Università
Ca'Foscari
Venezia

Master's Degree
in Global Development and Entrepreneurship

Final Thesis

Ambidexterity and Sales Performance in B2B companies

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Academic Year
2019/2020

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1. INTRODUCTION

Ambidexterity is a wide used expression in many different field of business, social science, management and so on. Many researchers and experts forged their own definition for this concept, also according to their subjects of studies.
All scholars are, in any case, in agreement when considering ambidexterity as the quality and the prerequisite for the survival and prosperity of the organization.
However, performance need to be guaranteed also thanks to an efficient salesforce. It is necessary to highlight that, especially in the fast changing environment where companies need to work nowadays, the job of selling is becoming tougher and reactions must be swift in order to avoid the risk of losing market shares with benefits to the competitors.
The aim of this study is trying to find out the possible effects of different approaches in sales environment linked to one or more definitions of ambidexterity, taking into consideration the behaviours of a salesforce coming from a B2B company working on a worldwide level.
Theories and concepts were developed following on the overall the researches from De Carlo and Lam (2015 and 2019) (who focused mainly on hunting and farming approaches as ambidextrous behaviours) and the theories about customer orientation and effects on performance built from Saxe and Weitz (1982) and more recently expanded from Homburg, Klarmann and Müller (2011). The main reason to further concentrate on hunting/farming approach and intensity of customer orientation is that their relationships have not yet been considered as a combined effect on performance, even though these approaches are always present (in different levels) in the salesforce, even though they can be unintentionally. The aim is understanding if customer orientation is truly beneficial to company sales performance, and if not, in which cases this type of approach should be avoided or limited to not impact on performance.
Results of this research can give an important contribution to the literature, further confirming hypothesis presented in past studies and developing new ones. It will be interesting explaining the possible impact on salesforce management, which would be able to obtain clear indications and motivations on approaches to apply when dealing with customers according to their intensity of customer orientation and their kind of approaches (mainly farming or mainly hunting oriented).
The first chapter introduces a general summarize of the literature regarding ambidexterity and

the studies conducted up to know, in order to briefly draft the conceptual framework to be analysed, presented in the second chapter. The third chapter focuses on the analysis conducted, presenting the samples and the data collected, together with the method applied to run the regression. At the end, the last chapter is dedicated to the model presentation and investigation of the analytical results and their link to the hypothesis for a possible confirmation. The conclusion drafts the managerial implications and possible limitations of this study, for future improvements.

2. *LITERATURE OVERVIEW*

2.1 The Roles of Ambidexterity and Practical Implications

As Raisch and Birkinshaw (2008) make clear in the introduction to their review work on studies on ambidexterity, all works that use expressions such as "conciliate exploration and exploitation" or "promoting simultaneously incremental and radical innovation" or "balancing research and stability" are in fact referring to the same assumption. All scholars are, in any case, in agreement in attributing to ambidexterity the quality of a prerequisite for the survival and prosperity of the organization.

Ambidextrism can be defined as the ability of an organization to be aligned and efficient in managing today's business while at the same time being adaptable to change environment (Raisch & Birkinshaw, 2008). (Andriopoulos & Lewis, 2009) Tushman and O'Reilly define ambidextrism such as the ability to implement both incremental and revolutionary changes. The authors compare ambidextrous managers to the roman god Janus, who had the peculiar trait to bring one eye looking behind and another eye looking to what found ahead. This is not easy, for sure ambidextrous capacity can be classified as one of the toughest and at the same time one of the most necessary abilities in nowadays management organizations. Having or not this ability, turns on reaching or not reaching success and gaining a position in the market. Ambidextrism can also be interpreted as a tool for managing innovative tension, of which has an organization to balance exploration and exploitation (Andriopoulos & Lewis, 2009). Turner et al. (2012) in their study on mechanisms for the management of ambidextrism suggest this interpretation of the term by presenting it as a synthesis of literature: "Ambidexterity is the ability to both use and refine existing knowledge (exploitation) while also creating new knowledge to overcome knowledge deficiencies or absences identified within the execution of the work (exploration)".

Another famous definition of ambidexterity comes from Gupta (2006). Particularly it refers to individuals’, subunits’, or firms’ engagement in both exploration and exploitation activities. And in this project, we will begin properly from individuals' ambidextrous capacities and orientation.

Organizations are faced with a trade-off between mechanistic and organic structures which is often difficult to solve. Exploitation is associated with the mechanical aspect of the company as it is based on standardization, centralization and hierarchy; however, these elements represent obstacles to the pursuit of the exploratory initiatives. On the other hand, exploration is supported by organic structures, characterized by strong decentralisation of decision-making, which enhance the need for coordination and efficiency.

Up to now, most literature has focused on ambidexterity under the company organization point of view.

Researches tried to understand the roles of entrepreneurs and other members of TMT (Top Management Team) in shaping ambidexterity of the company. We can find many studies on this topic in recent literature (Chang, Hughes, & Hotho, 2011). Top Management Teams are evaluated to be one of the most influent character of the company affecting organization ambidexterity. Management plays a fundamental role in shaping the ambidexterity of the organization. Just think of all the connections and knowledge both internal and external that a CEO can have. And when we talk about internal or external knowledge, we are referring to all those contacts and information that the CEO can exchange internally and externally not only of and from the organization, but also of and from the market in which the company works. CEOs normally play an active role in the society, are updated and informed about what happens in the market and about what happens to customers, suppliers, competitors. For these above reasons we can think CEOs as a tree having roots able to take contact with stakeholders and other players of the market. Those players are the factors that can interact with ambidexterity and influence the outcomes of the company and its employees. When we talk about outcomes, it is meant not just economic outcomes (for example turnover or margin) but also qualitative outcomes such as customer satisfaction, employee satisfaction, role conflicts and so on.

Internal and external factors play a role which is a quite deep investigated topic, too. Internal factors shaping ambidexterity orientation are for example the connectedness of the different departments inside the organization and the level of centralization, while external factors are more related to environmental dynamism and competitiveness of the market where the company is located (we can find many studies on this topic in recent literature - (Chang, Hughes, & Hotho, 2011). For sure CEOs and members of Top Management certainly are the key players in the challenge of improving company performance, given their decision-making and organizational role. However, anyone within the company can pursue an ambidextrous behaviour, when choosing to go down a different path from ones of everyday life, experimenting with new working methods rather than trying to create something never seen before, trying at the same time to keep the attention and focus on what is the day-by-day of the company's operations.

Starting from these thoughts, literature has been searching for ambidextrous behaviours in many different fields of business activities, and another deeply studied team engaging in ambidexterity is found to be the sales team. Sales people nowadays are required to act something like chameleons, to adapt themselves to many different situations and people, without forgetting the focus: reaching (and if possible overcome) sales targets and keeping high the consideration and evaluation of the customer about the company itself.

Following these theory, research has begun examining how salespeople allocate their time; however, only one study (De Carlo & Lam, 2015) has examined salesperson orientation as a limiting condition of salesperson ambidexterity. In their study, the authors try to examine when and why sales employee become oriented toward one or the other orientation (hunting vs farming). Moreover, researchers also seek to clarify whether being ambidextrous can lead to efficiency improvements or, on the opposite, can impair results. In order to better test and demonstrate which is the link between hunting or farming orientation and outcomes, a regulatory focus was studied and identified. Researchers found that a prevention focus can be associated with a farming selling orientation, while a promotion focus is associated with a hunting selling orientation. To develop these concepts, trait-based and situational predictors were examined and put together with two moderators, expected hunting success and acquisition-based compensation plans. These traits should be captured by salesperson promotion focus. Promotion focus traits reflect the sensitivity to obtain positive outcome through also the pursue of risky strategies. Exploration approaches lead to prospect for new accounts, to make new sales. On the other hand, a prevention focus person prefers to avoid negative outcomes, being risk avoidant. These people usually would like to join predictable work tasks and nurture and sell to current accounts. To conclude, prevention focused people should be placed in the position to pursue farming-oriented activities, that best engage their traits. The opposite should be done for promotion focused employees. However, it was demonstrated that some people respond well to both focuses, thus being ambidextrous.

Nevertheless, ambidexterity is almost never well balanced between the two orientations, meaning that usually it is more weighted toward hunting or farming. It was demonstrated that profit margins are higher for those who have a dominant farming orientation, because catching and closing new prospects usually requires more time and effort compared to selling to current accounts. Besides, those who have both high farming and hunting orientation result to be more efficient, and this relationship is also stronger when the seller is also customer oriented. A third orientation, opposed to the previous two analysed and called learning goal orientation, will be further seen in detail later. In order to test their hypothesis, authors developed a main effect model[1], showing positive relation between promotion and hunting orientation (the p value showed <0.01 and the γ=0.176); similar results were found in the relationship between prevention focus and farming orientation.

To further strength the analysis, the study tried to understand whether the relation between promotion focus and hunting orientation was stronger than the one between prevention focus and hunting orientation (and on the other hand, whether the relationship between prevention focus and farming orientation was stronger than that between promotion focus and farming orientation). A Wald test[2] confirmed the relationship between each regulatory focus and the relative hunting and farming orientation.

To understand better the effects of farming and hunting orientations on profit margins, it can be useful to refer to the graph plot in the study (see below Figure 1). The relation between hunting orientation and profit margins is positive when farming orientation is high and negative when farming orientation is low. The relation supports the idea that catching and closing new accounts requires more costs in terms of time and efforts, thus lowering margins. However, if catching new accounts is followed with strengthening relations with current ones, profit margins can be enhanced.

[1] A main effect is the effect of an independent variable on a dependent variable averaged across the levels of any other independent variables. A main effect test will test the hypotheses expected such as H_0, the null hypothesis. In general, there is one main effect for each dependent variable.

[2] A Wald test is used to check if an independent variable has a significative relationship with the dependent variable.

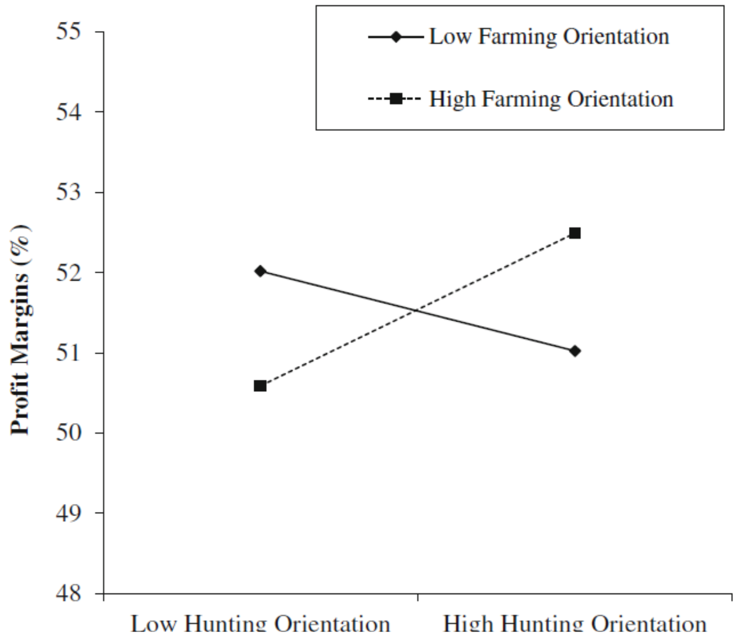

Figure 1: Impact of hunting orientation and farming orientations on profit margins (De Carlo & Lam, 2015)

Before developing this research, literature limit was due to the fact that the previous studies just focus on benefits and costs of either hunting or farming. Added to this, the study aimed to gain knowledge about the trade-offs experienced from ambidextrous salespeople and its influence on sales and profit margins. Last but not the least, the research tried to seek factors that probably alter salesperson inclination toward one or the other orientation. An important contribution under a managerial point of view of this study, is the possibility to identify hunters and farmers according to their regulatory focus. However, it was demonstrated that high acquisition-based compensation plans can alter the behaviour of salespeople, reinforcing hunting orientation also for those who appear to be high farming oriented. Also, a high hunting expectation can reinforce hunting behaviours in a farmer seller.

Later on, the same authors engaged in another research to prove evidence of the role played from customer base characteristics in enhancing sales performance (Lam, De Carlo, & Sharma, 2019).

The researchers found that the dimension of customer portfolio and the number of prospects realized either empower or, on the contrary, damage sales performance.

The research also posed a detailed analysis on finding the optimal balance about when becoming ambidextrous and when not to, trying to find the factors that can alter the productivity of salespeople. The study took into consideration the structure of customer portfolio, stressing two factors, or moderators: customer base size (number of active customer) and customer base newness (percentage of revenues generated from first time customers), thus not considering any longer specific customers' characteristics. The results demonstrated that sales growth can be driven both by ambidextrous orientation (when customer portfolio is large) either by monodextrous behaviour (when customer base is small). Furthermore, it was proved that salespeople risk to fall into what is called "success trap", namely that when they have achieved some farming success, they tend to ignore hunting activities. Success traps can be avoided or soften through incentives and plans that reward hunting efforts (mentioned in their previous research as compensation plans). However, if salespeople achieve success in hunting, they later alternate between hunting and farming efforts.

As a wide accepted measure of ambidexterity, the study used the product of exploration and exploitation activities employing self-reported perceptual scales. Starting from the result of the products, the terms are later mean-centered. The research first ranked individuals in downward order of hunting or farming orientation strategies according to their scores. Respondents that fell in the upper half were classified as hunters or farmers, respectively. Respondents belonging instead to both groups can be defined ambidextrous (see He & Wong, 2004).

The authors found a significant slope difference ($t = 1.99$, $p < .05$) which indicates an enhancing effect between hunting and farming orientations when the customer base is large and checked that synergies do not exist between hunting and farming when the salesperson's existing customer base is low.

Rather, a crossover interaction effect occurs, such that when the customer base is small, the relationship between hunting orientation and sales growth is negative when salespeople are highly farming oriented and positive when salespeople are low on farming orientation.

The research gives a huge contribution and extend previous literature showing that, not only salespeople personal traits (regulatory focus), but also customer base characteristics play a role and influence sales performance, creating new relationships and links between salespeople and their results.

Prior research stresses the importance of individual-level ambidexterity as a driver of performance (e.g. (Bonesso, Gerli, & Scapolan, 2013); (Good & Michel, 2013)). In the marketing domain in particular, individual level ambidexterity research has examined how frontline employees (FLEs) balance between exploring new customers and exploiting existing customers (De Carlo & Lam, 2015); (Lee & Meyer-Doyle, 2017); (Van der Borgh, Cloodt, & Romme, 2012) or between selling and offering services (Jasmand, Blazevic, & De Ruyter, 2012). While conventional perception suggests that ambidexterity is generally beneficial, empirical evidence indicates that the effect of ambidexterity on individual performance is not always positive. DeCarlo and Lam (2019) proved that profit margins from salesperson ambidexterity behaviours depend on a salesperson's level of customer orientation. Their research about FLE's time allocation between hunting and farming is one of the most significative works on this topic carried out until today. Results confirm that ambidexterity is not always beneficial, thus not supporting completely what was discovered previously (Bonesso, Gerli, & Scapolan, 2013); (Good & Michel, 2013).

When talking about ambidextrous behaviour (or orientation) of salespeople it is necessary to specify which competitive tasks is the paper talking about. Farming vs hunting behaviours, customer or competitive oriented behaviours are just a pair of ambidextrous attitudes people can pursue. Literature up to now focused mainly on analysing the results of salespeople performance by checking and searching the relationship between performance and farmer or hunter attitude of the employees.

As Narver and Slater (1990) state, the market orientation is "the organization culture that most effectively creates the necessary behaviours for the creation of superior value for the buyers and consequently, continuous growing performance for the business.
Customer Orientation consists of the organization's ability to respond to, and perhaps in some cases exceed, customer expectations.

A company's market orientation, as popularly conceptualized (Kohli & Jaworski, 1990) (Kirca, Jayachandran, & Jayachandran, 2005) (Narver & Slater, 1990), incorporates two primary dimensions:
(1) Customer orientation, which means attention on the needs and wants of the customers.

(2) Competitive orientation, which accentuates a focus on competitive pressures.

For a long time, customer orientation was considered an organization-level issue, with the contribution of top management to implement a customer-oriented vision inside its company. Slowly the focus moved toward the selling group, examining the market orientation of salesforce. Saxe and Weitz introduced the concept of "customer orientation", defining it as the commitment to understanding and meeting customer’s needs and interests and ensuring long-term customer satisfaction (Saxe & Weitz, 1982), while the link between salesperson’s customer orientation and performance was observed.

In the paper from Cross, Brashear, Rigdon and Bellenger (2007) the researchers try to understand which is the impact of customer orientation on salesperson performance, both at the company and individual level. It was confirmed that salespeople play a critical role in showing and making effective the organization focus on customers. However, it is necessary that the organization enables and creates an environment where customer orientation is supported. At the same time, the competitive orientation of the company, seemed to be a company matter, and salespeople are not affected from it on their performance. Nevertheless, considering that salespeople are those able to gather data regarding competitive position of the company in the market, the organization should encourage information sharing about this topic.

Against this background, we define “salesperson customer orientation” as the degree to which a salesperson identifies and meets customer needs and interests in the different stages of the purchasing/selling process (Saxe & Weitz, 1982).

Customer-oriented salespeople usually tend to avoid actions going against customer interest, even though those actions could lead to increase the possibility of an immediate sale.

An opportunity cost arises when short-term sales are sacrificed to maintain customer satisfaction and increase the probability of future sales. Clearly, in some situations the impact of an immediate sale outweighs the potential impact of future sales.

This behaviour is cost effective when salespeople can rely on the resources needed to fit their portfolio to customer needs. Examples of such resources are the ability of salespeople to analyse customer problems and the availability of a broad range of products that can be offered as solutions. Moreover, customers are welcoming customer-oriented method when they need assistance to solve a problematic issue and when have a close and trusting relationship with their seller. If the seller can guess to keeping contact in the future with the customer, then benefits of this orientation can exceed the costs, and a satisfied customer usually reward the seller by buying more times. Furthermore, it is possible that during the different sales processes, the salesperson learns more and more about its customer, thus making future sales less costly and more effective. The value of customer loyalty is to consider as the value of the customer over time and the value of management of each moment of contact with the company.

Today the customer does not like the mass promotion of a product but wants to understand how that product responds to his personal needs.

Moreover, it is important consider that gaining a new customer, costs 10 times compared to keeping a loyal one.

When a business is competitively oriented, it continuously reassesses its strengths and weaknesses in comparison to its competitors in order to keep always performance high. The evaluation could include production efficiency and delivery times, customer satisfaction, innovation capacity. In a competitive environment, each company is trying to make the most of advantages for itself, obviously at the expense of its competitors. For companies managing and handling entirely with other businesses, for example wholesalers or sellers of raw materials, analysis of competition is more important than marketing or advertisement.

In the 80s, Saxe and Weitz studied and developed a scale to measure the degree to which salespeople engage in customer-oriented selling: the SOCO scale. To develop the scale, salespeople and sales managers were interviewed and required to describe behaviours and approaches of both low and high customer-oriented salespeople. Together with the literature, impressions from the selling people were used to build a pool of 104 items representing the categories of behaviours and attitudes depicting the customer orientation. After some verifications both through marketing experts and a first survey of salespeople, items were reduced to a group of 24. 12 positively stated items accounted for a customer-oriented approach, while 12 negatively stated items accounted for a selling oriented approach (thus, not customer oriented). From this, the name of the scale: Selling Orientation-Customer Orientation scale (SOCO). Following this, a survey containing the 24 items was submitted for the final data collection and analysis.

The original concept of the components of customer orientation was largely supported by the data. Of the seven categories of items, only one, matching sales presentations to customer interests, was not represented on the scale. Moreover, B2B salespeople reported a higher inclination towards customers, compared to retail salespeople. The explanation can be that B2B customers usually engages in multiple and repeated sales, compared to other customers, such as the retail's one.

The importance of customers (and potential customers) in every business has always been highlighted from the quote „customer is the king ". Traditionally, it's a rule that means the company promises to provide good customer service.

Homburg, Müller and Klarmann partially confuted the rule of being always customer oriented and analysed the optimum level of salesperson customer orientation (Homburg, Klarmann, & Müller, 2011). In their sample authors find an optimum score of 6.20, meaning that people scoring higher than this value, risked being too much customer oriented. Around 30% of the salespeople from the sample appeared to overcome this value; it is a quite high proportion, even though it does not apply for the majority. Those people were the ones managing a smaller customer portfolio and the ones managing fewer sales related issues during their relationships. However, customer orientation is not effective in the same way for all the businesses. According to their study, there are other two characteristics which push for a stronger customer orientation, and these are a high price level and a highly competitive market. The higher the price, the more customer-oriented salespeople are supposed to be. This is due to the fact that buyers need to justify prices above the average, and for the sake of price parity, customers expect a better service. In highly competitive markets, customer orientation level becomes also a mean of differentiation from competitors. In case seller cannot rely on product feature to differentiate, a good customer orientation allowing to build a strong relationship becomes the differentiation factor.

Together with customer orientation, value-based selling is another customer-directed sales approach. It has been defined as "the degree to which the salesperson works with the customer to craft a market offering in such a way that benefits are translated into monetary terms, based on an in depth understanding of the customer's business model, thereby convincingly demonstrating their contribution to customer's profitability" (Terho, Haas, Eggert,

& Ulaga, 2015), meaning that the focus switches from the cost to the value of the product sold. It becomes easier for salespeople engaging in approaches facilitating the customer to consider the potential of the product or service, when keeping a high customer orientation approach. It becomes easy to think about value-based selling as an expensive and onerous approach, because it requires to deeply know the customer (and this can take time, it is not something feasible in the moment) and to show benefits and added value of the offer. However, understanding customers' necessities and goals, can help to select and target customers in a more effective way. Segmentation become another important step for successful sales. It was found that especially business to business salespeople need to facilitate the decision-making process of the customer, apart from being customer oriented and meeting their needs (Terho, Haas, Eggert, & Ulaga, 2015) in order to be effective.

Customer orientation is a facet of selling behaviour permeating the service industry. As a service-provider, industries from tertiary sectors must care deeply the relationship with the customer and their satisfaction. However, more and more frequently, employees are required to provide a quality customer service without forgetting to pursue increased sales volumes in order to reach targets (service-sales ambidexterity). A report from Mc Kinsey and Co. shows that companies could increase 10% current revenues by combining cross and up selling activities in their service hubs. Pushed by the possibility to increase revenues, different firms have tried to adopt ambidextrous strategies in their networks. Business units' ambidexterity was studied also from Gibson and Birkinshaw (2004), claiming that BU ambidexterity is positively related with business performance, measured considering both employee and customer satisfaction. However, it was limited to the analysis of subjective performance measure, considering the perceptions of participants. More recent studies focused on investigating also objective financial performance.

According to Yu, Patterson and Ko de Ruyter (2012), service-sales ambidexterity strategy can be positively related to business performance especially in those firms accounting with networks of independent branches or subunits. However, also at the group level of analysis, individual behaviour is paramount to reach a satisfying overall result. Ambidexterity in branches employees can be fostered thanks to some antecedents: empowerment, team support, transformational leadership. Empowered employees have received the right to decide how to act and react to the different small and big challenges they face daily. In this way they can independently judge how to allocate their time and their efforts, and this can be done also in a better way if recognition and rewards are foreseen.

The support coming from colleagues, especially senior ones, and the role model of their manager acting as an example (guiding, helping and involving colleagues in the decision making) all together really helps to create an ambidextrous unit. It was shown homogeneity of actions and beliefs within the same business unit, considering the people socialize with their own colleagues, at the same time differences were detected among the different branches. Antecedents were measured using Likert scales, with items captured from previous researches. Measurement through Likert scales is common among researchers to verify the impact people associate to each behaviour when testing for opposite (read "ambidextrous") orientations. The analysis was carried out both at the individual and aggregated level, and to test for group results, the mean of the individual scores within each group was used. Multiple regression analysis[3] was performed to test between the group level and its relationships with financial performance, branch size and branch locations operated as control variables, resulting with a positive relationship. In order to study simultaneously at the individual and group level, hierarchical linear modelling was applied [4] . The test showed that above mentioned antecedents (empowerment, team support, transformational leadership) are all positively associated with service-sales ambidexterity.

Summing up, even though salespeople are the last piece of the puzzle linking organization market orientation and customer satisfaction, they should have the possibility to rely on company support (and related supportive context implementation) to reach sales and service ambidexterity, ensuring in this way both sales targets achievement and customer loyalty over the long run.

Researchers operationalized performance in many ways including market share, profitability,

[3] Multiple linear regression is the most common form of linear regression analysis. As a predictive analysis, the multiple linear regression is used to explain the relationship between one continuous dependent variable and two or more independent variables. (StatisticsSolutions, 2020)

[4] Hierarchical linear modeling (HLM) is an ordinary least square (OLS) regression-based analysis that takes the hierarchical structure of the data into account. Hierarchically structured data is nested data where groups of units are clustered together in an organized fashion. HLM models provide a framework that incorporates variables on each level of the model. HLM models can be extended beyond two levels. (StatisticsSolutions, 2019)

return on assets or in investment, new product success and composite of these variables (Shoham, Rose, & Kropp, 2005). Performance evaluations are used to measure an employee's ability to meet the requirements of job description and perform her duties as directed (McQuerrey, s.d.). The performance mainly depends on two-dimensional construct. First is objective performance which involves financial and market-based measures. Second is judgmental performance which involves customer and employee-based measure in term of service quality and customers and employee's satisfaction.

Many evaluation processes examine performance, the meeting of goals and objectives and employee attitude. A judgmental or subjective approach risks to be heavily influenced from a manager's personal assessment of performance.

Performance goals enable employees to plan and organize their work according with the achievement of predetermined outcomes. By setting and completing effective performance goals, employees are resulted to be better able to: (Dartmouth Education, s.d.)

- Develop job knowledge and skills that help them thrive in their work, take on additional responsibilities, or pursue their career aspirations;
- Support or advance the organization's vision, mission, values, principles, strategies, and goals;
- Collaborate with their colleagues with greater transparency and mutual understanding;
- Plan and implement successful projects and initiatives;
- Remain resilient when barriers arise and learn from these impediments.

Without setting clear performance goals, employees may feel aimless about prioritizing and completing their work and may feel disengaged in their jobs, and teams can fall in confusion, misunderstandings and conflicts. For both individuals and teams, the absence of effective goal setting substantially reduces productivity.

Although focused attention on performance goals typically happens during the annual evaluation process, goal-setting really pays off when employees monitor their goal progress throughout the year, discuss the status of goals with their manager on ongoing and regular basis, and propose and make adjustments to remain on track toward completion (Dartmouth Education, s.d.).

According to the control theory, developed during the 80s, goals represent for individuals subjective reference points which are later ordered hierarchically. Following this mental hierarchy, people decide to allocate their time and their efforts toward specific goals. Hierarchy is not static, it is altered from the individual subsequently, considering the situation and the needs of that moment. This is what happen when salespeople adjust their sales approaches according to the type of customer, the sales situation and the feedback received, adapting their strategy and pursuing adaptive selling behaviour (Agnihotri, Gabler, Itani, Jaramillo, & Krush, 2017). This kind of approach is recurring especially in B2B sales.
The authors carried out a partial least square analysis to test the consequences of sales-service ambidexterity on role perceptions, behaviours and customer satisfaction, after having collected responses from B2B companies and their randomly selected customers. Likert scales were used. Partial least square[5] was particularly indicated in this case because the model was complex, but the sample size was small. It was confirmed that adapting sales behaviour to the situation, is positively related to the request of pursuing sales-service ambidexterity, in order to reach both goals. However, service-sales ambidexterity may lead to role conflicts, as job duties are seen as expanded and more complex. Supporting this, the analysis found a negative relation between role conflict and customer satisfaction.
Furthermore, also the goal orientation adopted before involving in a task or activity settles a framework drafting individual's actions for goal achievement (Silver, Dwyer, & Alford, 2006).

One of the most solid predictor-mark of adaptive selling is salesperson's learning goal orientation (mentioned at the beginning). Usually, salespeople holding this orientation are not concerned regarding results in comparison to others and do not worry about meeting some standards of performance. These people prefer challenging tasks to acquire new skills, and in case of difficulties try to improve always their strategy. On the other side, performance-oriented salespeople really worry about the result of their actions and focus on showing especially to others their abilities. For these reasons, this category of sellers tends to avoid challenging situations (Silver, Dwyer, & Alford, 2006). In their study the authors found support for the relationships between learning goal orientation and with sales performance. To check this, a questionnaire was submitted, and respondents were required to classify using a Likert

[5] PLS helps with theory confirmation and provides suggestions as to where relationships may or may not exist.

scale their behaviours and goals.

Nevertheless, no proof of relationship was found between performance goal orientation and sales performance. Usually performance-oriented people tend to avoid any possibility of failure preferring to focus on demonstrating their competence. When facing a challenging task, that they might not be able to succeed, they tend to withdraw from the job, showing a lower interest in that activity. Normally these sellers end to postpone “difficult” activities, switching to most comfortable duties where it is possible to feel sure to reach a superior result.

Goal orientation traits are usually personal characteristics but can be influenced from the situation and from the environment, sometimes also from the pressure put in force from the management.

The trade-offs to pursue ambidextrous behaviours and actions have been studied for a long time and at the organizational level, different solutions have been suggested. However, studies adapt mostly to the firm-level of analysis, keeping out individuals, assuming homogeneity at the employee level. Thus, the possible influence of the members on the organization has not been considered (Bonesso, Gerli, & Scapolan, 2013).

In the above overview of the literature, it has been demonstrated the importance of individuals and their characteristics on shaping company’s capabilities.

It was found that a combined analysis of individual’s perceptions and their behaviour is mandatory in order to obtain a satisfactory vision over ambidexterity at the individual level.

Unbalanced (enacted personal ambidexterity, dominant learning orientation and perceived personal ambidexterity) and balanced (full personal ambidexterity) perceptions and behaviours have been recently proposed (Bonesso, Gerli, & Scapolan, 2013).

Competency profile and prior work experience play a relevant role, together with individual’s perceptions, in shaping salespeople behaviours. It was demonstrated that prior work experience (especially if in different companies and/or sectors) let people to fall in the so called “full personal ambidexterity”, showing a balanced behaviour towards exploitation and exploration. People with a narrower previous experience instead tend to be trapped in a too specialist and limited vision, suffering when trying to search for new opportunities (situation of “perceived personal ambidexterity” and “dominant learning orientation”). Moreover, emotional and social abilities are combined with each other in those cases when a balanced situation can be identified. On the other hand, in unbalanced situations, when there is a

prevalence towards exploration or exploitation, there is also a dominance of either emotional or social competencies.
This analysis can be a good starting point for human resources teams when searching for new employees (selecting those retaining above mentioned criteria, such as a rich and varied previous work experience) or also managing current ones (different studies proved that trainings focusing on behaviour in the topic of emotional and social competencies, have the power to modify and shift the approaches towards a stronger "full personal ambidexterity" (Boyatzis, 2007)).

Shifting completely from the individual level point of view, let's go back to the organizational point of view with a focus on radical new and incremental products.
Going back to consolidated literature in ambidexterity field, ambidexterity was defined as the ability to pursue both incremental and radical innovation (Raisch & Birkinshaw, 2008). Incremental innovations introduce minor changes to existing products (Henderson & Clark, 1990) while radical innovations are technological discontinuities that advance the status of development characterizing an industry (Anderson & Tushman, Technological Discontinuities and Dominant Designs: A Cyclical Model of Technological Change, 1990). As the level of innovation is difficult to define (meaning it is difficult to classify in an objective way whether an innovation is incremental or radical), the concept is very often linked to the idea of relative advantage and researchers argue that the notion of differentiation is a central point to distinguish the innovation under customer-benefits point of view. The better is the product compared to the one from the competitors and the higher value is given from customers, the more success will the product gain. Product performance obviously are strongly related to the technological orientation of the company itself; innovations tend to be more radical and differentiated from the ones of the competitors if technological orientation is high. (Gatignon & Xuereb, 1995)
Demand certainty is another aspect influencing product performance, as it reflects the need for a more or less customer-oriented approach. Usually, if the demand is very uncertain, scanning deeply the market (thus having a customer orientation approach) can help placing the right innovation to reach the success. Though having such an orientation is not always leading to a significative impact on performance, it is mostly depending from the trend of growth of the market.

According to Song & Montoya-Weiss, 1998 a really new product relies on technology never used before, causes significant changes in the industry and it is the first of its kind and totally new to the market. It often happens that together with a new product some markets, technologies or infrastructures are created concurrently.

More innovative products create more possibilities for competitive advantage, thus more possibilities for high performance; however less innovative products are at the same time less uncertain, consequently improving performance (Kleinschmidt & Cooper, 1991). As the visions are opposed to each other, the research concluded that really new and incremental products perform well (U shaped relationship), while moderately innovative products tend to perform worse.

In order to test the success of radical new and incremental product innovations, researchers used a 7-item scale (coming from a validate research from Cooper) together with other items developed specifically for their study. The degree to which products meet firm's profit goals was considered.

Authors created two tables, quite easy to understand, showing the ranking of regression coefficients, the best practices (Figure 2) and current practices (Figure 3).

Rank	Really New	Incremental
1	Product commercialization (+)	Business and market opportunity analysis (+)
2	Strategic planning (+)	Product commercialization (+)
3	Technical development (+)	Technical development (+)
4	Idea development and screening (ns)	Idea development and screening (ns)
5	Product testing (ns)	Product testing (ns)
6	Business and market opportunity analysis (−)	Strategic planning (−)

1 = Most important determinant of success, 6 = Least important determinant of success; (+) = positive effect on success level, (−) = negative effect on success level, (ns) = no significant effect on success level.

Figure 2

Best Practices for Success of New and Incremental Products

Rank	Really New	Incremental
1	Technical development	Technical development
2	Business and market opportunity analysis	Strategic planning
3	Commercialization	Commercialization
4	Idea development and screening	Idea development and screening
5	Strategic planning	Business and market opportunity analysis
6	Product testing	Product testing

1 = Most Important, 6 = Least Important.

Figure 3

Current Practices for Success of New and Incremental Products

Authors found that technical development activities receive the most attention in both categories of products shading the importance of strategic planning and product commercialization. Moreover, for really new products customer needs are often not well defined and competitors moves cannot be predicted clearly. In this situation, detailed market studies can be expensive, and no added value is placed. In its place, for incremental products, strategic planning activities can be made easier as can be based on previous results and the process results to be faster and cheaper.

2.2 Main Concepts about Ambidexterity at the Individual and Organizational Level

- Trade-off between exploration and exploitation in sales activities: hunting vs farming orientation is the typical example of ambidextrous orientation in sales and it is the most studied (De Carlo & Lam, 2015).
- Individual behaviours/characteristics of salespeople: intrinsic characteristics of individuals and their approaches can shape performance, customer satisfaction, job satisfaction. Prevention vs promotion focus have been conceptualized to explain also hunting and farming orientations (De Carlo & Lam, 2015); adaptive selling is a way to modify the strategy in order to fit as much as possible the type of customer, the sales situation and the feedback received (Agnihotri, Gabler, Itani, Jaramillo, & Krush, 2017); learning vs performance goal orientation are other ways to approach sales job (Silver, Dwyer, & Alford, 2006); competency profile and prior work experience have been proved to influence the level of ambidexterity of people (Bonesso, Gerli, & Scapolan, 2013); value-based selling relies on understanding the customer's business model and why the offer is valuable to the purchaser (Terho, Haas, Eggert, & Ulaga, 2015).
- Trade-off between exploration and exploitation in salespeople: customer vs competitive orientation, which are two sides of organizational market orientation focusing on the customer or on the sales closure (Cross, Brashear, Rigdon, & Bellenger, 2007) (Homburg, Klarmann, & Müller, 2011) (Yu, Patterson, & Ko, 2012).
- Price and competition level in the market (Homburg, Klarmann, & Müller, 2011), which are external factors influencing customer orientation level of the salesperson.

2.3 A Table to Summarize - Ambidexterity in Literature

Below a table to summarize the revision done above, regarding the three main aspects in which ambidexterity can be found:

	New vs Existing Customers	Service vs Sales Selling	New vs Existing Products
Main Studies	De Carlo and Lam (2015);	Yu, Patterson and Ko de Ruyter (2012);	Kleinschmidt & Cooper, (1991);
Focus	Salesperson customer approach and goal achievement	Business Unit performance in service companies with networks	really new and incremental products perform well (U shaped relationship), while moderately innovative products tend to perform worse; incremental and radical innovation outcomes on profits according to company orientation
Theoretical Backgrounds	Personal traits affect salesperson hunting or farming orientation	Business unit ambidexterity is positively related with customer satisfaction	Concept of relative advantage of the innovation/product and relationship with company orientation
Antecedents	Customer orientation (Saxe and Weitz 1982) and goal orientation (Harris 2005)	Previous analysis considered subjective aspects (Gibson and Birkinshaw, 2004); goal orientation adopted before involving in a task or activity (Silver, Dwyer, & Alford, 2006)	Incremental and radical innovation outcomes on profits depends strictly from the company and market characteristics (Gatignon & Xuereb, 1995)
Moderators	Not identified	empowerment, team support, transformational leadership have been found to be factors	Demand certainty, competitive intensity, market growth

		influencing	
Outcomes on Performance	Influence of orientation on profit margins is positive in case of ambidextrous behaviour and farming behaviour; hunting behaviour alone does not bring positive performance; it must be accompanied by a farming approach.	BU ambidexterity and relative performance at individual and group level are positive related when moderators are implemented; it was found homogeneity of behaviour inside the same BU.	Focus on some aspects of new and incremental product process development must be revised as the wrong emphasis is put on top. Aspects must consider whether the innovation is radical or incremental, to optimize efforts and cost of product development process.

Table 1: The Three Main Fields of Ambidexterity

3. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

3.1 Introduction to the Model

Literature is quite rich in researches and articles regarding ambidexterity; at the same time ambidexterity is a wide used definition in very different sectors. As seen above, aspects in which ambidexterity can be found range from customer portfolio, products, sales approaches and so on.

Ambidexterity in sales business and sales approach has been deeply analysed in recent years, especially considering the fast changing environment where companies find themselves working for, in order to find the way to optimize resources and results (from performance to internal factors of production), avoiding at the same time the risk of placing too much pressure on employees. As a matter of fact, it was proved that role ambiguity and role stress impair individual performance, which at the end reflect in a decline of company performance.

So much focus was put on the relationship between the sales approach Hunting/Farming and performance and different studies confirmed hypothesis on the benefits of being ambidextrous together with the limits of both approaches. De Carlo and Lam, which concentrate on different studies in ambidexterity and their relationship with performance, confirmed that a farming orientation is successful to increase profit margins, but a well-organized ambidextrous orientation made up of a correct alternation between the two approaches can lead to a more efficient customer management.

De Carlo and Lam analysed both customer base size and customer base newness and their effect on the approaches adopted from the salespeople when facing their duties in their job (Lam, De Carlo, & Sharma, 2019). This paper is currently the most specific in analysing the effects of an external factor on salespeople approach in terms of hunting and farming.

Another paper already presented above which can be interesting is the one from Yu, Patterson, & Ko de Ruyter (2012) that tries to discover which are the antecedents positively fostering service-sales ambidexterity in salespeople. Team support, empowerment, transformational leadership are the key characteristics coming from the organization, helping salespeople who need to pursue both a high quality service and high sales results. Together, also personal characteristics have been found to influence the approaches of sellers. Competency profile and prior work experience play a relevant role, together with individual’s perceptions, in shaping salespeople behaviours (Bonesso, Gerli, & Scapolan, 2013).

The business/market sector in which the company is working plays a relevant role in assessing the level of customer orientation required to have good performance. As anticipated at the beginning of the paper, it was found that high competitive markets tend to require more customer oriented approaches; as the differentiation in the products is quite low customers search for benefits in the service or in the relationship built with the seller. Nevertheless, it can be mor difficul to harmonize results if data come from different respondants, working in different companies, even though companies are part of similar sectors (or for example are part of B2B field), as price or competition levels could differ among different businesses. Examples of such type of studies are the most common, also the researches coming from the bibliography analysed, in the majority of the cases took data from different entities and considered them as an aggregate - examples are: Agnihotri, Gabler, Itani, Jaramillo & Krush. (2017); Cross, Brashear, Rigdon & Bellenger. (2007); Terho, Haas, Eggert & Ulaga. (2015); Homburg, Klarmann, & Müller (2011). An exception is one of the study from Lam, De Carlo, & Sharma, 2019 which analysed a company with different branches.

Adapting the priorities and the strategy in order to reach a satisfactory sales is the ability named “adaptive selling”. This approach is very important especially in pursuing effective results in service-sales ambidexterity and generally speaking in B2B sales. However, the different aspects have been quite seldom (if not never) considered as an inter-relationship among each other.

After this brief recall of the literature, together with some little new starting ideas, it could be interesting drafting few bullet points showing the main topics that have been already analysed in the introduction:

- Hunting and Farming approaches are two orientations which are present at the same time in different balance in the salespeople’s way of dealing;
- Customer base size and customer base newness affects the level of ambidexterity required in order to obtain good performance;
- Customer orientation can be considered both a winning orientation and an impairing situation, as it could be necessary to avoid a sale in the short term in order to ensure a bigger sale in the next;
- Customer orientation is an approach pursued from the individual salesperson, however in order to allow the best results, organization support is necessary;

- Service-sale ambidexterity and customer orientation are positive affecting performance especially when employees feel empowered and supported from the organization structure;
- Adaptive selling helps reaching Service-Sale ambidexterity efficiency.

Hunting/ farming approach and customer/competitive orientation were always analysed as two separate methods of dealing, even though when salespeople apply their strategy, consciously or not they follow one or more of the above mentioned approaches. Sales approaches have been always investigated considering the interactions coming from external factors (such as customer characteristics) or internal features of the company (organizational leadership and environment). Literature is rich of researches and publications analysing such kinds of interactions and moderator effects. However studies investigating how different approaches interact among each other are quite uncommon and have not been found when reviewing the works published until now, excluding the paper from Agnihotri, Gabler, Itani, Jaramillo, & Krush "Salesperson ambidexterity and customer satisfaction: examining the role of customer demandingness, adaptive selling and role conflict". This study looked for the effects of sales-service ambidexterity on salesperson role perceptions, behaviors, and customer satisfaction, however it found that sales-service ambidexterity positively impacts adaptive selling behaviors and increases perceptions of role conflict among salespeople. Nevertheless, this study aimed at providing information about outcomes optimization considering the characteristics of salespeople and customers.

In the following analysis, the intreraction between hunting/farming approach and customer orientation was considered. Such kind of interaction has not yet been faced in the literature and could be interesting understanding how salespeople behave in order to perform a satisfactory sale. The model was developed considering the direct effect of customer orientation and hunting/farming approach and tries to address the following questions:

1. **Is customer orientation always positively affecting performance? Which is the effect considering an ambidextrous behaviour?**
2. **Can customer orientation help an only hunting oriented seller to reach efficient performance?**

It is necessary highlighting one more time that customer orientation is a matter both of the organization and of the salesperson. For this reason it could be interesting understanding the effect of customer orientation on ambidextrous behaviour considering the perception of the salespeople in terms of organization capabilities in supporting customer orientation.

According to the questionnaire submitted to the sellers, the organization:

- Should add new elements in the portfolio of services (please remember that the possibility to offer a wide range of product/services is one of the main strenght from salespeople to act effectively customer oriented);
- Works in a strong price competitive market (meaning that customer orientation can be a plus when dealing with clients, as the relationship and extra services can be a benefit to close well the sale);
- Should improve the ability to anticipate competitor's move, also considering a more offensive product innovation (meaning that innovations are going to impair market share of competitors, instead of reacting to competitor's move).

The first model drafted considered to study the effect of specific characteristics of the organization on performance, considering the type of approach adopted from the salesperson. However in order to verify in a reliable way the effect of such factors, appropriate methods of evaluation are needed and up to now consistent scales have not yet been developed. For this reason, the below hypothesis have been drafted to be verified in a second step of tests, which considered the use of well-verified scales.

Hypothesis aim to develop serious considerations regarding the effect of "mixed" approaches at the individual level, on sales performance.

- *H1) customer orientation has a positive effect on performances.*

Many studies support this hypothesis (Saxe and Weitz, 1982; Cross, Brashear, Rigdon, & Bellenger, 2007), considering the fact that nurturing and helping the customers during their buying decisions gives a positive influence on sales, as customers could tend to create a link with the seller, considering him not only a representative, but a partner. However, Homburg and Klarmann (2011) in their research found that the relationship between performances and customer orientation is not always beneficial, and that not all the levels of customer orientation positively affects performance. Nevertheless, the authors in the study did not considered possible interaction effects that could arise when customer orientation is analysed with specific selling approaches.

For this reason, it is interesting understanding how different levels of customer orientation affect the performance, considering two opposite sales behaviours. Starting from this idea, this study tries to find an answer by testing the following two hypotheses:

- *H2) the relationship between farming orientation and performance is positively moderated by customer orientation;*
- *H3) the relationship between hunting orientation and performance is positively moderated by customer orientation.*

The moderation effect considered in the previous statements can be measured and its effect is not homogenous on both behaviours, as it is quite unrealistic that sellers keep among each other an equivalent level of customer orientation. However, it is useful understanding on which approach customer orientation exercises a stronger effect with consequently different effects on performance.

- *H4a) customer orientation has a higher magnitude on farming orientation;*
- *H4b) customer orientation has a higher magnitude on hunting orientation.*

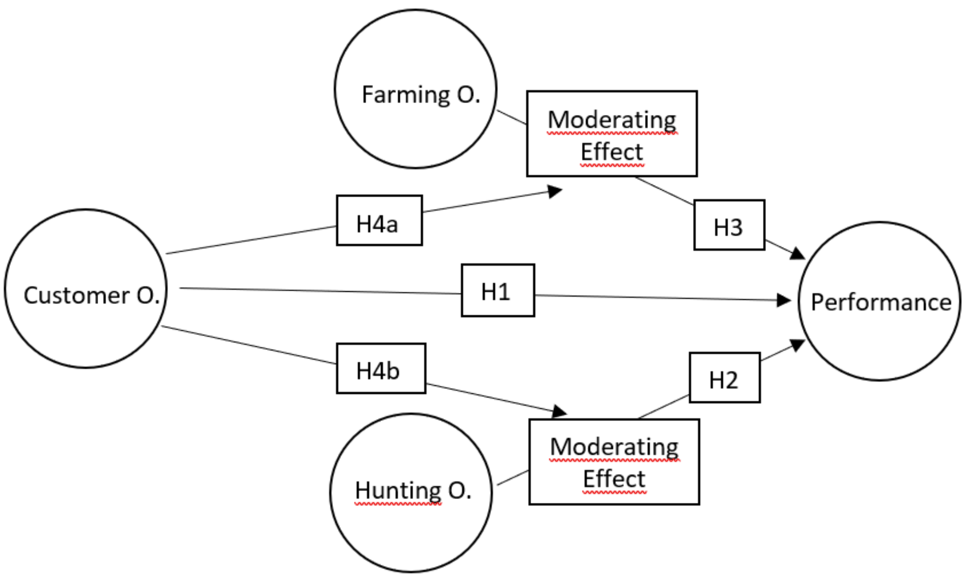

Figure 4
Theoretical Framework

In order to test the hypothesis, it is necessary to consider that customer orientation act as a moderator on the relationship between the approach and performance.

Hypothesis are drawn considering that customer orientation is proved to have a positive influence on performance, especially on the long time. This influence can be even stronger when considering that sellers act more customer oriented in high price and highly competitive market (which is the situation that the company analysed is facing).

4. RESEARCH METHOD

4.1 Sample

The Company subject of the research is a public traded company with operations in five product segments, all related to the B2B industries. The Company's goal is to support its customers thanks to its presence with 46 plants in 23 countries and with a salesforce made up of 87 peoples focusing on different segments of the market.

The price level depends from different factors regarding especially the complexity and the time necessary to complete the job, in order to get the result wished from the customer. Price lists are not available, exactly because jobs tend to be customized and not exactly repeatable. Financial results assess at a turnover of $142 million (2019) with an EBIT of $26 million.

4.2 Data Collection

Existing questions and possibilities coming from the relevant literature were used in this study. First, a general overview of the respondents was traced, collecting information regarding their age, the education path, experience in the sales field, characteristics of their customer portfolio and so on. The scales used were adapted from previous literature focusing on ambidexterity. However, as most of the researches were coming from ambidexterity under the organizational point of view, questions were adapted in order to fit well the sales environment. Another trait analysed was related to the characteristics of the market where the company is located in. In this case, following the example of other researches (Lubatkin, Simsek, Ling, & Veiga, 2006) questions regarding price and/or product competition, competitor status, way of the company to react to competitors and perceived position of the company in the market were submitted. In this way it was possible to identify the perception of the sellers according to their role. Furthermore, the identification can happen in two directions: how the environment influences the company and what the company does to adapt or anticipate external factors, such as moves of the competitors. Following this general overview, the questions have gone deeper in detail, facing following ambidextrous behaviours:

- Farming vs hunting orientation (De Carlo & Lam, 2015)
- Customer vs Selling orientation (Homburg, Klarmann, & Müller, 2011); (Saxe & Weitz, 1982); (Dwyer & Martin, 2000)
- Learning vs Performance Goal Orientation (Amabile, Hennessey, & Tighe, 1994); (Miao & Evans, 2007)

Outcomes of salespeople's orientation have been measured basing the items on the study developed from Homburg (2011) and Anderson & Oliver (1994). Perceptions on their performance were evaluated on a 12 months' time and took into consideration not only economic results, but also perceptions on information sharing abilities and major customer identification. Questions were adapted in this way to further highlight the focus on service-sales ambidexterity and aptitudes hardly present nowadays in B2B organizations.

Majority of answers were developed under a 7-items Likert scale, some were multiple choice questions. Scales used were defined and came from the literature. To measure ambidexterity in hunting and farming orientation, questions were drawn following as guideline previous researches from De Carlo & Lam, 2015. Authors also used to calculate ambidexterity as the product between the average value of hunting and famring orientation, comparing later the result with the average value obtained from the approaches. This trend will also be used later as an additional analysis.

Competitive and customer orientation (and in some way adaptive selling) were assessed using commonly agreed measurement scale item from Saxe & Weitz, 1982, which were used in different researches also in most recent literature from which theories for this study were elaborated (Cross, Brashear, Rigdon, & Bellenger, 2007) (Agnihotri, Gabler, Itani, Jaramillo, & Krush, 2017). Measuring performance and learning goal orientation was harder compared to the other two couple of approaches, as literature is more limited in these fields. Nevertheless, the scale was adapted from an article which contributed to above theories and hypothesis (Silver, Dwyer, & Alford, 2006), but probably limitations can be present and future researches should investigate better these approaches.

To prepare this research, 87 sales employees were invited to reply to the questionnaire, while 56 employees gave a feedback and replied to the survey (response rate around 64%). According to Armstrong & Overton, 1977 it could be possible to estimate the effects of non respondents. The best way is to follow the so called "extrapolation method", based on the assumption that subjects who respond as latest can be assimilated to nonrespondents. In this study ways to minimize non-response rates were not used, meaning that non-response bias could be a limit of the study, but for future surveys this should be considered, in order to optimize the dimension of the sample and rely on probably more data.

The questionnaire was submitted to all employees one by one and filled online, through a Microsoft Forms link. Employees had 14 working-days' time to reply to the questions, and 4 days before the freezing of the survey, a remind was sent. Participation was anonymous and volunteer, and participants were assured that results would be reported only in the aggregate. The submission started on February 26th and the link was closed on March 16th.

44 people replied to the survey within 8 days from the opening of the link. 10 people replied in the following 2 days, while 2 people replied the last day.

People were coming from 23 different countries in 3 different regions (EMEA, APAC and Americas).

The questionnaire entails topics regarding sales behaviours considered ambidextrous.

To verify the clarity and understandability of the questions, a pilot test was carried out: 5 employees were required to complete the survey and give their feedback about any doubts or difficult term met during the filling. After the feedback, no questions were deleted or changed, just some terms were modified to ensure a smoother path to the respondents.

4.3 Questionnaire's Results

The highest percentage of respondents was 35-45 years old. The majority had between 10 to 20 years' experience interacting with customers, even though less "experienced" people with less than 5 years practice in sales hold the second stage.

Regarding education, first group of respondents hold at least a bachelor's degree, mainly focus on engineering curricula, which was expected considering the sales role facing a technical sector (because of the technical content of the portfolio).

People tend to manage a quite high number of customers in a range from 40 to 70 accounts.

Descriptive tables of the results can be found in the Appendix.

4.4 Method and Regression Model

Researches in the field of management and marketing have been focusing on Structural equation modelling (SEM) since the 80s, however it has become more frequent to test hypothesis and concepts just in the end of the 90s.

The best data set is not easy to find, as it is supposed to be normally distributed and based on a large sample size. In reality, this seldom happens, because respondents to surveys are not enough or because researchers need to meet schedule in the short time, thus preventing them from collecting big sets of data. (Kwong-Kay Wong, 2019)

Moreover, in the business and marketing field, it is increasingly necessary to improve performance and the first actors influencing performance are customers. Having satisfied customers can lead to performance optimization and increase. It is useful considering a multi-dimensional approach to understand which type of improvement margins are available to reach better results, nevertheless variables are latent and difficult to be measured. For example, satisfaction of the customers can happen because of the products, the price, a good relationship with the sales representative of the company, a good consultative service and so on. All these aspects, called "indicators", can set up one or more latent variable, not directly observable.

A useful and emerging approach for this kind of researches is the Partial Least Square analysis, which is a causal modelling approach aimed at maximizing the explained variance of the dependent latent constructs. PLS-SEM has been increasingly applied in marketing and other business disciplines, with more than 100 published studies featuring PLS-SEM in the top 20 marketing journals. (Hair, Ringle, & Sarstedt, PLS-SEM: Indeed a Silver Bullet, 2011)

PLS is less popular compared to Covariance Based (CB-SEM) approach, as it is seen less rigorous from researchers. CB requires that a group of assumption is fulfilled, for example normality of data, minimum dimension of the sample size which is related to the model complexity and model characteristics (Hair, Ringle, & Sarstedt, 2011). Moreover, CB-SEM requires that the number of indicator variables used in the analysis is limited. In case those assumptions cannot be considered, then the preferred method is the PLS approach.

Examining previous researches applying PLS method, it is possible to find common points which guide to choose this kind of approach.

The four most frequently used reasons for using PLS-SEM are the non-normality of data, small sample size, possibility to work with both formative and reflective models and focus on prediction/model theory development (Hair, Ringle, & Sarstedt, 2011). Considering that researches in business and management fields usually rely on lower samples compared to other areas of research, the risk that the sample does not reflect correctly the population is present even though PLS method is applied. Obviously, the larger the sample, the better it reflects the result on the overall population.

With PLS-SEM, marketers can verify the relationships among variables of interest in order to prioritize resources to better serve their customers. The fact that unobservable, hard-to-measure latent variables can be used in SEM makes it perfect in business research problems.

There are two sub models in a structural equation model. The inner model identifies the relationships between the independent and dependent latent variables, while the outer model specifies the relation between the latent variables and their observed indicators.

Some general procedures should be followed when executing PLS path modelling. In practice, a typical marketing research study would have a significance level of 5%, a statistical power of 80%, and R2 values of at least 0.25. Using these parameters, the minimum sample size required can be found in the guidelines recommended by Marcoulides & Saunders (2006), depending on the maximum number of arrows pointing at a latent variable as specified in the structural equation model. In this research, sample size counted in 57 items, so according to previous indication, the maximum number of arrows pointing to the latent variable should be of 2. However, to deeper test the model, there are some cases where the number of arrows go up to 3.

To run PLS regression, in this research Smart PLS software was used. The software can estimate the path models with latent variables using the PLS algorithm, moreover it also calculates the standard results assessment criteria.

4.5 Step-by-Step Rules for PLS analysis using SmartPLS

Data to be used in the research must be uploaded in .csv or .xlsx format, and no text must be present, otherwise the software fails to read the content and shows errors. After having uploaded the data, it is necessary to create the variables that were before identified.

As first, it is necessary to draw the path model containing the independent and dependent variables. Each indicator (the list is shown on the left side of the window) must be linked to its construct/variable; the same among the variables, the latent variables must be linked together in order to allow the software to run. When all the circles indicating the variables are blue, then the software can be run using the “calculate” button on the upper side of the window. It is necessary to indicate a sufficient-high value for the “maximum iterations” and “stop criterion”. After that, calculation can start.

In the model, the values related to the **coefficient size and significance of the inner model**[6] appear. R^2 values are showed inside the circle and show how much variance of the latent variable is explained from the other variables. The values in the arrows explain the weight of the variables, that is, how strong the effect of one variable is on another variable.

Indicator's reliability is used to test the correlation between the latent variables and their indicators (the so-called outer model). Outer loadings (or simply called "loadings") are the values to refer to, in order to verify reliability of indicators. It is necessary to square them; values above 0.7 are preferred in order to confirm reliability. If when dropping indicators below 0.7 AVE and composite reliability do not change, then indicators can be kept if the values are between 0.4 and 0.7. In the case of an exploratory research, indicators between 0.4 and 0.7 can be kept, too.

To test **internal consistency reliability**, traditionally Cronbach alpha value is used in social science measurement, however recently it tends to be avoided, as it could provide conservative measurements[7] in regressions. Composite reliability can be used in substitution of Cronbach alpha, even though it takes into account the different outer loadings of the indicator variables[8]. The composite reliability varies between 0 and 1, with higher values indicating higher levels of reliability. It is generally interpreted in the same way as Cronbach's alpha. Specifically, composite reliability values of 0.60 to 0.70 are acceptable in exploratory research. Values above 0.90 are not desirable, indicating that all the indicator variables are measuring the same phenomenon.
The most recent views of PLS regression suggest using Rho_a, instead of the above-mentioned coefficients[9] Same as for composite reliability, the values for Rho_a should be higher than 0.7.

AVE (Average Variance Extracted)[10] is used to evaluate **internal convergent validity**[11].

[6] Inner model consists of the part of the model that describes the relationships among the latent variables. Outer model instead, consists of the part of the model describing the relations among the latent variable and the indicators.
[7] Cronbach alpha treats all the items as making equal contribution (all the indicators have equal outer loadings on the construct) and tends to under-estimate the true reliability. (Hair, Hult, Ringle, & Sarstedt, 2017)
[8] Composite reliability tends to have values set on the upper boundary level, overestimating the true reliability.
[9] Rho_a measures correlations between two values, it is advised in PLS from Dijkstra and Henseler, 2015.
[10] AVE is the average amount of variance in indicator variables that a construct explains.
[11] Convergent Validity is a subtype of Construct Validity and refers to how closely the new scale is related to

Preferably, values of AVE above 0.5 are considered significant, however also values close to 0.5 can be considered, looking also at internal consistency reliability; if it is higher than 0.6, the convergent validity of the construct is still adequate (Larcker C. F., 1981).

To test **internal discriminant validity**[12] three criterions are possible: the Fornell & Larcker criterion, Cross Loadings criterion and the HTMT (heterotrait-monotrait ratio) criterion.
In Cross Loadings criteria, an indicator's outer loading on the related construct should be larger than any of its cross-loadings/correlation on other constructs.
The Fornell-Larcker criteria compares the square root of the AVE values with the latent variable correlations. The square root of the AVE of each construct should be greater than its highest correlation with any other construct. An alternative approach to evaluating the results of the Fornell-Larcker criterion is to determine whether the AVE is larger than the squared correlation with any other construct [13] (Hair, Hult, Ringle, & Sarstedt, 2017). This criterion is used just in reflective multi-item constructs.
However, HTMT criteria is currently the most preferred, as the other two methods are not able to reveal discriminant validity matters in a reliable way. Cross-loadings fail to indicate a lack of discriminant validity when two constructs are perfectly correlated, which renders this criterion ineffective for empirical research. The Fornell-Larcker criterion does not work well, particularly when indicator loadings of the constructs under consideration differ only slightly.
For this reason, HTMT approach is proposed. HTMT is the mean of all correlations of indicators across constructs measuring different constructs relative to the mean of the average correlations of indicators measuring the same construct. This approach is an estimate of what the true correlation between two constructs would be, if perfectly measured, or let's say, if perfectly reliable. In order to have discriminant validity, values coming from HTMT criterion need to be below 0.85, on the contrary a lack of discriminant validity is present. (Hair, Hult, Ringle, & Sarstedt, 2017)

In order to run a significance test of both the inner and outer model, it is necessary to use the

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other variables and other measures of the same construct. Not only should the construct correlate with related variables but it should not correlate with dissimilar, unrelated ones. (Science Direct: Convergent Validity, s.d.)

[12] Discriminat Validity is a subtype of Construct Validity and shows that two measures that are not supposed to be related are in fact, unrelated (Statistics How To, 2015)

[13] The logic of the Fornell-Larcker method is based on the idea that a construct shares more variance with its associated indicators than with any other construct (Hair, Hult, Ringle, & Sarstedt, 2017)

procedure called “bootstrapping”. The related function can be found easily in Smart PLS “calculate” button. It is necessary to indicate the level of significance before running the calculation. In this research, a significance level of 0.05 was considered.

In this kind of calculation, many subsamples are considered from the original sample with replacement to give bootstrap standard errors, which in turns gives T values to test the level of significance of the path. In this case, the result approximates to data normality. With a significance level of 0.05 and a two-tailed t-test, the path coefficients will be significant if the T statistics is larger than 1.96.

5. RESULTS AND DISCUSSION

5.1 Presentation of the Model and Hypotheses Verification

When adding the construct “customer orientation” as a moderating effect to the model, it is possible to see a high value for the explained variance of the dependent variable, with values of R squared really above 0.5 (explained variance above 50%). The same happens for outer loadings. Moderation defines a condition in which the relationship between two constructs is not constant instead depends on the values of a third variable, called the moderator variable. This variable changes the strength or the direction of a relationship between two constructs in the model. (Hair, Hult, Ringle, & Sarstedt, 2017)

In PLS analysis, R squared always increase as more factors/constructs are added to the model, however it is important noticing when the growth is not irrelevant, understanding how much the value of R squared accounts for.

It is necessary to highlight that the AVE for the construct “customer orientation” is close but below 0.6, this can be a limitation to the study, however it is possible to keep as good AVE values between 0.5 and 0.6 when composite reliability is higher than 0.6, because the convergent validity of the construct is still adequate (Larcker & Fornell, 1981).

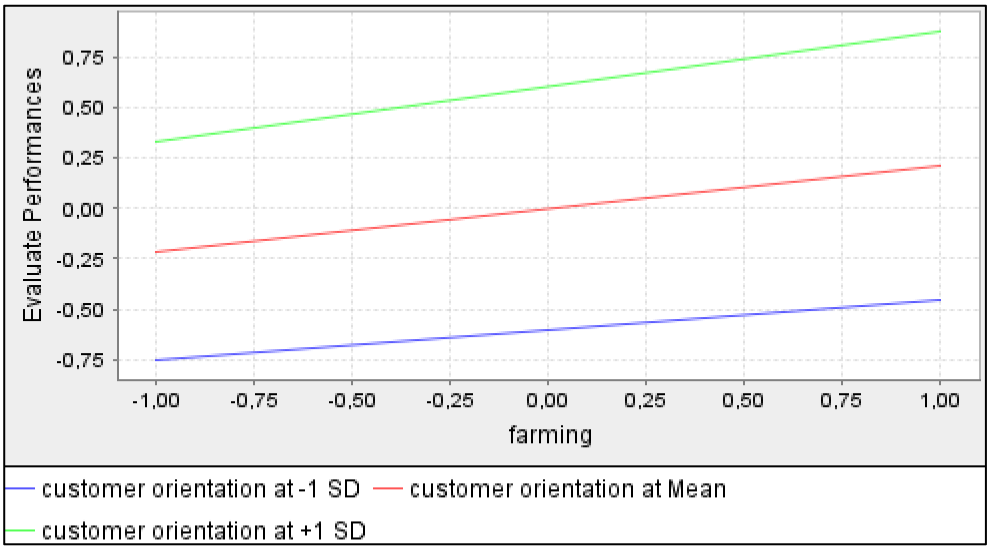

Figure 5

Moderating Effect of Customer Orientation on Farming Orientation

The three lines shown represent the relationship between “farming” approach (x-axis) and “performance” (y-axis). The middle/red line represents the relationship for an average level of the moderator variable “customer orientation”. The green line represents the relationship between “farming” approach and “performance” for higher levels (mean value of “customer orientation” added with one standard deviation unit) of the moderator variable; the relationship increases of an amount equal to the size of the interaction/moderation term:

- 0.238 (farming) + 0.066 (moderating effect) = 0.304

The lower -blue line represents the relationship between “farming” approach and “performance” for lower levels (mean value of “customer orientation” minus one standard deviation unit) of the moderator variable “customer orientation”; the relationship decreases of an amount equal to the size of the moderator construct:

- 0.238 (farming) – 0.066 (moderating effect) = 0.172

The moderating effect when orientation is unbalanced toward the farming approach is quite close to 0, meaning that its final effect might be secondary.

As we can see, the relationship between “farming” approach and “performance” is positive for all three lines as indicated by their positive slope. The steepness is almost the same for all the three lines. High customer orientation is associated with higher performance, when farming orientation is high in the salesperson; the same effect is present with every level of customer orientation (slope is positive and with equal steepness), meaning that if customer orientation is low, a prevailing farming orientation can guarantee a high level of performance.

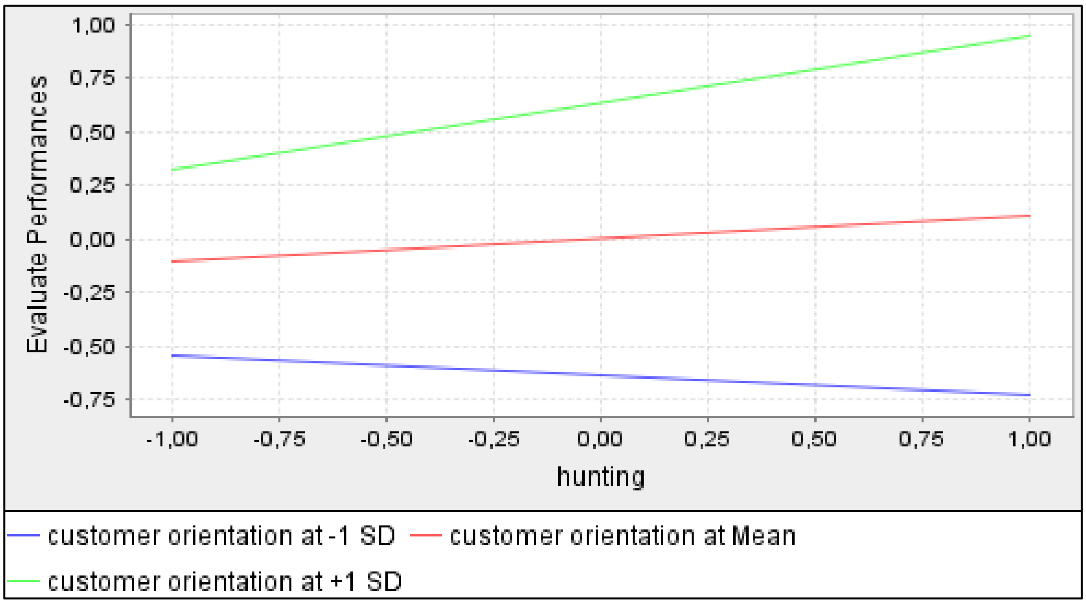

Figure 6

Moderating Effect of Customer Orientation on Hunting Orientation

It is not possible to say the same for the “hunting” approach considering the moderating effect. The three lines shown above represent the relationship between “hunting” approach (x-axis) and “performance” (y-axis). It is clear comparing the above graphs that the effect of customer orientation on performance differs strongly in the case the approach is more unbalanced towards farming or towards hunting. Opposite to what happened in the case of a prevailing farming orientation, when the hunting orientation prevails as approach the moderating effect of customer orientation is much stronger.

As we can see, the relationship between “hunting” approach and “performance” is positive for the green and red lines as indicated by their positive slope. At the same time, the relationship is negative for the blue line.

The green line represents the relationship between “hunting” approach and “performance” for higher levels (mean value of “customer orientation” added with one standard deviation unit) of the moderator variable; the relationship increases of an amount equal to the size of the interaction/moderation term:

- 0.074 (hunting) + 0.199 (moderating effect) = 0.273

The lower -blue line represents the relationship between “hunting” approach and “performance” for lower levels (mean value of “customer orientation” minus one standard deviation unit) of the moderator variable “customer orientation”; the relationship decreases of an amount equal to the size of the moderator construct:

- 0.074 (hunting) – 0.199 (moderating effect) = -0.125

The green line has a steeper slope compared to the red one, meaning that the relationship between “hunting” and “performance” is stronger for higher levels of customer orientation, when hunting orientation increases also performance improves. However, this relationship becomes weaker reaching a negative slope (blue line) and relationship when the level of standard deviation is decreased by one unit. It means that when a low customer orientation is associated with a high hunting orientation, the effect on performance is negative.

Considering the results of the model, it is possible to draft the conclusions regarding the hypothesis mentioned above.

H1) Customer orientation has a positive effect on performance.

H1) This hypothesis can be confirmed, when considering customer orientation as a direct effect on performance, the result is positive. This is a further support to the literature (Saxe and Weitz, 1982; Cross, Brashear, Rigdon, & Bellenger, 2007).

H2) The relationship between farming orientation and performance is positively moderated by customer orientation.

H2 is confirmed, as the effect is visible; the stronger the moderator variable, the stronger its effect on performance, maintaining always a positive effect on performance with no dependence from the strength of farming orientation level.

H3) the relationship between hunting orientation and performance is positively moderated by customer orientation.

H3 cannot be confirmed, as the relationship described is not always positively moderated by customer orientation, as the lower the customer orientation, the higher the hunting approach mean a negative effect on performance.

H4) customer orientation has a different magnitude on each of the two approaches.

H4 can be confirmed, it is interesting noticing that on farming prevailing approach, the magnitude of the moderation effect is close to 0, while on the hunting prevailing approach the moderator have a strong effect on performance, such that it also changes the sign of the slope from positive to negative.

Summing up, there are some conditions when customer orientation is not always positively affecting performances, and these conditions have been identified and highlighted. This is an important finding which can open further the way to new studies deepening the role of customer orientation on perfomances.

As mentioned, few paragraphs ago, during the development of the hypothesis and of the final model, moderators used were many and coming from different perspectives of the business. Following moderators were used to test their effect on salespeople approach:

- Length of the sales cycle;
- Level of technical content of the portfolio;
- Position of the company in the value chain;
- Environmental dynamism and competitiveness in which the company operates.

However, the above stated factors showed a low goodness of the models, for this reason these factors were rejected and not presented. Probably the issue was related to the scales used (which were not sufficiently tested). But some results were quite attractive and for future studies it could be interesting understanding how to improve the goodness of the scales in order to verify better any possible effect of these factors on performance and on sales approaches (scales used can be found in the Appendix).

6. CONCLUSIONS

6.1 Managerial Implications and Limitations

The most interesting topic evolved from this study is that customer orientation has a different impact on performance according to the approach which is mostly adopted from the seller. Farming orientation and customer orientation seems to be the best combination of approaches to reach a satisfying performance, because does not matter how strong the farming and customer orientation are, because the combined effect on performance is positive. These results partially match with the consolidated literature about ambidexterity, further confirming the studies stating that farming orientation positive affects performance (especially under the profit/margins point of view; De Carlo & Lam, 2015).

However, considering the outcomes of the study, it is necessary to highlight the effect of customer orientation and hunting orientation on performance. The study gives an important contribution to the literature and also to the sales management practices especially in terms of salesforce management (and not only under the turnover/profit point of view, which in any case remains paramount). If the seller can be identified as a mainly farming-oriented or hunting-oriented representative and its level of cusomer orientation could be measured or at least evaluated, it could be possible to give narrower instructions on how to conduct the games in order to optimize the performance.

Theoretically, if a seller shows low levels of customer orientation it should be encouraged to follow a mainly farming oriented path in order to ensure always positive performance. It could be possible to apply a more hunting oriented approach, too, but in this case in order to have positive results, customer orientation needs to remain high along the entire sales activity.

This study further confirm the wide possibilities given from academic literature to the managerial environment. It could be possible to combine previous researches to match the salesforce as hunter or farmer oriented according to individual inclination and capacities (Bonesso, Gerli, & Scapolan, 2013) (De Carlo & Lam, 2015) and later on identify their degree of customer orientation (considering the individual's level of customer orientation). Outcomes should then be combined in order to draft few rules that the salesperson is supposed to follow in order to obtain a satisfying perfomance.

Moreover, the study further support one of the main study used as root for the development of this research (Homburg, Klarmann, & Müller, 2011), showing that customer orientation is not always a "winning card" and that its intensity must be adjusted accordingly case by case.

Nevertheless, it is necessary to highlight the limitations of this study.

The optimal level of customer orientation is not analysed, as stated, and the customer orientation is considered just from the point of view of the seller. In a future study it would be interesting understanding together the point of view of the customers to get a comparison of the results with the point of view of the sellers. Besides, a check on the optimum level of customer orientation when approaching both hunting and farming behaviours could add an extra element of completeness to the study.

Performance have been measured from self-reported questions, so the risk of not reliable feedback is quite limited, however it could be interesting comparing the responses received from the sellers with the effective results reached on the overall from the salesforce.

Last but not the least, non-response bias in this study was not considered as relevant, even though for future revision of this work it should be a factor to keep under consideration and further methods to avoid high non-response percentage should be applied. An alternative could be applying methods to estimate non-respondents' samples and their effect on the total sample (Armstrong & Overton, 1977).

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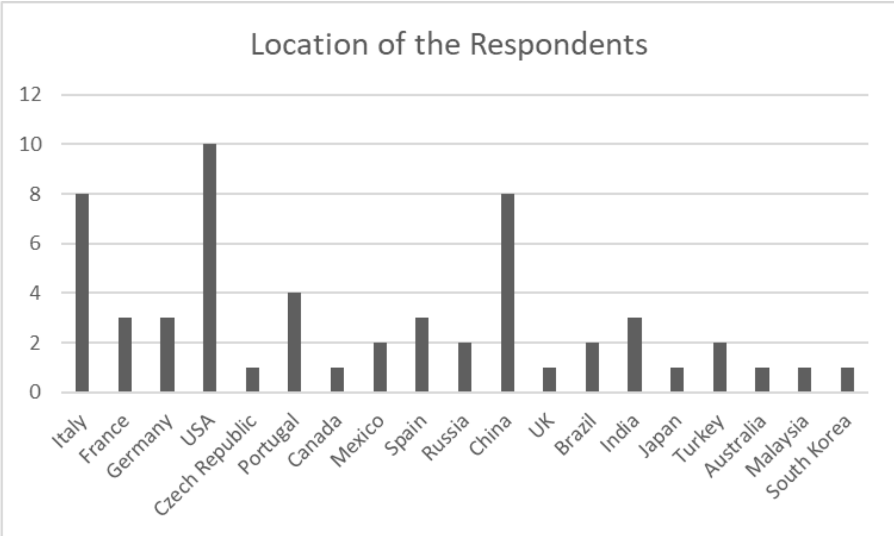
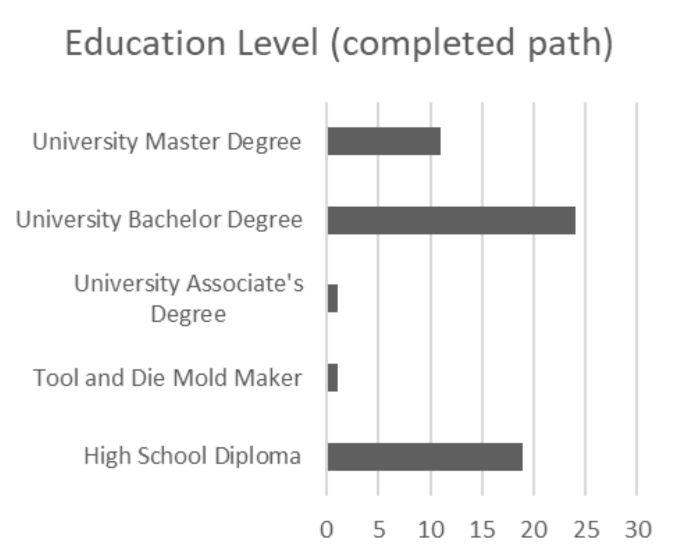
8. *APPENDIX*

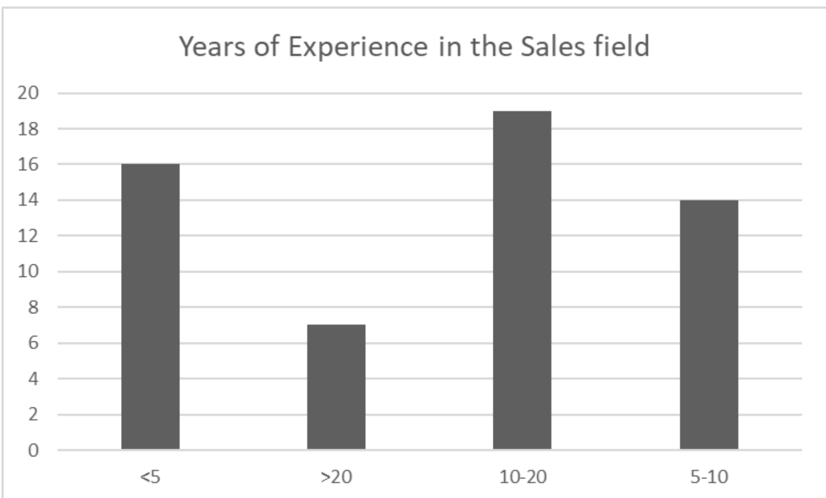
8.1 Scale Items from Questionnaire

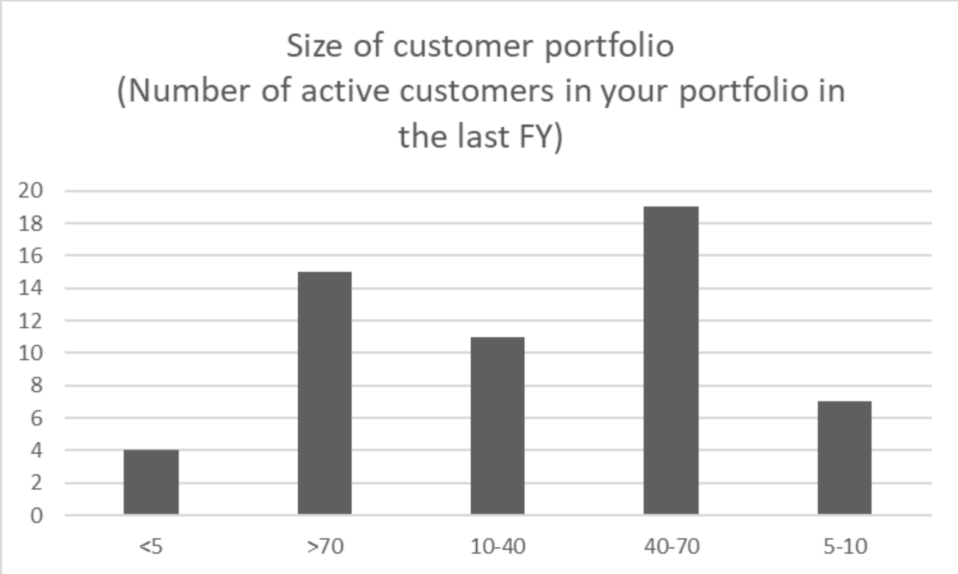
Measures	Items	Sources
Hunting and Farming	Searching for a new sales opportunity is the most enjoyable part of the job I am at my best when I engage a new prospect that I have never met before I prefer to spend the majority of my day prospecting and closing new accounts The most enjoyable part of the job is selling to new customers Spending time working with current customers is the most enjoyable part of the job The most gratifying is working with an established customer Of all my responsibilities, I most enjoy using my skills to maintain and grow existing accounts I do not like spending all the time prospecting new contacts	8 item, 7 point scale (anchored to “strongly disagree” and “strongly agree”); original items from: - De Carlo & Lam (2015)
Customer Orientation	I try to figure out what a customer's needs are I continuously try to discover additional needs of our customers of which they are unaware I offer the product/service that is best suited to the customer's problem I actively demonstrate to my customers the financial impact of working with us I focus on proactively improving my customers' business performance. I make a sales presentation that is customized or specifically tailored to each prospect. I am very committed to resolve disagreements between my customers and me I make compromises with my customers to achieve an agreement in sales negotiations I recommend my customers products that are appropriate to facilitate their buying decisions	9 item, 7 point scale (anchored to “strongly disagree” and “strongly agree”); original items from: - Saxe and Weitz (1982) - Homburg, Müller, Klarmann (2011) - Dwyer, Hill, and Martin (2000)
Sales Manager Performance *Compared with other salespeople working for your company, how would you evaluate your overall performance with regard to…*	Achieved NBOs in the last 12 months? Achieved orders in the last 12 months? Achieved EBIT in the last 12 months? Selling products with higher profit margins? Producing a high market share for my company in my territory? Identifying and selling to major accounts in my territory? Effectiveness in providing accurate information to customers and other people in my company?	7 item, 7 point scale (anchored to “strongly disagree” and “strongly agree”); original items from: - Oliver and Anderson (1994) Partly newly developed Subjective measures

8.2 Descriptive Statistic Results from the Questionnaire









8.4 Values from PLS Model Calculation for the Constructs selected

Construct Reliability and Validity				
	Cronbach Alpha	**rho_a**	**Composite Reliability**	**AVE**
Farming	0,818	0,895	0,887	0,724
Performance Evaluation	0,902	0,908	0,923	0,634
Moderating Effect	1,000	1,000	1,000	1,000
Customer Orientation	0,813	0,817	0,866	0,521
Hunting	0,793	0,831	0,864	0,614