutions to problems.	
12	Learning new ways to think doesn’t excite me very much.*	
13	I prefer my life to be filled with puzzles that I must solve.	
14	The notion of thinking abstractly is appealing to me.	
15	I would prefer an intellectual, difficult, and important task to one that is somewhat important but does not require much thought.	

16	I feel relief rather than satisfaction after completing a task that required a lot of mental effort.*	
17	It’s enough for me that something gets the job done; I don’t care how or why it works.*	
18	I usually end up deliberating about issues even when they do not affect me personally.	

Annexe 3. Maximization Scale

1. Introduction

The statement below distinguish maximizers from satisficers

Individuals rate themselves from 1 to 7, from completely disagree to completely agree on each statement. We generally consider people whose average rating is higher than 4 to be maximizers. When we looked at averages from thousands of subjects, we found that about a third scored higher than 4.75 and a third lower than 3.25. Thus, roughly 10 per cent of subjects were extreme maximizers (averaging greater than 5.5), and 10 per cent were extreme satisficers (averaging lower than 2.5.)

2. The questionnaire of Maximization Scale

1 completely disagree	2	3	4	5	6	7 completely agree

No	Statement	Score
1	Whenever I'm faced with a choice, I try to imagine what all the other possibilities are, even ones that aren't present at the moment.	
2	No matter how satisfied I am with my job, it's only right for me to look out for better opportunities.	
3	When I am in the car listening to the radio, I often check other stations to see if something better is playing, even if I am relatively satisfied with what I am listening to.	
4	I treat relationships like clothing: I expect to try a lot before finding the perfect fit.	
5	I often find it challenging to shop for a gift for a friend.	
6	Renting videos is really difficult. I'm always struggling to pick the best one.	
7	Renting videos is really difficult. I'm always struggling to pick the best one.	
8	When shopping, I have a hard time finding clothing that I really love.	
9	I'm a big fan of lists that attempt to rank things (the best movies, the best singers, the best athletes, the best novels, etc.).	

10	I find that writing is complicated, even if it's just writing a letter to a friend, because it’s so hard to word things just right. I often do several drafts of even simple things.	
11	No matter what I do, I have the highest standards for myself.	
12	I never settle for the second-best.	
13	I often fantasize about living in ways that are pretty different from my actual life.	

Annexe 4. Simulation Scenarios

You have to imagine that you are in the position of a salesforce in a company. Based on your excellent performance and achievements, you are promoted as a Sales Manager of your company.

Your role and responsibilities as a sales manager summarized below:

- Meeting the sales targets of the organization through effective planning and budgeting.
- A sales manager can't work alone. It would be best if they have the support of their sales team, where each one contributes in his best possible way and works towards the goals and objectives of the organization.
- A sales manager must understand who can perform a particular task most effectively. It is their role to extract the best out of each employee.
- A sales manager devises strategies and techniques necessary for achieving the sales targets.
- A sales manager is the one who decides the future course of action for his team members.
- Motivating team members. Sales managers need to make their teamwork as a single unit working towards a common objective.
- A sales manager must ensure team members don't fight amongst themselves and share a cordial relationship. Appreciate it whenever they do good work.
- The sales manager must ensure his team is delivering desired results. Supervision is essential. Track their performances. Make sure each one is living up to the expectations of the organization. Ask them to submit a report of what they have done throughout the week or month.
- A sales manager is the one who takes major decisions for their team.

At the end of the month, you receive a monthly report of three salesforces working under your supervision.

You have to decide and share the benefit and commission between yourself and your three salesforces.

Your decision may persuade your team for better action and motivate them for the next months and may affect their behaviour among other colleagues. Your decision can affect the sales management system and consequently the future of the company.

In the below tables, you will see the monthly activity report; the tables contain three categories for evaluation, Outcome, number of visiting the customer and number of returned items.

The outcome is a quantitative measure and shows the revenue each salesperson had generated for the company in the last month.

The behavioural criteria refer to the sales meetings and approaching the customers, organizing visits, paperwork, etc., including selling and non-selling activities.

Returned items show that our customers were not satisfied with our product and our service, and they returned our product, so it refers to the satisfaction degree of our customers. We measured it by the number of returned items.

The net amount of profit for this month is 7,000 Euro,

Please allocate the percentage of their commission and the percentage of your share for each table separately. There is a table following each monthly report, and you can write the allocated margin of the commission in that table.

4.1. First Simulation

Below you can evaluate the table of monthly report of three salesforces.

Please allocate and divide the percentage of the commission :

Table 1: Monthly report of the first simulation

	Outcome	Number of Visits in Month	Number of returned products by customers
Salesforce No.1	6000	15	2
Salesforce No.2	1000	40	5
Salesforce No.3	3000	25	3

Table 2: Commission allocation of the first simulation

Desc.	Commission%
Percentage % of your commission	
Percentage % of Salesforce No.1	
Percentage % of Salesforce No.2	
Percentage % of Salesforce No.3	

4.2. Second Simulation

Below you can evaluate the table of monthly report of three salesforces.

Please allocate and divide the percentage of the commission :

Table 3: Monthly report of the second simulation

	Outcome	**Number of Visits in Month**	**Number of returned products by customers**
Salesforce No.1	1000	40	2
Salesforce No.2	6000	15	5
Salesforce No.3	3000	25	3

Table 4: Commission allocation of the second simulation

Desc.	Commission%
Percentage % of your commission	
Percentage % of Salesforce No.1	
Percentage % of Salesforce No.2	
Percentage % of Salesforce No.3	

4.3. Third Simulation

Below you can evaluate the table of monthly report of three salesforces.

Please allocate and divide the percentage of the commission :

Table 5: Monthly report of the third simulation

	Outcome	**Number of Visits in Month**	**Number of returned products by customers**
Salesforce No.1	6000	40	2
Salesforce No.2	1000	15	5
Salesforce No.3	3000	25	3

Table 6: Commission allocation of the third simulation

Desc.	Commission%
Percentage % of your commission	
Percentage % of Salesforce No.1	
Percentage % of Salesforce No.2	
Percentage % of Salesforce No.3	

4.4. Fourth Simulation

Below you can evaluate the table of monthly report of three salesforces.

Please allocate and divide the percentage of the commission :

Figure 7: Monthly report of the forth simulation

	Outcome	Number of Visits in Month	Number of returned products by customers
Salesforce No.1	1000	15	2
Salesforce No.2	6000	40	5
Salesforce No.3	3000	25	3

Figure 8: Commission allocation of the fourth simulation

Desc.	Commission%
Percentage % of your commission	
Percentage % of Salesforce No.1	
Percentage % of Salesforce No.2	
Percentage % of Salesforce No.3	

Annexe 5. Descriptive Statistics of Chapter 4

Table 7: Remuneration allocated to sales manager

Mean	32.13308458
Standar Error	0.301664077
Median	35
Mode	40
Standar Deviation	14.81536134
Sample variance	219.4949315
Kurtosis	-0.492795382
Asymmetry Coefficient	-0.059694065
Rank	75
Minimum	0
Maximum	75
Sum	77505
Number of observations	2412

Table 8: Remuneration allocation to the salesforce

Mean	22.62437811
Standar Error	0.202177363
Median	20
Mode	20
Standar Deviation	9.929358255
Sample variance	98.59215536
Kurtosis	0.850133306
Asymmetry Coefficient	0.678428064
Rank	70
Minimum	0
Maximum	70
Sum	54570
Number of observations	2412

Table 9: Remuneration allocation to High Social self-control sales manager

Mean	32.75793651
Standar Error	0.527804808
Median	35
Mode	35
Standar Deviation	14.5122329
Sample variance	210.6049038
Kurtosis	-0.507654677
Asymmetry Coefficient	-0.107820049
Rank	68
Minimum	2
Maximum	70
Sum	24765
Number of observations	756

Table 10: Remuneration allocation to Low Social self-control sales manager

Mean	35.46052632
Standar Error	0.737492225
Median	40
Mode	40
Standar Deviation	15.7485244
Sample variance	248.0160208
Kurtosis	-0.315509813
Asymmetry Coefficient	0.197261924
Rank	73
Minimum	2
Maximum	75
Sum	16170
Number of observations	456

Table 11: ANOVA of the commission assigned to the Sales Manager based on the performance of the salesforce

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	-3.14321E-09	-1.04774E-09	-4.76746E-12	#NUM!
Residual	2408	529202.2799	219.7683886		
Total	2411	529202.2799			

Table 12: Regression of commission allocated to each seller concerning the results obtained by salesforce.

Regression statistics	
Multiple correlation coeficient	0.550286758
R Square	0.302815516
Adjusted R Square	0.301946931
Standard error of the Estimate	8.295936153
Number of observations	2412

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	71980.97015	23993.65672	348.6307089	5.3034E-188
Residual	2408	165724.7164	68.82255665		
Total	2411	237705.6866			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	22.62437811	0.168918318	133.9367946	0	22.29313779
Sales outcome	6.514925373	0.206881844	31.49104457	1.3812E-182	6.109240497
Number of Visits	1.294776119	0.206881844	6.258529476	4.58597E-10	0.889091243
Number of returned Items	-0.802238806	0.206881844	-3.87776322	0.000108244	-1.207923682

Table 13: Regression of commission allocated to each seller concerning the performance results of salesforce by High Social Self-Control Sales manager

Regression statistics	
Multiple correlation coeficient	0.623778212
R Square	0.389099258
Adjusted R Square	0.386662154
Standard error of the Estimate	7.272720779
Number of observations	756

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	25333.8631	8444.621032	159.6564015	4.58542E-80
Residual	752	39775.13558	52.89246753		
Total	755	65108.99868			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	22.42724868	0.264506297	84.78909158	0	21.90799012
Sales outcome	6.954365079	0.323952731	21.46722163	4.17301E-80	6.318405828
Number of Visits	1.049603175	0.323952731	3.239988657	0.001247923	0.413643923
Number of returned Items	-0.89484127	0.323952731	-2.76225876	0.005880431	-1.530800521

Table 14: Regression of commission allocated to each seller concerning the performance results of salesforce by Low Social Self-Control Sales manager

Regression statistics	
Multiple correlation coeficient	0.606016668
R Square	0.367256202
Adjusted R Square	0.363056575
Standard error of the Estimate	8.121190722
Number of observations	456

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	17302.90789	5767.635965	87.44971968	1.23554E-44
Residual	452	29811.08991	65.95373874		
Total	455	47113.99781			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	21.50219298	0.3803096	56.53865422	4.1971E-207	20.75479859
Sales outcome	7.460526316	0.465782232	16.01719816	4.68301E-46	6.545158862
Number of Visits	0.190789474	0.465782232	0.409610888	0.682285454	-0.72457798
Number of returned Items	-1.105263158	0.465782232	-2.372918246	0.018065596	-2.020630611

Annexe 6. Descriptive Statistics of Chapter 5

Table 15: Commission allocation to the Manager

Mean	32.13308458
Standar Error	0.301664077
Median	35
Mode	40
Standar Deviation	14.81536134
Sample variance	219.4949315
Kurtosis	-0.492795382
Asymmetry Coefficient	-0.059694065
Rank	75
Minimum	0
Maximum	75
Sum	77505
Number of observations	2412

Table 16: Commission allocation to the sales team

Mean	22.62437811
Standar Error	0.202177363
Median	20
Mode	20
Standar Deviation	9.929358255
Sample variance	98.59215536
Kurtosis	0.850133306
Asymmetry Coefficient	0.678428064
Rank	70
Minimum	0
Maximum	70
Sum	54570
Number of observations	2412

Table 17: Commission allocation of High NFC Sales Manager

Mean	33.11363636
Standar Error	0.487678069
Median	35
Mode	40
Standar Deviation	13.72447741
Sample variance	188.3612803
Kurtosis	-0.402923256
Asymmetry Coefficient	-0.211054048
Rank	68
Minimum	2
Maximum	70
Sum	26226
Number of observations	792

Table 18: Commission allocation of Low NFC Sales Manager

Mean	32.58035714
Standar Error	0.579806612
Median	32.5
Mode	50
Standar Deviation	15.03030524
Sample variance	225.9100756
Kurtosis	0.066049234
Asymmetry Coefficient	0.289969097
Rank	70
Minimum	5
Maximum	75
Sum	21894
Number of observations	672

Table 19: Regression of commission allocated to each seller concerning the performance results of salesforce by High NFC Sales manager

Regression statistics	
Multiple correlation coeficient	0.547968733
R Square	0.300269733
Adjusted R Square	0.297605785
Standard error of the Estimate	7.818757621
Number of observations	792

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	20672.00568	6890.668561	112.7160758	9.84753E-61
Residual	788	48172.78093	61.13297073		
Total	791	68844.78662			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	22.28914141	0.277827454	80.22656174	0	21.74377195
Sales outcome	6.21780303	0.34026775	18.27326579	1.83207E-62	5.549864572
Number of Visits	0.270833333	0.34026775	0.795941824	0.426305555	-0.397105125
Number of returned Items	-0.645833333	0.34026775	-1.898015118	0.058059281	-1.313771791

Table 20: Regression of commission allocated to each seller concerning the performance results of salesforce by Low NFC Sales manager

Regression statistics	
Multiple correlation coeficient	0.617985695
R Square	0.38190632
Adjusted R Square	0.37913045
Standard error of the Estimate	7.61337093
Number of observations	672

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	23923.95536	7974.651786	137.5807744	2.08438E-69
Residual	668	38719.5625	57.96341692		
Total	671	62643.51786			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	22.47321429	0.29369216	76.51962621	0	21.89654338
Sales outcome	7.120535714	0.359697966	19.79587426	5.55145E-69	6.41426098
Number of Visits	1.370535714	0.359697966	3.810240375	0.000151643	0.66426098
Number of returned Items	-0.90625	0.359697966	-2.519474906	0.011985181	-1.612524735

Annexe 7. Descriptive Statistics of Chapter 6

Table 21: Remuneration allocation to Maximizers Sales manager

Mean	31.22535211
Standar Error	0.572348698
Median	32
Mode	40
Standar Deviation	16.70630848
Sample variance	279.1007431
Kurtosis	-0.616006653
Asymmetry Coefficient	0.166961951
Rank	73
Minimum	2
Maximum	75
Sum	26604
Number of observations	852

Table 22: Remuneration allocation to Satisfizers Sales manager

Mean	30.32142857
Standar Error	1.071054255
Median	30
Mode	40
Standar Deviation	13.8824498
Sample variance	192.7224123
Kurtosis	-0.780647513
Asymmetry Coefficient	0.202533974
Rank	50
Minimum	10
Maximum	60
Sum	5094
Number of observations	168

Table 23: Regression of commission allocated to each seller concerning the performance results of salesforce by Maximizer Sales manager

Regression statistics	
Multiple correlation coeficient	0.550512143
R Square	0.30306362
Adjusted R Square	0.300598043
Standard error of the Estimate	8.874584997
Number of observations	852

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	29042.40845	9680.802817	122.9179385	4.1913E-66
Residual	848	66787.00352	78.75825887		
Total	851	95829.41197			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	22.91901408	0.304038272	75.38200345	0	22.32225828
Sales outcome	7.021126761	0.372369315	18.8552775	1.69281E-66	6.290253153
Number of Visits	0.947183099	0.372369315	2.543665822	0.011146064	0.216309491
Number of returned Items	-0.968309859	0.372369315	-2.600401862	0.009473533	-1.699183467

Table 24: Regression of commission allocated to each seller concerning the performance results of salesforce by Satisfizer Sales manager

Regression statistics	
Multiple correlation coeficient	0.367152828
R Square	0.134801199
Adjusted R Square	0.118974392
Standard error of the Estimate	9.25823138
Number of observations	168

	Degrees of freedom	***Sum of squares***	***Mean squares***	***F***	***The critical value of F***
Regression	3	2190.169643	730.0565476	8.517270487	2.72652E-05
Residual	164	14057.23512	85.71484829		
Total	167	16247.40476			

	Parameter estimate	***Standard Error***	***T value***	***Probability***	***Confidence Interval below 95%***
Constant	23.22619048	0.714288058	32.51655996	2.09772E-73	21.81580401
Sales outcome	4.080357143	0.874820636	4.664221412	6.39353E-06	2.352993549
Number of Visits	1.6875	0.874820636	1.928966842	0.055461693	-0.039863594
Number of returned Items	0.241071429	0.874820636	0.275566692	0.783227798	-1.486292165