

# Goal-Setting Paradoxes? Trade-Offs Between Working Hard and Working Smart: The United States Versus China

Eric Fang  
Robert W. Palmatier  
Kenneth R. Evans

*University of Missouri*

*This article proposes a model of the impact of goal difficulty and goal specificity on selling behaviors (selling effort, adaptive selling, and sales planning) and hence sales and behavior performance. The model suggests that goal-setting factors may have opposing effects on different sales behaviors. The empirical findings suggest that goal difficulty positively influences selling effort while negatively influencing adaptive selling behaviors. The results show that goal difficulty and goal specificity both have opposite effects on the two dimensions of working smart: adaptive selling and sales planning. The findings support the need for sales managers to account for the cultural context of the salesperson when determining optimal goal-setting strategies. With data collected from salespeople in the United States and China, the cross-cultural differences regarding the effects of goal-setting factors are also proposed and empirically supported.*

**Keywords:** goal setting; goal difficulty; goal specificity; adaptive selling; sales planning; working hard; working smart

Performance sales goals "are one of the most widely used tools in sales management" to motivate and direct the efforts of salespeople, as well as to provide individual

standards of performance (Dalrymple and Cron 1998: 493). The importance of quantitative sales goals is supported by a recent study, performed by Hewitt Associates (2001:2), of 224 large U.S. companies, where 77 percent of the participants "reported having a quota-based component in their sales incentive plan." The central role of goals in an individual's motivation and task performance is well supported in the literature (e.g., Locke and Latham 1990). While the majority of the goal-setting literature has hypothesized the positive impact of specific-difficult goals on sales performance, some incongruent results suggest that increasing goal specificity and/or goal difficulty may not always lead to improved behavior and sales performance (Locke and Latham 1990; Wood and Bandura 1989; Wood, Bandura, and Bailey 1990). An understanding of the underlying mechanisms responsible for these incongruent findings is a noticeable gap in the literature. Sales managers are also dissatisfied with their existing goal-setting process, as suggested in a recent survey of sales managers, where 39 percent stated that it is "critically important to improve the quota-setting process" (Marchetti 2000:101).

Numerous studies based on Locke's (1968) goal-setting theory (e.g., Mento, Steel, and Karren 1987) have investigated the relationship between goal setting and performance. Some researchers have also investigated the impact of goal setting on sales behaviors. For example, Chowdhury (1993) found that goal level influences effort with an inverted-U relationship. However, most of the existing research ignores the intervening sales behaviors or investigates only *one* sales behavior at a time.

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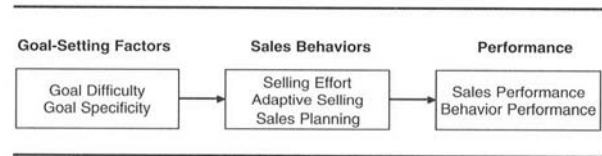
An improved understanding of how goal-setting factors influence salespeople's behavior is especially important because goal-setting constructs seem to affect various sales behaviors in conflicting or even paradoxical ways (Rossano and Reardon 1999; Shalley 1995; Weitz, Sujan, and Sujan 1986).

We address these gaps by examining how two independent goal-setting factors (goal difficulty and goal specificity) mediated by three sales behaviors (selling effort, adaptive selling, and sales planning) influence a salesperson's performance. This simultaneous evaluation of goal setting and sales behaviors is especially critical in uncovering the differential effects of various goal-setting variables on sales behaviors and performance, which was not possible in previous, more narrowly defined studies. Specifically, this research will investigate two potential goal-setting trade-offs in the sales context: (1) the opposite effects of goal-setting factors on working hard and working smart, and (2) the opposite effects of goal-setting factors on the two dimensions of working smart (adaptive selling and sales planning). For example, goal difficulty and goal specificity may enhance performance by increasing a salesperson's selling effort while at the same time hindering performance by inhibiting adaptive selling behavior. Similarly, increasing goal difficulty may increase one dimension of working smart—sales planning—while negatively influencing another dimension of working smart—adaptive selling. Understanding how different goal-setting factors may affect these intervening sales behaviors and ultimately sales performance is crucial to sales managers in their use of performance goals as an effective sales tool. Sujan, Weitz, and Kumar (1994) have suggested researchers should better understand the managerial actions that can affect alternative sales behaviors and "the contingencies affecting the relative importance of working smart and hard" (p. 45).

Furthermore, most of the existing studies regarding goal setting have been conducted in Western cultures. With more and more U.S. companies entering foreign markets and employing local salespeople, understanding how goal setting influences salespeople's performance in different cultures, particularly Asian cultures, is increasing in importance. With primary data collected from salespeople in the United States and China, two distinct cultures identified by Hofstede (1997), this study will investigate how these two cultures influence the effects of goal setting on salespeople's behavior and performance.

The remaining parts of the article are organized as follows. First, the literature is reviewed and the conceptual model is developed. Second, specific hypotheses are offered for each relationship in the model. Third, the method and empirical results are presented. Finally, the findings are discussed, including theoretical and managerial implications.

**FIGURE 1**  
**Model of Goal-Setting Factors,**  
**Sales Behaviors, and Performance**



## CONCEPTUAL BACKGROUND AND MODEL

### Goal-Setting Factors

Researchers have used a variety of empirical and theoretical approaches to identify the different characteristics of goal setting. The most widely used characteristics of goal setting are intensity and content (Austin and Vancouver 1996). Goal intensity is a broad term referring to the scope and intensity invoked in a mental process (Austin and Vancouver 1996), while goal content focuses mainly on structural characteristics of the goal itself, such as difficulty and specificity. Besides, Bagozzi and Dholakia (1999) suggested that goals can be activated either externally (assigned goals) or internally (self-set goals). This article focuses only on the goal-content dimension of assigned performance goals, as this dimension can be readily detected and acted upon, which is arguably more relevant to a sales manager setting a salesperson's goals (Figure 1).

Goal-setting literature suggests two key goal-content factors: goal difficulty and goal specificity (see Locke and Latham 1990). In a meta-analysis of 87 studies, Tubbs (1986) suggested that goal difficulty and goal specificity are two major goal-setting constructs that have obtained strong support in the literature. It is worth noting that this study focuses on quantitative output sales goals such as sales quotas. Besides quantitative sales goals, salespeople could also be assigned behavioral (qualitative) goals, such as improving customer satisfaction. The effects of behavioral goals on sales behaviors and performance are beyond the scope of this research.

*Goal difficulty* refers to the difficulty individuals perceive in implementing a goal. There has been some confusion in the literature about the distinction between goal and task difficulty (Locke, Shaw, Saari, and Latham 1981). Generally, a *task* is a piece of work to be finished, while *goal* refers to a specific standard to be attained on a given task or set of tasks. As Locke and Latham (1990) noted, "Goal difficulty specifies a certain level of task proficiency measured against a standard, whereas task difficulty refers simply to the nature of the work to be accomplished" (p. 26).

*Goal specificity* refers to the extent to which a goal is specifically stated and specified by the manager. Since goal difficulty often covaries with goal specificity (Wright and Kacmar 1994), where difficult goals are usually stated clearly and vague goals may be interpreted as simple ones, most studies tend to examine goal difficulty and goal specificity as a combined construct. However, Naylor and Ilgen (1984) proposed that goal specificity could be decreased independently from difficulty by increasing intervals around performance goal levels. Similarly, Locke, Chah, Harrison, and Lustgarten (1989) argued that the effects of goal specificity and goal difficulty should be investigated separately to better identify the mechanisms operating for each goal-setting variable and their independent influence on performance.

### Sales Behaviors

The literature suggests two primary ways in which individuals adjust their goal-related behaviors: the intensity of effort and the direction of effort (Carver and Scheier 1982). Specifically, Locke and Latham (1990) suggested that, besides increasing effort, people develop strategies and engage in planning to achieve goals. For example, a salesperson can work more hours, make more phone calls, and/or try another way to reach customers. In the marketing literature, Sujan (1986) and Sujan et al. (1994) conceptualized the direction chosen to channel effort as "working smart," while the overall amount of effort salespeople devote to their work is conceptualized as "working hard." They further conceptualize two important dimensions of working smart: adaptive selling and sales planning.

*Selling effort* refers to "the force, energy or activity by which work is accomplished" (Brown and Peterson 1994: 71). *Adaptive selling* refers to the use of strategies in which the salesperson alters "behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation" (Weitz et al. 1986:175). Thus, when adaptive selling is high, salespeople frequently alter their behavior based on the situation. *Sales planning* is defined by Earley, Wojnarowski, and Prest (1987) as "the procedure (sequence of behaviors) used by an individual to translate his or her resources into action" (p. 107).

Taken together, it is argued, goal-setting variables (goal difficulty and goal specificity) influence performance through the mediation effects of behavioral variables (selling effort, adaptive selling, and sales planning). This article explores two types of outcome performance: behavior performance and sales performance. These two performance measures allow the investigation of the impact of goal setting and sales behaviors on both the quantitative sales output and the quality of the selling process (Cravens et al. 1993; Jaworski and Kohli 1991).

## HYPOTHESES

### Effects of Goal Difficulty and Goal Specificity on Sales Behaviors

*The effect of goal difficulty on selling effort* is best informed by expectancy theory and compliance effect. It is argued that the effort aroused and expended in response to a goal depends on the difficulty of the goal (Locke 1968); Latham and Locke (1991) attribute this connection mainly to people's tendency to adjust their effort level to the difficulty of the task. Chowdhury (1993) suggested that goal difficulty influences one's intention to expend effort, which in turn affects effort, owing to compliance effect. *Compliance effect* refers to "the phenomenon in which individuals redirect or modify their intentions and efforts to match the demands confronting them and adjust their target performance to correspond to the assigned goals" (Chowdhury 1993:30). Furthermore, Chowdhury (1993) suggested that expectancy theory and compliance effect offer contradictory hypotheses. *Expectancy theory* predicts that a salesperson's motivation and effort decrease as goal difficulty increases past some level, reflecting the salesperson's evaluation of a lower likelihood of success for very difficult goals, whereas compliance effect suggests that a salesperson's intentions and effort increase under difficult goal conditions in response to the higher target.

The national culture of a salesperson could also be argued to affect the underlying assumptions of expectancy theory and compliance effect. For example, human striving is strongly emphasized in the People's Republic of China, as embodied in the saying, "The Foolish Old Man Removed the Mountains." (This is an old story in Chinese culture used to demonstrate that nothing is impossible and that one can succeed if one tries hard enough.) This cognitive tendency is called *voluntarism*; one of the important features of this tendency is that in China's culture, people believe they can realize any aim if they work hard (Si, Rethorst, and Willmeczik 1995). China's culture emphasizes in childhood that hard work is the route to accomplishment (Chang 1985). Therefore, when people are facing difficult situations, China's culture might influence them to ask themselves whether they have tried hard enough. For example, Si et al. (1995) found that Chinese students faced with difficult objectives try to achieve those objectives by increasing their effort and attribute failure to insufficient effort, even when an external cause is offered. Thus, it can be argued that the relationship between effort and success could be culturally ingrained and that Chinese salespeople would increase effort as goal difficulty increases. It could also be argued that the mitigating effect on effort proposed by expectancy theory for high levels of goal difficulty may not occur for Chinese salespeople, since they are culturally conditioned to believe that effort

always leads to higher performance, and therefore, contrary to the prediction of expectancy theory, they do not reduce effort as goals become very difficult.

*Hypothesis 1a:* Goal difficulty influences selling efforts with an inverted-U relationship for U.S. salespeople.

*Hypothesis 1b:* Goal difficulty positively influences selling effort for Chinese salespeople.

*The effect of goal difficulty on adaptive selling and sales planning* is argued to operate with two conflicting processes: motivational and cognitive (Locke et al. 1981). The motivation perspective suggests that goal difficulty positively affects both adaptive selling and sales planning, where difficult goals motivate a salesperson to plan, develop, and use appropriate sales strategies (Locke and Latham 1990; Wood et al. 1990). Spiro and Perreault (1979) also suggested that when the selling situation becomes more difficult, salespeople increase their use of a wider variety of selling strategies.

The cognitive mechanism through which goal difficulty influences adaptive selling and sales planning is proposed in the resource allocation model (Kanfer and Ackerman 1989), which suggests that the setting of goals automatically initiates self-regulatory activities whereby people monitor and evaluate their performance using "attentional resources." These attentional resources represent the limited capacity of the human information-processing system. According to this view, the allocation of resources to self-regulation "steals" critical resources from strategy development activities, such as adaptive selling and sales planning. That is, when confronted with difficult goals, salespeople adjust their cognitive attention to effort and regulation cognition and devote less attention to adaptive selling and sales planning. Locke and Latham (1990:105) acknowledged the impact of the self-regulating mechanism where difficult goals caused "tunnel vision" and a reduction in adaptive selling and sales planning. Wood and Bandura (1989) noted that in complex situations, difficult goals can shift an individual's attention from the best method (adaptive selling and sales planning) to achieve the task to performance monitoring and concern for the consequences of failure. Thus, the cognitive mechanism would suggest that in some situations (complex or high cognitive load), increasing goal difficulty could have a negative impact on adaptive selling and sales planning. This argument is consistent with consumer information-processing literature, which demonstrates the influence of stimulus characteristics on consumers' motivation and ability to process information (Moorman 1990).

Owing to the opposing influence of the motivational and cognitive perspectives and the lack of empirical results in a sales context indicating which mechanism is dominant, we provide alternative hypotheses regarding the ef-

fects of goal difficulty on adaptive selling and sales planning to test these two contrasting theories. In addition, since there is insufficient theoretical rationale as to how these motivational and cognitive perspectives differ across two cultures (United States and China), no cross-cultural difference is hypothesized.

*Hypothesis 2:* Goal difficulty positively influences adaptive selling.

*Hypothesis 2(alt):* Goal difficulty negatively influences adaptive selling.

*Hypothesis 3:* Goal difficulty positively influences sales planning.

*Hypothesis 3 (alt):* Goal difficulty negatively influences sales planning.

*The effect of goal specificity on selling effort* is supported by social loafing theory, which argues that loafing should be viewed as an evaluation effect (Harkins and Jackson 1985). In other words, when individuals perceive that they lack clear and specific evaluations for their performance, loafing occurs. When the goal is not specific, individuals feel that they lack the necessary criteria to evaluate their performance, and so they reduce their effort (Carver and Scheier 1982). Alternatively, when goals are specific, Cottrell (1972) and Baron (1986) suggested that evaluation apprehension leads to increased effort. Thus, when performance evaluation is not perceived as specific, salespeople exert less effort on tasks than when performance evaluation is perceived as specific. While the existing literature suggests that goal specificity will positively affect selling effort (Baron 1986; Cottrell 1972), a majority of this research was performed in Western cultures.

Culture could be argued to influence the relationship between goal specificity and selling effort (Usunier 1996). One way to differentiate cultures, as proposed by Hall (1976), is by low- and high-context communication styles. Low-context communication involves the use of explicit and direct messages in which meanings are contained mainly in the transmitted messages; high-context communication involves the use of implicit and indirect messages in which meanings are embedded in the person or in the sociocultural context. It is argued that cultural individualism-collectivism has a direct effect on communication because it affects the norms that guide behaviors in individualist and collectivist cultures (Gudykunst and Ting-Toomey 1988), and China is a high-context communication culture, while the United States is characterized as a low-context communication culture (Gudykunst and Ting-Toomey 1988; Usunier 1996). Furthermore, Klein (1989) suggested that goal setting, together with providing feedback, can be viewed as a communication process between supervisors and salespeople. Gudykunst et al. (1996) and Usunier (1996) argued that in low-context communication cultures, since individuals prefer accurate

and explicit information in communication, evaluation standards need to be precise and specific to motivate salespeople, whereas in high-context communication cultures, owing to individuals' preference for implicit and ambiguous expressions, such specific and clear evaluation tends to decrease salespeople's motivation. In summary, we expect a positive relationship between goal specificity and selling effort in low-context communication cultures, as supported by the existing literature (Baron 1986; Cottrell 1972), and we propose a negative relationship between goal specificity and selling effort in high-context communication cultures, as suggested by Gudykunst et al. (1996) and Usunier (1996).

*Hypothesis 4a:* Goal specificity positively influences selling effort for U.S. salespeople (low-context communication culture).

*Hypothesis 4b:* Goal specificity negatively influences selling effort for Chinese salespeople (high-context communication culture).

*The effect of goal specificity on adaptive selling* can be explained by a salesperson's different perceptions of job autonomy under specific versus general output goals. Salespeople may feel that their sales manager has given them more discretion or autonomy in their quota-achieving activities for general goals than for specific goals. This relationship is supported by Eisenberg (1984) and Locke and Latham (1990), who suggest that non-specific output goals increase individuals' perceived autonomy over their jobs. For example, salespeople who are given the general (low-specificity) goal of "just do your best" could be expected to have the highest autonomy and feel they can control where and how to work. Alternatively, salespeople given a very specific goal—for example, to achieve \$150,000 in sales of Product A at Customer B during the next 6 months—may feel that their actions are very restricted and that they have low autonomy, since their actions are narrowly focused. This narrow focus would not give the salesperson the autonomy to try potentially productive behaviors, such as building long-term relationships and attempting to sell different types of products as a way to get in the door before shifting to a more important product, since they will be attempting to reach a very specific goal.

Spiro and Weitz (1990) suggested that a supervisor's "tolerance of freedom" can facilitate salespeople's sense of autonomy, encouraging experimentation with new approaches and discouraging them from using well-defined sales approaches. Similarly, Scott and Bruce (1994) argued that employees' autonomy is likely to lead to higher levels of adaptation because of the increased flexibility. Reardon and Enis (1990) suggested that autonomy reduces the constraints imposed on salespeople, which facilitates flexibility in salespeople's behavior as

they attempt to sell to, and/or serve, customers. Consequently, increases in goal specificity may negatively affect salespeople's sense of autonomy, thereby reducing their use of alternative strategies or adaptive selling behaviors.

The negative effect of goal specificity on employee adaptability is also addressed by Earley and Perry (1987), who noted that specific goals, owing to the restrictive nature of the constraints they impose, may be least effective for "tasks" where performance depends largely on strategy. Evidence appears to suggest that, at the very least, for individuals performing complex tasks (which has often been a characterization of the boundary roles performed by salespeople), simply clarifying the ends sought does little to enhance performance. In fact, under selected circumstances (complicated and difficult tasks), goal specificity has actually been found to limit the level of flexibility and adaptability shown by employees (Earley, Connolly, and Ekegren 1989; Kanfer and Ackerman 1989).

Regarding cross-cultural differences, the positive effects of autonomy (owing to nonspecific goals) on individuals' motivation and working behaviors in multiple cultural contexts have been well established (e.g., Agarwal, Decarlo, and Vyas 1999; Chirkov, Ryan, Kim, and Kaplan 2003). Therefore, we do not expect that goal specificity would influence adaptive selling differentially across U.S. and Chinese salespeople.

*Hypothesis 5:* Goal specificity negatively influences adaptive selling behaviors.

*The effect of goal specificity on sales planning* is based on information-processing theory (Earley et al. 1987). Specifically, Smith, Locke, and Barry (1990) argued that specific goals stimulate increases in both the quantity and quality of planning. A specific goal contains more information than a general goal, namely, the precise level of performance expected of the individual. Campbell (1984) suggested that an individual who is assigned a specific goal is directed to the task and must decide how to proceed. Thus, a specific goal stimulates the development of task-relevant plans by stimulating an individual to think about a task (Earley et al. 1987). Conversely, someone with a general goal does not have a specific performance level to consider and therefore spends less time thinking about sales planning. Furthermore, since information-processing theory has proven to be robust across different cultures (e.g., Liefeld, Wall, and Heslop 2000), goal specificity is not expected to influence sales planning differentially across the U.S. and Chinese salespeople in this study.

*Hypothesis 6:* Goal specificity positively influences sales planning.

*The effect of sales planning on adaptive selling* is based on the knowledge gained and potential analysis performed

during sales planning. During sales planning, a salesperson collects detailed information relevant to the sales context, such as the customer's history and preferences, which increases the likelihood that the salesperson will adapt to these cues during the selling process (Spiro and Weitz 1990). Careful sales planning should also facilitate the mental rehearsing of the potential scenarios that may occur in an upcoming sales call, which should also increase the likelihood that the salesperson will adapt his or her behavior.

*Hypothesis 7:* Sales planning positively influences adaptive selling.

### Relationships Between Sales Behaviors and Performance

*The effect of sales behaviors on sales performance and on behavior performance* is well supported in the literature (e.g., Brown, Cron, and Slocum 1997; Spiro and Weitz 1990), where selling effort (e.g., Brown and Peterson 1994) and adaptive selling (e.g., Spiro and Weitz 1990) are found to directly affect sales performance. The influence of selling effort on sales performance is easily understood from the direct effect of factors such as working longer hours and increasing the number of sales calls. The direct impact of adaptive selling on sales performance is empirically supported (Marks, Vorhies, and Badovick 1996; Spiro and Weitz 1990). For example, if salespeople adapt their behavior while visiting customers, they may be more likely to "close the sale," which would directly influence sales performance.

Alternatively, it is argued that the influence of adaptive selling and sales planning on sales performance is mediated by behavior performance, where behavior performance is an indicator of the quality and effectiveness of the selling process. As salespeople more frequently adapt their selling behavior, seeking to maintain good customer relations and satisfy customers' specific needs, the quality and effectiveness of the sales process or behavior performance should increase. Similarly, as salespeople plan the use of their time and prepare for interactions with their customers, the effectiveness of the sales process or behavior performance should likewise increase, reflecting their superior preparation. In many situations, a high level of behavior performance is desired as an end in itself, but most often high levels of behavior performance are desired for their presumed influence on sales performance. The positive effect of behavior performance on sales performance results from the increased satisfaction of the customer owing to a higher-quality sales process and from the increased effectiveness of the sales process itself, generating more overall sales calls and higher sales per call.

*Hypothesis 8:* Selling effort positively influences sales performance.

*Hypothesis 9:* Adaptive selling positively influences sales performance.

*Hypothesis 10:* Adaptive selling positively influences behavior performance.

*Hypothesis 11:* Sales planning positively influences behavior performance.

*Hypothesis 12:* Behavior performance positively influences sales performance.

## METHOD

### U.S. Data Collection

Cover letters, along with sample questionnaires and return envelopes, were mailed to 600 sales managers obtained from a mailing-list broker. This sampling design was adopted to ensure sufficient breadth of industry classifications and types of sales jobs, thereby enhancing the generalizability of the findings. A total of 152 sales managers agreed to have their sales organizations participate and identified 1,257 salespeople in their sales organizations. To encourage participation, the sales managers were offered summaries of their organizations' results relative to the overall study. A survey package for each salesperson with a questionnaire, cover letter, and return envelope was mailed to participating sales managers for distribution to their salespeople. Each salesperson mailed the completed questionnaire directly back to the researchers. These efforts generated 308 responses. Five responses did not identify any performance goals, 10 respondents had less than 1 year of work experience in their current jobs, and three questionnaires had too many missing values. Thus, 18 respondents were eliminated from the sample. The final usable response rate was 23.1 percent. To assess non-response bias, an approach recommended by Armstrong and Overton (1977) was used. In comparing the early versus late respondents, no significant differences were found.

The sample was composed primarily of men (approximately 77%). Respondents sold products in areas such as health insurance, computer components, home electronics, mechanical products, and financial products. The respondents had an average of 16.4 years of sales experience, and approximately 39 percent were between 40 and 55 years of age.

### Chinese Data Collection

The sampling frame in China consisted of 30 companies in seven cities, including both coastal and inland areas. In each city, four to five companies were identified. These companies represented a wide range of number of

employees, industries, and sales volume. Every effort was made to ensure that respondents were from diverse industries and types of sales organizations. The questionnaire was translated into Chinese and back-translated into English. Overall, there was a reasonably good fit between the back-translated version and the original English version, denoting a high level of translation quality (Douglas and Craig 1983). Because of problems with the mail system and concerns about industrial espionage, collecting marketing research data from Chinese managers is challenging. Therefore, a high level of personal involvement, consisting of telephone calls and personal delivery and pickup of questionnaires, was used to obtain the Chinese data for this study, a common procedure when conducting research in China (Roy, Walters, and Sherriff 2001). First, telephone calls were placed to sales managers or general managers to explain the purpose of the study. Respondents were offered aggregate results for participating. Once their participation was secured, the sales/general managers received hand-delivered surveys for each of their salespeople. Completed surveys were hand-collected by one of the authors directly from the salespeople. These procedures resulted in 247 completed questionnaires. Based on the number of delivered surveys, this represents just more than a 50 percent response rate. The sample was composed primarily of men (approximately 71%). Respondents sold products in areas such as insurance, medical equipment, home electronics, and computer products. The respondents had an average of 10.5 years of sales experience, and approximately 35 percent were between 40 and 55 years of age.

## Measurement

Whenever possible, key constructs were measured using existing scales. All the items used to measure the constructs were closed-ended, with 7-point Likert-type scales anchored at *strongly disagree* and *strongly agree* (see appendix for complete list of measures). At the beginning of the questionnaire, the respondents were asked to select their major quantitative output goal(s) (sales profits; sales volume; marketing share; and any other, which they were asked to specify) and to rate their perceptions of difficulty and specificity regarding the major goal(s) they identified. Goal-difficulty measures were developed specifically for this study. Three items were used to measure the extent to which salespeople perceive their performance goal(s) as difficult. Goal specificity was measured using a four-item scale. These items asked respondents to evaluate the extent to which their performance goal(s) are specifically stated and specified by their supervisors.

Measures of selling effort were adapted from Sujan et al. (1994). Four items were used to measure how much effort salespeople put into their work. Marks et al. (1996)

suggested that the adaptive selling scales developed by Spiro and Weitz (1990) have two dimensions: adaptive selling beliefs and adaptive selling behaviors. This study used five items of the Spiro and Weitz (1990) scale to measure only one of the dimensions: salespeople's adaptive selling behaviors. Sales planning behavior was measured using a four-item scale adapted from Earley et al. (1987).

Sales performance was measured using a seven-item scale adapted from Behrman and Perreault (1982). These items asked respondents to evaluate the overall effectiveness of their sales performance in such areas as contributing to a firm's market share and generating a high level of sales. Behavior performance was measured using six items adapted from Behrman and Perreault (1982). These items asked respondents to evaluate the overall effectiveness of their behavior performance, such as management of time and maintenance of good customer relations.

## Analytic Approach

A two-stage approach was employed to analyze the data and test the proposed model. In the first stage, confirmatory factor analysis measurement models were assessed using EQS. Once a suitable measurement model was obtained, a path model was identified using the maximum likelihood criterion in EQS. According to Anderson and Gerbing (1988), the two-stage approach to model fitting has two main advantages. First, it is less demanding on the sample size owing to the reduced model at each stage. Second, the potential confounding effect between the structural model and the measurement model can be avoided.

## Assessment of the Measurement Model

Confirmatory factor analysis was used to estimate a measurement model. Measurement models were estimated by restricting each scale item's loading on its a priori specified factor, and correlation among factors was allowed (Gerbing and Anderson 1988). Maximum likelihood estimates of the measurement models were obtained using EQS. Three measurement models were estimated in each sample: goal-setting variables (goal difficulty and goal specificity), behavioral variables (selling effort, adaptive selling, and sales planning), and performance variables (behavior performance and sales performance). As indicated in the appendix, all measurement models exhibited acceptable fit indices for the U.S. and Chinese data. Each factor loading was positive and significant at the .01 level. The coefficient alpha also provided satisfactory evidence of reliability.

Next, a series of nested confirmatory factor model comparisons between any two constructs in the model

**FIGURE 2**  
**Goal-Setting Factors, Sales Behaviors,**  
**and Performance Hypotheses**



assessed whether chi-square differences existed between the models when correlations between the latent variables were set free versus when the correlations between the latent variables were constrained to 1.0. The various chi-square difference tests were all significant and provided evidence of discriminant validity (Bagozzi, Yi, and Phillips 1991).

To estimate the relationships between constructs in cross-cultural settings, Steenkamp and Baumgartner (1998) indicated that full or partial metric invariance must be satisfied. A series of nested confirmatory factor model comparisons was estimated using EQS multigroup analysis. First, each construct with all loadings set to be equal was estimated across the two samples. Second, the same model with one loading set free was estimated across the two samples. Finally, the chi-square difference between these two models was obtained. The results indicate that all the constructs realized full or partial metric equivalence.

### Test of the Hypotheses

Path analysis was used to assess the hypothesized model relationships (Figure 2). Data were analyzed using EQS. Path analysis, using structural equation modeling methodology, made it possible to simultaneously test all the hypothesized relationships between the focal constructs. Item factor scores were averaged to derive the factor scores for path analysis. As suggested by Ping (1995), the square term of goal difficulty was put in the model as one of the antecedents of selling effort in both samples in order to test whether there was an inverted-U relationship between goal difficulty and selling effort.<sup>1</sup> The descriptive statistics and correlation matrix of all the constructs in the model are shown in Table 1.

## RESULTS

## Relationships Between Goal-Setting Factors and Sales Behaviors

In the U.S. sample, the Goodness-of-Fit Index (GFI), Comparative Fit Index (CFI), Normed Fit Index (NFI), and root mean square error of approximation (RMSEA) are .96, .98, .97, and .08, respectively. In the Chinese sample, the GFI, CFI, NFI, and RMSEA are .97, .99, .98, and .07, respectively. Taken collectively, these indices suggest an acceptable model fit, even though the chi-square indices are significant in the two samples.

The negative relationship between the squared term of goal difficulty and selling effort is significant ( $b = -.44, p < .05$ ), and the positive relationship between goal difficulty and selling effort is significant ( $b = .84, p < .05$ ) for the U.S. sample. Thus, Hypothesis 1a is supported, suggesting that goal difficulty has a curvilinear relationship with salespeople's selling effort. In the Chinese sample, the negative relationship between the squared term of goal difficulty and selling effort is not significant ( $b = -.37, ns$ ), while the relationship between goal difficulty and selling effort is significantly positive ( $b = .51, p < .05$ ). Therefore, Hypothesis 1b is supported, suggesting that goal difficulty has a positive relationship with selling effort.

We used two-tailed tests to determine the significance for Hypotheses 2 and 3, since alternative hypotheses were offered. Goal difficulty has a negative relationship with adaptive selling in the U.S. sample ( $b = -.25, p < .05$ ); thus, Hypothesis 2 (alt) is supported. The relationship between goal difficulty and salespeople's planning behavior is significantly positive ( $b = .30, p < .05$ ); thus, Hypothesis 3 is supported in the U.S. sample. In contrast, Hypotheses 2 and 3 are not supported in the Chinese sample.

Hypothesis 4a suggests that goal specificity has a positive relationship with selling effort in low-context communication cultures as represented by the U.S. sample. This hypothesis is supported, in that the path coefficient is positive and significant ( $b = .17, p < .05$ ). Hypothesis 4b states that goal specificity has a negative relationship with selling effort in high-context communication cultures as represented by the Chinese sample. This hypothesis is supported by the negative and significant path coefficient ( $b = -.29, p < .05$ ). Hypothesis 5 suggests that goal specificity has a negative relationship with adaptive selling. Hypothesis 5 is supported in both samples, since path coefficients are negative ( $b = -.31$  in the U.S. sample and  $b = -.32$  in the Chinese sample) and significant ( $p < .05$ ). Hypothesis 6 is also supported in both samples, with a path coefficient of  $.16$  ( $p < .05$ ) in the U.S. sample and  $.11$  ( $p < .05$ ) in the Chinese sample.

To test the cross-cultural differences between goal difficulty and sales efforts (Hypotheses 1a and 1b) and goal specificity and selling effort (Hypotheses 4a and 4b), we



**TABLE 1**  
**Descriptive Statistics**

	Mean		Standard Deviation		Correlation Matrix							
	United States	China	United States	China	1	2	3	4	5	6	7	8
1. Goal Difficulty	4.44	4.42	1.11	1.28	1.00	.00	.14	.07	.01	-.10	-.06	.98
2. Goal Specificity	4.63	4.50	1.47	1.19	.18	1.00	-.28	-.29	.08	-.20	-.09	-.02
3. Selling Effort	5.15	5.53	1.13	1.02	.44	.24	1.00	.66	.19	.40	.28	.15
4. Adaptive Selling	4.10	5.75	1.07	1.01	-.16	-.26	-.39	1.00	.36	.51	.45	.10
5. Sales Planning	4.59	4.90	1.20	1.46	.32	.22	.42	.28	1.00	.30	.29	.01
6. Behavior Performance	5.40	5.42	1.16	0.93	.25	.20	.21	.05	.21	1.00	.68	-.07
7. Sales Performance	4.90	5.08	1.26	1.04	.15	.25	.28	.06	.20	.47	1.00	-.04
8. Goal Difficulty (squared)	20.90	21.19	9.55	11.26	.98	.16	.40	-.15	.31	.26	.15	1.00

NOTE: Lower triangle of correlation matrix = U.S. sample; upper triangle of correlation matrix = China sample.

conducted two-group EQS and compared the chi-square difference between the two models: the first, constrained model fixed the hypothesized relationships as equal, and the second, unconstrained model permitted those relationships to vary. (For a detailed description, see Sujan et al. 1994.) If the chi-square difference between the two models is significant, then the relationships across two samples are different. The results indicate that goal difficulty (squared) and goal difficulty have significantly different effects on selling effort between the U.S. and China samples,  $\chi^2(df=2) = 16.60, p < .05$ ; and goal specificity has significantly different impacts on selling effort between the U.S. and China samples,  $\chi^2(df=1) = 30.25, p < .05$ .

### Relationships Between Sales Behaviors and Performance Outcomes

Hypothesis 7 states that sales planning is positively related to adaptive selling behaviors. This hypothesis is supported in both the United States and China, since the path coefficients are positive ( $b = .43$  in the United States and  $b = .38$  in China) and significant ( $p < .05$ ). In the U.S. sample, selling effort is positively related to sales performance ( $b = .25, p < .05$ ). Thus, Hypothesis 8 is supported in the U.S. sample. However, Hypothesis 8 is not supported in the Chinese sample. Adaptive selling is positively related to sales performance in both samples, supporting Hypothesis 9, since both path coefficients are positive and significant ( $b = .14, p < .05$  in the U.S. sample and  $b = .20, p < .05$  in the Chinese sample). As predicted by Hypothesis 10, adaptive selling is positively related to behavior performance in the Chinese sample ( $b = .46, p < .05$ ) but not in the U.S. sample. Hypothesis 11 is supported in both samples, since sales planning is positively related to behavior performance ( $b = .21, p < .05$  in the United States and  $b = .14, p < .05$  in China). Hypothesis 12, which suggested that behavior performance is positively related to sales performance, is supported in both samples, as both path coefficients are positive ( $b = .42$  in

the U.S. sample and  $b = 0.61$  in the Chinese sample) and significant ( $p < .05$ ).

### Test of Mediation Effects

The model indicated that selling effort, adaptive selling, and sales planning mediate the relationship between goal setting and performance. To test the mediating effects of selling effort, adaptive selling, and sales planning, a model that allowed direct paths from goal setting to performance was compared with a model in which no direct paths were allowed. The full mediation hypothesis was tested by comparing the fit of these two models. Thus, full mediation is supported if the model allowing direct paths from goal-setting factors to performance does not provide a significantly better fit than the fully mediated model (Brown, Mowen, Donavan, and Licata 2002). The chi-square difference between these two models in the U.S. sample is 33.54 ( $df = 6$ ), which is significant at the .05 level, where only paths from goal specificity to sales performance and behavior performance are significant. This indicates that selling behavior variables fully mediate the relationship between goal difficulty and performance but only partially mediate the relationship between goal specificity and performance. However, the chi-square difference between these two models in the Chinese sample is 11.62 ( $df = 6$ ), which is not significant ( $p < .05$ ). Thus, the effects of the goal-setting factors on performance are fully mediated by selling behaviors in the Chinese sample.

### Post Hoc Analysis

Even though no cross-cultural difference hypotheses were offered regarding the impacts of goal difficulty and goal specificity on adaptive selling and sales planning, we conducted post hoc analysis to examine whether these relationships differ across the two samples (Table 2). Using the same approach as previously described, we found that the impact of goal difficulty on sales planning ( $\chi^2$  difference = 10.39,  $p < .05$ ) and adaptive selling ( $\chi^2$  difference =

17.15,  $p < .05$ ) was significantly different between the U.S. and Chinese samples. The chi-square differences were not significant for the impact of goal specificity on adaptive selling and sales planning.

## DISCUSSION

This article advances a framework examining how goal-setting factors (goal difficulty and goal specificity) differentially influence salespeople's behaviors and thus their sales performance and behavior performance. The article identifies two potential goal-setting paradoxes that exist for sales managers: (1) goal-setting factors can have opposite effects on a salesperson's selling effort and adaptive selling behaviors, and (2) goal-setting factors can have opposite effects on the two dimensions of working smart: adaptive selling and sales planning. These findings are interesting in that they run counter to the mainstream view that making goals more difficult and more specific will lead to more desirable sales behaviors and improved performance (Locke and Latham 1990). The mediation of the impact of goal-setting variables on sales performance by the three sales behaviors (selling effort, adaptive selling, and sales planning) suggests the necessity of including mediating sales behaviors in any model of goal setting to fully understand the multiple and conflicting relationships. The theoretical rationale for these conflicting effects provides insight into the importance of cognitive mechanisms in addition to the more commonly discussed motivational mechanisms that are operating for goal setting in the sales context.

Furthermore, using data collected in both the United States and China, the study provides evidence to suggest that the effects of goal setting on sales behaviors and performance may vary across different cultures. The opposite effects of goal specificity on selling effort between the U.S. and Chinese samples reinforce the potentially contingent nature of goal-setting theory, requiring a more sophisticated managerial approach to goal setting across cultures.

## Implications for Theory

Consistent with Chowdhury's (1993) experimental results, goal difficulty exhibited an inverted-U relationship with selling effort for U.S. salespeople. In other words, salespeople were less inclined to increase selling effort when the goals set by sales managers were either easy or extremely difficult than when the goals were moderately difficult. One interpretation of this finding is that salespeople tend to evaluate the difficulty of a goal and the likelihood of achieving a desired output through increased selling effort. When the goals are evaluated as easy, salespeople have confidence that they can fulfill their goals

with little effort; thus, they are not motivated to work hard. On the other hand, when the goals are perceived as extremely difficult, salespeople have a low expectancy of achieving their performance goals, which reduces their motivation to work hard. However, goal difficulty has a positive linear relationship with selling effort for Chinese salespeople, which may be due in part to the social norm embedded in China's culture that one can succeed if one tries harder. Therefore, it could be argued that in the Chinese sample, a culturally ingrained relationship between effort and performance may be operating, which encourages these salespeople to keep trying despite their difficult goals, unlike their counterparts in the U.S. sample.

Among the U.S. salespeople in the study, goal difficulty has a negative influence on adaptive selling, while it has a positive effect on sales planning. The opposite effects of goal difficulty on adaptive selling and sales planning can be understood by analyzing the opposing processes (motivational and cognitive) and the relative strength of these two processes on adaptive selling and sales planning. Increasing the difficulty of a goal will *increase a salesperson's motivation* to engage in adaptive selling and sales planning behaviors to better achieve this goal while simultaneously *decreasing the cognitive resources* available for adaptive selling and sales planning owing to the allocation of cognitive resources to self-regulation of performance. The positive effect of the motivational mechanism could be argued to outweigh the negative impact of the loss of cognitive or attentional resources for sales planning behaviors, as these behaviors normally occur in the salesperson's office, with few time constraints or other cognitive distractions. In this arguably benign cognitive environment, the salesperson has sufficient cognitive bandwidth to satisfactorily perform sales planning, even after losing attentional resources to self-regulation and monitoring.

Alternatively, it can be argued that the negative impact of the loss of attentional resources outweighs the positive impact of the motivational effects of difficult goals for adaptive selling behaviors, as these behaviors normally take place in the customer's office, under fixed time constraints, under the observation of customers, and under the additional cognitive load of managing the sales call. In this cognitively complex environment, the loss of attentional resources owing to self-regulation and the monitoring of performance reduce a salesperson's adaptive selling behaviors. The importance of the effect of environmental and task complexity on the cognitive mechanism within a goal-setting context was described by Wood and Bandura (1989):

When task demands approximate the limits of managers' cognitive capabilities, external motivators, such as incentives or assigned goals, can undermine their performance by diverting their attention from

**TABLE 2**  
**Impact of Cross-Cultural Differences on Goal-Setting Sales Behavior Relationships**

Relationship	U.S. Sample		China Sample		Cross-Cultural Difference
	Hypothesis	Relationship	Hypothesis	Relationship	
Goal Difficulty → Selling Effort	Hypothesis 1a*	Inverted-U	Hypothesis 1b*	Positive	Significant difference*
Goal Difficulty → Adaptive Selling	Hypothesis 2(alt)*	Negative	Hypothesis 2 (alt)	Negative	Significant difference*
Goal Difficulty → Sales Planning	Hypothesis 3*	Positive	Hypothesis 3	Positive	Significant difference*
Goal Specificity → Selling Effort	Hypothesis 4a*	Positive	Hypothesis 4b*	Negative	Significant difference*
Goal Specificity → Adaptive Selling	Hypothesis 5*	Negative	Hypothesis 5*	Negative	No difference
Goal Specificity → Sales Planning	Hypothesis 6*	Positive	Hypothesis 6*	Positive	No difference

\* $p < .05$ .

how best to perform the task to concern about the consequences of their failure. (P. 376)

The differential influence of cognitive and motivation information processing mechanisms across different situations may provide insight into consumer behavior. For example, researchers could extend Moorman's (1990) model of information processing to investigate whether consumer behavior is dependent on a consumer's goals and environmental complexity.

We did not detect any significant relationship between goal difficulty and adaptive selling and sales planning in the Chinese sample. Our post hoc analysis also indicates significantly different relationships between goal difficulty and sales planning and adaptive selling between the U.S. and Chinese samples. A possible explanation for these differences between the two samples could be the *voluntarist* cognitive tendency in China. With this cognitive tendency, people in China tend to believe they can realize any aim if they work hard. In China, voluntarism suggests that when salespeople confront difficult situations, they are inclined to *first* ask themselves whether they have tried hard enough. As a result, selling effort becomes the dominant behavioral response to goal difficulty, while adaptive selling and sales planning are perceived among Chinese salespeople as less important in achieving difficult goals.

This study provides empirical evidence for the positive effect of goal specificity on selling effort in the United States and its negative effect on selling effort in China. The different relationships across the two cultures can be explained by the different communication context styles in each culture, with China having a high-context and the United States a low-context communication culture (Gudykunst and Ting-Toomey 1988; Usunier 1996). Evaluation criteria need to be precise in order to motivate behavior in low-context communication cultures such as the United States, since meaning is transmitted mainly in the explicit message (Usunier 1996). In high-context communication cultures such as China, the message is embedded in the relationship and sociocultural context, and

motivation will be enhanced by less specific evaluation criteria. Very specific quantitative goals in a high-context culture may decrease the salesperson's overall selling effort by limiting effort outside of that specific domain. The opposite effect of goal specificity on selling effort across cultures and the different impact of goal difficulty on selling effort between the U.S. and Chinese salespeople support the previously offered premise that goal-theory researchers need to understand the cultural context of the goal-setting mechanism.

In both the U.S. and Chinese samples, goal specificity has a negative effect on adaptive selling. This negative impact can be explained by salespeople's increase in perceived autonomy under general versus specific output goals. General output goals tend to reduce the levels of management control over many aspects of a salesperson's job. As Eisenberg (1984) and Locke and Latham (1990) suggested, nonspecific output goals foster individuals' perceived autonomy in their jobs. This perceived autonomy under general output goals, furthermore, can facilitate salespeople's behaviors, encouraging experimentation with new approaches and discouraging the use of a well-defined set of sales approaches (Spiro and Weitz 1990). In both the U.S. and Chinese samples, goal specificity has a positive effect on sales planning. This effect supports previous researchers' argument that after receiving a specific goal, an individual is directed toward a specific task, and this focus leads to the development of task-relevant plans (Campbell 1984; Earley et al. 1987).

In sum, the counteracting effects of goal difficulty and goal specificity on selling effort, adaptive selling, and sales planning across two cultures provides robust empirical support for the need to include multiple intervening selling behaviors in any overall goal-setting model in order to understand the actual effects of goal setting on a salesperson's performance. These findings are contrary to the common paradigm that sales managers should try to develop specific-difficult goals for their salespeople but rather suggest that sales managers need to take a more contingent approach based on the sales behaviors desired and cultures involved. Therefore, researchers should study the

effects that goal-setting factors have on outcome performance, using an integrated framework to better understand these counteracting sales behaviors for different sales situations.

### Managerial Implications

The results of this study provide a number of valuable managerial implications. First, when setting performance goals for salespeople, sales managers should bear in mind the trade-offs for each goal-setting factor. Realizing that both goal difficulty and goal specificity have both positive and negative ramifications on selling behaviors, a sales manager must understand the specific sales objectives for each salesperson prior to developing his or her goals.

A sales manager with responsibilities over different cultures should realize that goal-setting factors may vary with the cultural context. A sales manager who has successfully used moderately difficult specific goals for his or her U.S. sales force may have to adapt his or her goal-setting strategy for a Chinese sales force. Moderately difficult specific goals may drive a high level of selling effort in the United States, but this strategy may not generate the highest level of selling effort in a Chinese sales force, where very difficult, nonspecific goals would produce higher sales effort.

Finally, while the previous discussion focused mainly on the relationships between goal-setting factors and selling behaviors, in most cases, the ultimate objective is improving sales performance and/or behavior performance. This research suggests that a sales manager should consider both quantitative sales performance outcomes and behavior performance or quality of selling process outcomes to better evaluate the optimal goal-setting strategy.

### Limitations and Future Research

One limitation of this study is the use of self-reported performance data. To increase confidence in the self-reported performance data, performance evaluations were collected for 45 of the Chinese salespeople from their sales managers. These sales manager reports were compared with the respective salespeople's self-reports and yielded correlation coefficients of .58 (output performance) and .48 (behavior performance), which indicates an acceptable degree of reliability.

Second, due to the cross-sectional nature of the data, the relationships found in the study are correlational in nature, and the direction of causality must be interpreted with caution. Since many of the hypotheses are about relationships over time, future research should focus on longitudinal data to provide a more robust test of this model. Finally, this study did not measure salespeople's actual selling behaviors but their perceptions of behaviors. Further research could adopt actual selling behavior measures

or measures reported by sales managers to validate the hypotheses in the model.

This study focuses on the effects of salespeople's *quantitative* goals on their behaviors and performance; an expanded understanding of how *qualitative* goals affect salespeople's performance should be developed. While this study examines only difficulty and specificity of assigned output goals, future studies could examine how salespeople's cognitive processing of such goal characteristics as goal intensity and goal commitment influence psychological consequences such as job satisfaction and organizational commitment.

The focus of this article is to explore the main effects of goal difficulty and goal specificity on salespeople's behaviors, and thus performance, in different cultural settings. However, the main effects of goal setting on sales behaviors could be moderated by a number of individual and organizational factors, such as salespeople's experience and self-efficacy, number of goals assigned to salespeople, and organizational support. Future research could extend this study to examine how these moderating factors influence the effects of goal setting on salespeople's behaviors.

### APPENDIX Scale Items for all Constructs

	<i>Loadings</i>	
	<i>China</i>	<i>U.S.</i>
<b>Goal Difficulty</b> ( $\alpha = .78$ [China], .70 [United States])		
1. My assigned goal(s) are very difficult to achieve.	.73	.61
2. I have very little difficulty in reaching my assigned goal(s) (reverse coded).	.60	.65
3. Generally, my assigned goal(s) are challenging.	.90	.64
<b>Goal Specificity</b> ( $\alpha = .93$ [China], .86 [United States])		
1. My supervisor specifically explained my assigned goal(s).	.81	.73
2. I have very specific assigned goal(s) in my job.	.89	.93
3. I understand the exact level of my assigned performance goal(s).	.88	.82
4. My assigned goal(s) are general as opposed to specific (reverse coded).	.90	.66
<b>Selling Effort</b> ( $\alpha = .84$ [China], .78 [United States])		
1. In a typical week, how many hours did you work?	.83	.52
2. I work long hours to meet my sales objectives.	.69	.86

- |   |     |     |
|---|-----|-----|
| 3. I do not give up easily when I encounter a difficult customer.   | .72 | .63 |
| 4. I work untiringly at selling to a customer until I get an order. | .75 | .67 |

**Adaptive Selling** ( $\alpha = .84$  [China],  
.89 [United States])

- |  |     |     |
|--|-----|-----|
| 1. When I feel that my selling approach is not working in a sales situation, I tend to change to another approach. | .78 | .81 |
| 2. I experiment with different sales approaches.   | .73 | .83 |
| 3. I tend to use a wide variety of selling approaches.   | .76 | .87 |
| 4. Basically, I use the same sales approach with most customers. (reverse coded)                                   | .53 | .61 |
| 5. I vary my sales style from situation to situation.  | .90 | .86 |

**Sales Planning** ( $\alpha = .88$  [China],  
.77 [United States])

- |   |     |     |
|---|-----|-----|
| 1. I never know what I will do from day to day. (reverse coded) | .76 | .44 |
| 2. I plan my work very carefully in advance.                    | .83 | .92 |
| 3. I spend a lot of time on planning.                           | .74 | .80 |
| 4. I list the steps necessary to get an order.                  | .83 | .59 |

**Sales Performance** ( $\alpha = .91$  [China],  
.95 [United States])

- |  |     |     |
|--|-----|-----|
| 1. I am very effective in contributing to my firm's market share.                | .81 | .87 |
| 2. I am very effective in selling products with the highest profit margins.      | .81 | .82 |
| 3. I am very effective in generating a high level of dollar sales.               | .74 | .92 |
| 4. I am very effective in quickly generating sales of newly introduced products. | .72 | .81 |
| 5. I am very effective in identifying major accounts in my territory.            | .79 | .82 |
| 6. I am very effective in selling to major accounts.                             | .79 | .87 |
| 7. I am very effective in exceeding annual sales targets and objectives.         | .77 | .84 |

**Behavior Performance** ( $\alpha = .87$  [China],  
.92 [United States])

- |  |     |     |
|--|-----|-----|
| 1. I am very effective in assisting my supervisor in meeting his or her goals.   | .74 | .67 |
| 2. I am very effective in maintaining good customer relations.   | .77 | .92 |
| 3. I am very effective in providing accurate information to customers and other people in my company.                          | .78 | .95 |
| 4. I am very effective in providing accurate and complete paperwork.   | .68 | .81 |
| 5. I am very effective in managing sales expenses and time.  | .69 | .76 |
| 6. I am very effective in acquiring the necessary knowledge about my products, competitors' products, and my customer's needs. | .74 | .75 |

NOTE: All items are 7-point Likert-type scales anchored at *strongly disagree* and *strongly agree*.

Fit indices in the U.S. sample are as follows:

Goal-setting constructs:  $\chi^2(df = 38) = 90.73$ , Goodness-of-Fit Index (GFI) = 0.90, Comparative Fit Index (CFI) = 0.92, Normed Fit Index (NFI) = 0.88, root mean square error of approximation (RMSEA) = 0.08.

Behavior constructs:  $\chi^2(df = 59) = 63.31$ , GFI = 0.93, CFI = 0.99, NFI = 0.93, RMSEA = 0.02.

Performance constructs:  $\chi^2(df = 62) = 186.42$ , GFI = 0.85, CFI = 0.92, NFI = 0.90, RMSEA = 0.08

Fit indices in the China sample are as follows:

Goal-setting constructs:  $\chi^2(df = 38) = 91.03$ , GFI = 0.93, CFI = 0.96, NFI = 0.93, RMSEA = 0.07.

Behavior constructs:  $\chi^2(df = 59) = 174.08$ , GFI = 0.90, CFI = 0.93, NFI = 0.90, RMSEA = 0.07.

Performance constructs:  $\chi^2(df = 62) = 200.37$ , GFI = 0.88, CFI = 0.92, NFI = 0.90, RMSEA = 0.08.

## NOTE

1. Early goal-setting literature tends to examine the combined effects of goal difficulty and goal specificity on behavior and performance. Consistent with this previous research, we tested the combined effects of goal difficulty and goal specificity together with the separate effects of goal difficulty and goal specificity. We added the interaction term of goal difficulty and goal specificity as another antecedent variable and related it to the three behavioral variables (selling effort, adaptive selling, and sales planning) in the model in Figure 2. The results indicated that in the U.S. sample, all the significant effects in Figure 2 remained significant, and the influence of the interaction term of goal difficulty and goal specificity on selling effort was significantly positive, while the influences on adaptive selling and sales planning were not significant. In the China sample, most of the significant effects indicated in Figure 2 remained significant (except for the positive effect of goal specificity on sales planning), and none of the relations between the interaction term and sales behaviors (selling effort, adaptive selling, and sales planning) were significant. The results indicate that salespeople's adaptive selling and sales planning behaviors are influenced by goal difficulty and goal specificity separately in both the U.S. and China samples, while salespeople's selling effort can be additionally improved by the combination of a high level of goal difficulty and goal specificity in the U.S. sample. Since the focus of this study is to examine the trade-off effects of goal-setting factors on sales behaviors, we did not put the interaction term of goal difficulty and goal specificity in the model. The detailed results are available upon request. We thank a reviewer who suggested this line of inquiry.

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## ABOUT THE AUTHORS

**Eric Fang** (efe92@mizzou.edu) is an assistant professor of marketing at Seattle University. His current research interests are in

the areas of relationship marketing in business-to-business context, marketing strategy, and international marketing. He has articles published and accepted at the *Journal of Business Research*, the *Journal of International Marketing*, and *Advances in International Marketing*.

**Robert W. Palmatier** (rpalmatier@missouri.edu) is a doctoral candidate in marketing at the University of Missouri, Columbia. He received his bachelor's and master's degrees in electrical engineering from the Georgia Institute of Technology and an MBA from Georgia State University. He has 15 years of professional work experience, including various sales and marketing and senior executive positions in the United States and Europe. His current research interests are in relationship marketing and value-creation strategies focused in a business-to-business and channels context.

**Kenneth R. Evans** (evansk@missouri.edu), Ph.D., is a professor of marketing and associate dean of graduate studies in the College of Business at the University of Missouri, Columbia. He holds the Pinkney C. Walker Professorship in Teaching Excellence. His research interests are in the areas of marketing management, sales/sales management, marketing theory, and services marketing. He has published in the *Journal of Marketing*, the *Journal of the Academy of Marketing Science*, the *Journal of Personal Selling and Sales Management*, the *Journal of Business Research*, and the *Journal of Advertising*, to name but a few. In addition, he has a number of articles that have been published in proceedings and presented at national conferences. He is either a member of the editorial review board or serves in an ad hoc reviewer capacity for a variety of journals such as the *Journal of Marketing*, the *Journal of the Academy of Marketing Science*, *Industrial Marketing Management*, the *Journal of Retailing*, and the *Journal of Personal Selling and Sales Management*. He currently serves as the associate editor of the *Journal of Personal Selling and Sales Management*.