

Content

0. Abstract	2
1. Introduction	2
2. Conceptual Framework	4
3. Literature Review on Negotiation Research	6
3.1 Reference Points.....	7
3.2 Negotiation Strategies	8
3.3 Considering Future Negotiation Episodes	9
3.4 The Organizational Context	10
3.5 Delegation of Pricing-Authority to the Salesforce.....	10
4. Hypothesis Development	12
4.1. Salespeople’s Perseverance during Price Negotiations.....	13
4.2 Salesperson’s Job Identification.....	14
4.3 Salesperson’s Self-efficacy	15
4.4 Leadership Influences	17
4.4.1 Transactional Leadership	17
4.4.2 Transformational Leadership	19
4.4.3 Modeling and Social Learning.....	22
4.4.4 Advice by the Leader	23
5. Method	24
5.1 Sample.....	24
5.2 Measures	25
5.3 Analytical Approach	27
6. Results	27
7. Discussion	32
7.1 Research Issues	33
7.2 Managerial Implications.....	36
7.3 Limitations, Conclusions and Directions for Future Research	37
Appendix	39
References	46

0. Abstract

Despite the importance of negotiations in many business contexts, organizational influences on negotiation outcomes have remained widely unexplored in prior research. By examining the impact of leadership influences on negotiation behavior of salespersons and their outcomes this study contributes to filling this research gap. On basis of 351 seller-customer interactions in an automotive retail context a research model is tested, which connects influences of leadership styles and behaviors with the negotiated discount in a two-party price negotiation. The salesperson's perseverance and job identification are identified as consequences of transactional and transformational leadership styles and have a significant influence on negotiation outcomes. The leader's perseverance is the best predictor for the salesperson's perseverance, indicating that imitation plays an important role in this context. Salesperson's self-efficacy is found to moderate the influence of job identification on the negotiated discount and is significantly influenced by the leadership styles. This study provides valuable implications for sales organizations by indicating which leadership behavior leads to the best negotiation outcomes. Sales managers should focus both on fostering their salespersons' perseverance concerning price enforcement during negotiations and on increasing their salespersons' job identification to achieve the best possible negotiation performance.

1. Introduction

Negotiations occur in many business situations and constitute a daily routine for many salespersons. Especially in the automotive industry price negotiations play an important role, when discounts are negotiated with the customer. As the CAR-institute of the university in Duisburg/Essen, Germany stated, German automotive companies give up to 30 percent discount on regular prices for their cars (Handelsblatt July 1st, 2011). The mean discount for new vehicles was 10.8 percent of the regular price for automotive retailers in June 2011. The discount was of course not entirely granted in price negotiations. Marketing activities like price promotions were conducted to increase total sales. Nevertheless, the statistics show the relevance of discount selling in the automotive industry. Thus,

an important issue for automotive retailers is the question how they can enforce prices in negotiations, to give as little discount as possible.

Acknowledging the importance of negotiations as profit-drivers in sales contexts a plethora of research has examined the process of negotiation and its outcomes (e.g. Alexander et al. 1991; Carnevale & Pruitt 1992; Carrol et al. 1988; Huber & Neale 1986, 1987; Kahnemann 1992; Katz-Navon & Goldschmidt 2009; Van Poucke & Buelens 2002).

For researchers and practitioners the identification of predictors for negotiation outcomes has been of particular interest. Researchers make efforts to improve understanding of negotiations and to be able to comprehend the psychological processes which occur during the interaction of negotiating parties. They found reliable factors, which can predict the outcome of a negotiation (e.g. Alexander et al. 1991; Neale & Bazerman 1985; 1985a). Practitioners are interested in the same findings, mainly to allow for better negotiator education and trainings to increase their performance (Patton & Balakrishnan 2010).

Considering these goals and the importance of the subject it is quite surprising that organizational influences on negotiation ability and behavior have remained widely unexplored (Thompson, Wang & Gunia 2010). Although leadership has been identified as significantly predicting sales performance in different contexts, the impact on negotiation behavior was not examined. "Sales managers can have a dramatic influence on their sales subordinates", state Dubinsky, Yammarino, Jolson and Spangler (1995, p. 17). An influence on subordinate's negotiation behavior is therefore probable, but has not been investigated yet.

This paper will contribute to both negotiation research and leadership research in filling this research gap and showing that leadership styles and behavior are associated with negotiation outcomes of subordinates. First, a salesperson's perseverance during price negotiations and a salesperson's job identification will be identified as significant predictors of negotiated outcomes. Second, the study will show that transactional and transformational leadership styles as well as role modeling behaviors are associated with the salesperson's perseverance, job identification and self-efficacy. Third, a moderating influence of self-efficacy on the relationship between job identification and negotiated outcomes will be identified.

With these findings this paper contributes to research by providing valuable insights into the negotiation process and negotiator behavior. Leadership research has already examined the influence of different leadership styles and characteristics on salespeople's performance, though without considering the influence on negotiations.

The study will also help sales managers to better understand the influence processes their leadership behavior has on their salespersons. They will be provided with helpful information which leadership behavior will lead to more favorable negotiation outcomes of their subordinates.

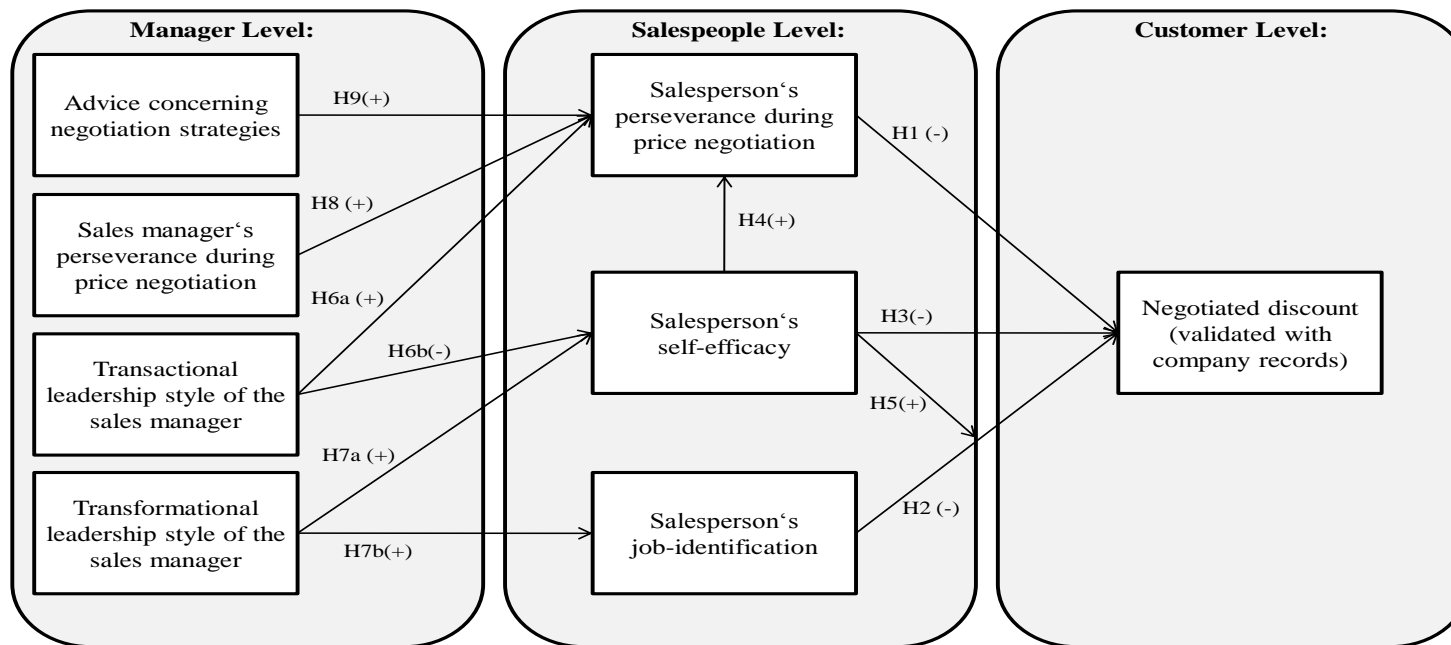
The remainder of this paper proceeds as follows. First the conceptual framework is presented, which underlies the examination. Then prior literature on negotiation research is reviewed, before hypotheses are developed. The empirical study in which they were tested is presented in the following section and then a detailed discussion of the research findings including conclusions and managerial implications is provided.

2. Conceptual Framework

The research framework is presented in figure 1. This framework shows three potential paths for leadership influences to affect negotiated discounts in a two-party price negotiation. Three levels are differentiated, which are the sales manager's level, the salesperson's level and the level of the salesperson-customer interaction, here referred to as customer level.

It is suggested that the leadership variables on the sales managers level influence the salesperson's perseverance during price negotiations, the salesperson's job identification and the salesperson's job-specific self-efficacy.

Figure 1
Illustration of the Conceptual Framework



Those variables in turn have an impact on the negotiated discount. A direct relationship is suggested for salesperson's perseverance, job identification and self-efficacy as well as two indirect relationship of self-efficacy on the discount. First a moderating effect on the relationship between job identification and negotiated discount is assumed and second an influence on the salesperson's perseverance in price negotiations.

In the next paragraph literature on negotiation research will be reviewed, before hypotheses are developed and the model is tested empirically.

3. Literature Review on Negotiation Research

Price negotiations have been subject to a plethora of literature. Carnevale and Pruitt (1992) characterize negotiation as a procedure for dealing with opposing preferences, whereas Thompson et al. (2010) explain that "negotiation occurs whenever people cannot achieve their own goals without the cooperation of others" (p. 491). Both definitions can be transferred to a two-party business-to-consumer negotiation, when one party wants to buy a certain good from another party and the price will be negotiated. Mostly a list price exists, which marks the starting point for the negotiation. The difference between list price and negotiated price can be referred to as discount. The negotiated discount will be the dependent variable in this examination.

Two basic streams of negotiation research can be differentiated: Normative and descriptive research (Thompson et al. 2010). Normative research is mainly based on game theory and mathematics and assumes that negotiators always act rational (e.g. Nash 1951), whereas descriptive research recognizes that negotiators deviate from theoretically optimal behavior (e.g. Brockner 1992; Carrol et al. 1988). Most of the recent research has focused on the more realistic descriptive approaches (Thompson et al. 2010).

The negotiated outcomes as well as process-variables like strategy or reference points are the most often examined dependent variables. With the help of different theoretical approaches, like game theory (e.g. Brams 2003), cognitive decision making theory (e.g. Carrol et al. 1988; Huber & Neale 1986; Kahnemann 1992; Katz-Navon & Goldschmidt 2009), and social psychology (Malhotra & Bazerman

2008; Wolfe & McGinn 2005), researchers have identified a large amount of predictors for process- and outcome-variables.

Below the most important predictors for negotiation outcomes that have been examined by prior research are presented. These are reference points (3.1), negotiation strategies (3.2), and the knowledge about future negotiation episodes (3.3). The organizational context (3.4) will be identified as widely unexplored until now. Though, a related stream of research, the decision of delegating pricing authority to the salesforce (3.5) will be discussed.

3.1 Reference Points

Several reference points have been identified as strong predictors for negotiation outcomes. Negotiators compare offers and outcomes during a negotiation to reference points, such as *opening offers* (Van Poucke & Buelens 2002), *reservation prices* (Blount et al. 1996; Kristensen & Gärling 1997), *aspiration prices* (Huber & Neale 1986; Kristensen & Gärling 1997; Van Poucke & Buelens 2002), *market information* (Blount et al. 1996), and arbitrarily given *anchors* (Northcraft & Neale 1987).

Kahnemann (1992) explains that “the reference point separates the domain into regions of desirable outcomes (gains) and undesirable ones (losses)”. Thus, the same offer may be valued differently, depending on the actual reference point to which the negotiator refers.

The *opening offer* is the first price that a negotiator is going to mention during a negotiation (Raiffa 2003). The influence on the negotiated outcome is positive and the opening offer was identified as the most important predictor for the negotiated price (Van Poucke & Buelens 2002).

Another reference point is the *reservation price*, which is the lowest (highest) acceptable price for a seller (buyer) in a price negotiation. Therefore Van Poucke and Buelens (2002) call it an “indifference point” (p. 68). Often the reservation price equals the “Best Alternative to a Negotiated Agreement” (BATNA; concept introduced by Fisher & Ury 1981), which means that the negotiator is indifferent if an offer equals his best alternative. The BATNA-concept is also associated with negotiators relative power (Mannix & Neale 1993; Wolfe & McGinn 2005). By referring to social exchange theory (Rubin & Brown 1975) Wolfe and McGinn

(2005) state that “a party who is less dependent on her counterpart than her counterpart is on her for an acceptable outcome has more power in the negotiation” (p. 5). Logically a party’s relative power grows, as she has better alternatives and is therefore less dependent on an agreement with her counterpart. Thus, a higher reservation price leads to a higher negotiated outcome for a seller (e.g. Van Poucke & Buelens 1997).

The *aspiration price* is the best result that can be expected by a negotiator and is mainly driven by negotiators goals and past experiences (Blount et al. 1996). Many researchers were able to show that both negotiators goals and aspiration prices lead to better outcomes (e.g. Huber & Neale 1986; Thompson 1995).

While the reference points above are internal comparison standards there are also external reference points, like for example *market information*, which may play an important role during a negotiation. Market information influences negotiation outcomes more in contexts in which a low price variance is expected. If the price variance is perceived as higher, internal reservation values are more dominant in explaining the negotiated outcome (Blount et al. 1996). Depending on the nature of market information (lower or higher price) the negotiated outcome can be affected positively or negatively by this reference point (Blount et al. 1996).

An external reference point needs not to be objective information, like a market price, but can also be an arbitrarily given *anchor*. The characteristic of an anchor is that it is clearly irrelevant to a situation, but nevertheless may have an influence on the outcome. Northcraft and Neale (1987) demonstrated that the asking price for a house strongly influenced the estimation of its value, even though professional real estate agents, who considered the asking price completely uninformative, made these estimates. Anchor points are often used for influencing a price negotiation-process, for example by misleading the counterpart about ones reservation price (Kahnemann 1992).

3.2 Negotiation Strategies

Especially for practitioners the question, which negotiation strategy leads to the best outcomes, is an important one. Carnevale and Pruitt (1992) identify three main strategies, which are concession making, contending (persuading), and problem solving. Each of the three strategies may be needed for success in a

negotiation and it is not possible to identify one of them as the one being the most beneficial.

Thus, contending (which involves trying to persuade the counterpart to make concessions) may lead to a higher outcome, but at the same time makes an agreement less likely (Pruitt 1981), may lead to counter strategies (Kimmel et al. 1980) and less integrative outcomes (Pruitt 1981). Concessions make agreements more probable but lead to lower outcomes (Bartos 1974). Problem-Solving promotes the development of win-win solutions (Carnevale et al. 1992; Thompson 1991), but may signal weakness to the other party and therefore reduce the likelihood of concessions (Johnson 1971). It is therefore important to know and use all three strategies adaptively to reach the best possible outcomes (Carnevale et al. 1992).

Alexander et al. (1991) make a slightly different conceptualization of negotiation strategies. They identify “attacking”, “defending” and “integrating” as main strategies. Whereas attacking is similar to Carnevale and Pruitts (1992) contending, and integrating can be compared to problem-solving, the strategy of defending includes characteristics, which are not mentioned by Carnevale and Pruitt (1992). Defending is not equal to concession making, but means that the negotiator tries to stabilize his anticipated outcomes for example by denying or questioning his counterpart’s statements, or by rejecting offers. Analogous to Carnevale and Pruitt (1992) Alexander et al. (1991) classify attacking and defending as strategies employed in distributive negotiation and integrating as strategy employed in integrative negotiations. Though, they do not reject the possibility that negotiations may be integrative and distributive coincidentally.

Although it is not possible to identify one strategy leading to the best results, there is empirical evidence that a combination of the reference point model and negotiation strategies allows to predict negotiation outcomes by trend. Van Poucke and Buelens (2002) explain that “firm” negotiators obtain better results than other negotiators. “A firm negotiator is defined as a negotiator with high goals, making large initial demands and resisting concessions” (p. 68).

3.3 Considering Future Negotiation Episodes

Another branch of negotiation research accommodates the fact, that negotiations often have to be seen in the context of future negotiation episodes (Patton et al.

2010). Thus, bargainers who expect future negotiations with the other party, tend to have lower aspiration levels, get more involved in problem-solving-behavior and expect the negotiation to be friendlier. Further, their satisfaction is not so much reliant on monetary outcomes as in one-time-negotiations (Patton et al. 2010).

But even for negotiations with other parties, preceding negotiations may have an impact. Studies show that bargainers with high aspirations tend to reach better negotiation outcomes objectively but not subjectively. They are often less satisfied than negotiators with lower aspiration, which has an impact on future negotiations (Galinsky et al. 2002; Kernan et al. 2007). A high level of negative disconfirmation in a negotiation leads bargainers to set lower goals for future interactions and they are more likely to be dissatisfied over time, which in turn may lead to worse negotiation outcomes (Kernan et al. 2007).

3.4 The Organizational Context

A field that has remained widely unexplored is the influence of the organizational context on negotiations (Thompson et al. 2010). A bargaining situation has always to be seen in its social and organizational context, which is a complex network of relationships. “These dyadic relationships aggregate to form a complex social structure that surrounds each dyad and influences trust, expectations, and interpersonal perceptions” (Thompson et al. 2010, p. 505). Though, except from research on the choice of negotiation partners (Sondak & Bazerman 1989; Northcraft et al. 1998), reputation (Glick & Croson 2001; Anderson & Shirako 2008) and interdependences between negotiations over time (O’Connor et al. 2005; Patton et al. 2010), little attention has been paid on this perspective.

3.5 Delegation of Pricing-Authority to the Salesforce

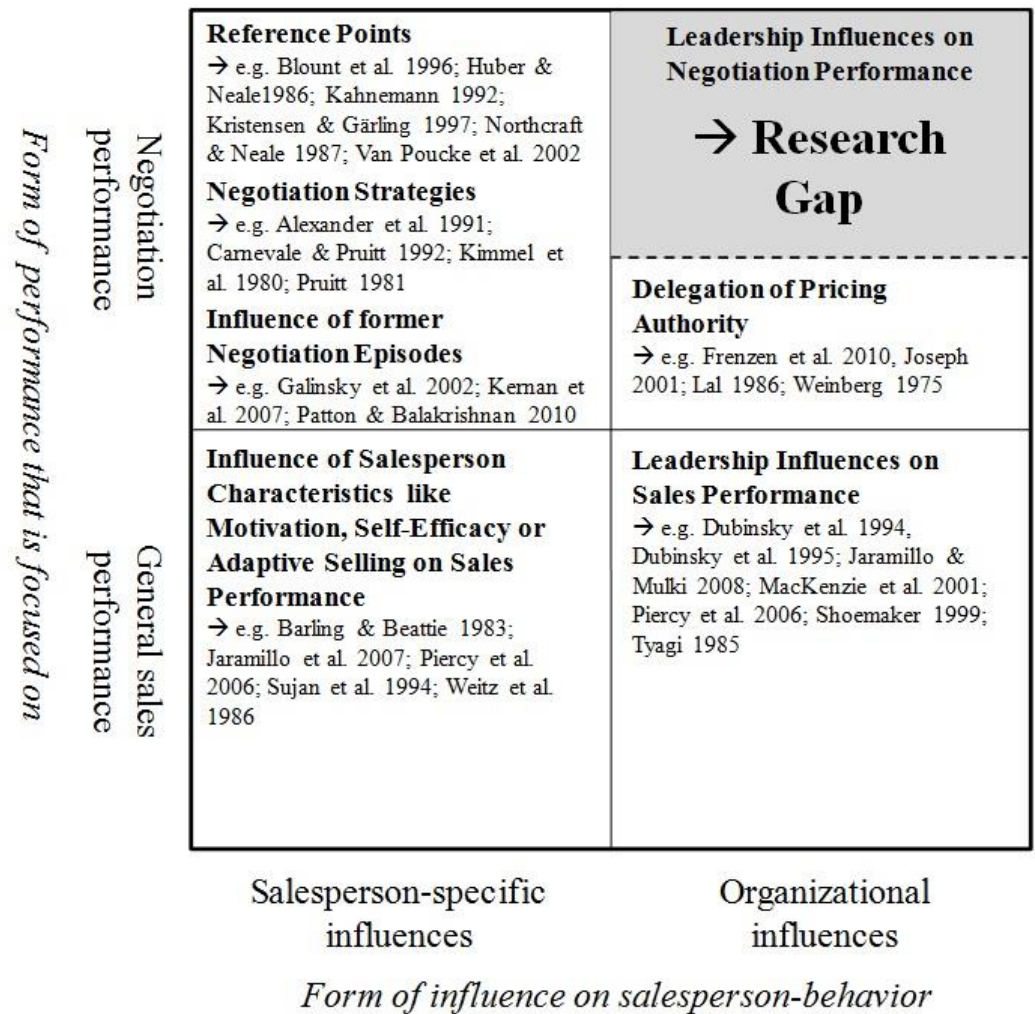
A field of research, which is related to both – organizational influences *and* pricing behavior of subordinates – examines if and when it is reasonable to delegate pricing decisions to salespeople (e.g. Frenzen et al. 2010, Hansen et al. 2008; Joseph 2001; Lal 1986; Weinberg 1975). As it is a precondition for negotiation that the salesperson has – at least limited – pricing authority, it is reasonable to provide a short overview of recent literature on this topic. The decision whether to delegate pricing authority is discussed controversially with findings both in favor of authority delegation and against.

From an agency theoretic perspective it seems logical that delegating prices is beneficial, if information asymmetry between leaders and salespeople increases and if it becomes more difficult to monitor salespeople's behavior (Frenzen et al. 2010; Weinberg 1975). Salespeople possess superior customer information, for example about their needs and their willingness to pay, which is a strong argument in favor of letting them decide over prices (Lal 1986). Though, empirical findings have not only indicated that a lot of practitioners resign to delegate pricing decisions to their salesforce (Hansen et al. 2008), but also that firms, that grant full pricing authority to their salespeople generate lower profits than those, who grant only limited pricing authority (Joseph 2001; Stephenson, Cron & Frazier 1979). Arguments against delegating prices are for example that agency costs arise, when salespeople make trade-offs between effort and price discounting (Joseph 2001) or that monitoring costs are too high for controlling salespeople's effort (Hansen et al. 2008). Empirical findings by Frenzen et al. (2010), in contrast, indicate that delegating pricing authority may be profitable.

Thus, this issue remains controversial, but shows the relevance of leadership influences and management control systems for salespeople's pricing behavior.

The research gap of organizational influences on negotiation behavior and outcomes still remains evident, though (see figure 2). Therefore in the next paragraph a research model will be developed to analyze the impact of leadership behavior on negotiations. As leaders largely contribute to organizational climate, they are likely to have an important influence on their subordinate's negotiation behavior.

Figure 2
Illustration of the Research Gap



4. Hypothesis Development

The fact that leaders have significant influence on the organizational climate and on their subordinates' effort has received empirical support by many researchers in general and in sales contexts (Dubinsky et al. 1994, 1995; Jaramillo & Mulki 2008; Jaramillo et al. 2007; MacKenzie et al. 2001; Piercy et al. 2006; Shoemaker 1999; Tyagi 1985). Though, the influence of leaders on negotiation behavior, especially concerning price enforcement, has remained unexamined (see figure 2). This research gap will be addressed by this paper.

To analyze the impact of leadership measures on negotiation behavior and outcomes, it is necessary first to develop theoretically how this influence may work. For this purpose it is reasonable to use empirical findings and theoretical support from earlier research on negotiations and leadership.

First three possible predictors for negotiated discounts will be identified on the salesperson-level, before hypotheses will be developed how leadership styles and characteristics may influence these variables. Salespeople's perseverance during price negotiations, their job-specific self-efficacy and their job-identification will be derived from existing literature as possible consequences of leadership influences and their effect on price enforcement will be examined. Self-efficacy is suggested to moderate the effect of job identification on the negotiated discount and to partially mediate the effect of leadership influences on salesperson's perseverance during price negotiations.

4.1. Salespeople's Perseverance during Price Negotiations

Several factors have been identified by prior research as significantly predicting negotiated prices. The impact of reference points and strategies has already been discussed above. Van Poucke and Buelens (2002) state that on average the best negotiation results are reached by so-called "firm" negotiators who are characterized by ambitious goals, high initial demands and who resist to make concessions. Those characteristics have a strategic facet (resisting concessions and being demanding) and a psychological facet (having high aspirations and being confident to reach their goals).

The strategic facet can be described as salespeople's perseverance during price negotiations. A perseverant negotiator explains his position convincingly, makes high demands and is capable to resist price discounts, for example by offering non-monetary concessions or by providing good reasons why he is not able to lower the price any further. He employs a defending strategy according to Alexander et al. (1991) and expects the customer to make concessions.

It seems logical that a salesperson with higher perseverance will achieve better outcomes concerning discount in a negotiation. If he is able to resist concessions he will negotiate a better price. This may appear trivial, but being perseverant during negotiations may be a challenging task for salespeople. Customers can choose between many alternative providers and are therefore very powerful negotiators (Jaramillo & Mulki 2008 or see BATNA-concept under 2.1). They make high demands and are able to credibly threaten their counterpart with switching to another provider. Thus, salespeople will not always be able to resist

any concessions, but the more often they do, the better will be their negotiated outcomes. Therefore one can hypothesize:

H1: The higher a salesperson's perseverance concerning price enforcement during price negotiations the lower will be the negotiated discount.

4.2 Salesperson's Job Identification

Another possible predictor for negotiation outcomes can be derived from social identity theory. This approach deals with individuals, who are part of a social group and describes their feelings and behavior as group members. It consists mainly of self-categorization theory (see e.g. Turner et al. 1987) and social identity theory (see e.g. Tajfel 1978). Self-categorization theory states that individuals simplify their social worlds by categorizing other people as well as themselves into social groups. According to social identity theory group members define themselves in terms of characteristics they share with other group members and adapt the group's beliefs, norms and values. Additionally they tend to act in a way which is typical for the group (Van Knippenberg 2000).

That this approach can be transferred to business organizations has been shown by many researchers (e.g. Brown et al. 1986; Hogg et al. 1998; Van Knippenberg 2000). Organization members are members of more than one group: they not only belong to the organization as a whole, but also to a certain subsidiary, division or team (see Ashforth & Mael 1989). This study will focus on the group of salespersons and therefore on their job identification.

Following social identity theory salespersons who perceive themselves as members of the group salespeople in their organization (high job identification) will be more motivated to achieve group goals and work for the group's interest (see Van Knippenberg 2000). Thus, their job identification will increase not only their motivation, but also their effort and performance. This effect can be explained with help of prior research on social identity theory.

Social identity theory suggests that individuals high on group identification tend to define themselves in terms of group characteristics. Thus, they will try to behave in a manner favorable to the group and adopt values and beliefs from the group. As salespersons are expected to be good negotiators it is likely that

salespersons high on job identification will do their best to be good negotiators and therefore negotiate lower discounts than salesperson with low job identification. This results in the following hypothesis:

H2: The higher a salesperson's job identification the lower will be the negotiated discount.

4.3 Salesperson's Self-efficacy

Above, the concept of the "firm" negotiator was already mentioned. With salespeople's perseverance though, only the rather instrumental strategic component was included in this model. The second facet of the "firm" negotiator is of psychological nature and refers to negotiator's cognitions. There have been many studies which provided evidence for a relationship between higher negotiator's aspirations and more favorable outcomes (e.g. Neale & Northcraft 1986; Northcraft et al. 1994; Van Poucke & Buelens 2002). Sullivan, O'Connor and Burris (2006) were able to expand these findings by illustrating a similar effect of negotiators' task-specific self-efficacy on their performance.

Self-efficacy is defined as a person's confidence in her/his ability to perform a certain task (Bandura 1997). A lot of research has elaborated how self-efficacy affects performance. People who have confidence in their own ability "anticipate successful performance, focus their thoughts on how they can succeed, and persist in the face of difficulty" (Sullivan et al. 2006, p. 568). Self-efficacy also influences the choice of tasks (Bandura 1997).

In prior research either a direct influence of self-efficacy on performance measures was proposed (e.g. Barling & Beattie 1983; Brett et al. 1996; Harrison et al. 1997; Kirkpatrick & Locke 1996) or a moderating effect on the influence of leadership styles on subordinates' performance (Rank et al. 2009).

A direct influence of self-efficacy on negotiation outcomes could result from the relationship between self-efficacy and the anticipation of success and the concentration on measures that help to succeed (see Sullivan et al. 2006). The negotiator's self-efficacy may change the salesperson's goals and aspirations concerning negotiation outcomes because she/he anticipates success. These higher aspirations in turn, result in better negotiation outcomes as prior literature has shown.

Self-efficacy will also help the salesperson to be taken serious by her/his counterpart. If a negotiator is not confident it is likely that the other party will notice that. The lack of self-efficacy may be interpreted as a signal of weakness by the counterpart, which in turn may lead to the employment of an attacking strategy to negotiate a better outcome. A confident negotiator in contrast will signal strength and prevent the other party from employing an attacking strategy. Thus, one can hypothesize:

H3: The higher a salesperson's self-efficacy the lower will be the negotiated discount.

One can also propose a moderating effect on the relationship between job identification and the negotiated discount. As developed above (4.2), job identification is likely to positively influence the motivation of a salesperson to behave in a manner favorable to the group she/he feels belonging to. Thus, it may be possible that the salesperson is motivated to act in the desired way, but not capable of doing so. The job of a salesperson requires a confident appearance especially in negotiations. Thus, it may be possible that a salesperson with high job identification but with low self-efficacy tries to be a good negotiator, but in fact is not able to, because a certain level of self-efficacy is required to be taken serious by the customer.

One can argue that job identification alone may not be sufficient to achieve better negotiation outcomes. Only if the individual with high job identification feels confident to reach her/his goals, she/he will be able to achieve them. Thus, it is hypothesized:

H4: The higher a salesperson's self-efficacy the higher will be the influence of her/his job identification on the negotiated discount.

There is also strong theoretical support for a relationship between the salesperson's self-efficacy and perseverance. As already mentioned above, self-efficacy helps people to "persist in the face of difficulty" (Sullivan et al. 2006, p. 568). Thus, self-efficacy may be a characteristic that fosters the negotiator's perseverance. It is likely that a more confident salesperson will be less reliant on selling with help of discounts. She/He can convince the counterpart of the qualities of the good by focusing on the quality of the product and on the

customer's needs, so that the importance of the price will decrease in the eyes of the customer.

Being confident makes it easier to resist concessions and therefore will help to be perseverant during negotiations. Thus, it is hypothesized:

H5: Salesperson's self-efficacy has a positive influence on her/his perseverance concerning price enforcement during price negotiation.

4.4 Leadership Influences

Basic literature on leadership deals with different leadership styles and their characteristics. Despite the fact that the influence on negotiation behavior has remained unexplored until now there are some fields of research which examine related relationships. Especially the transactional-transformational leadership paradigm (Bass 1981, 1985; Burns 1978) has been examined in many contexts, also in sales issues (e.g. Jaramillo & Mulki 2008; MacKenzie et al. 2001). Transactional and transformational leadership as well as modeling and advice will be presented below as possible influences on salespersons' negotiation behavior.

4.4.1 Transactional Leadership

Transactional leadership consists of two basic components: First, transactional leaders use contingent reward as a measure of leadership. Subordinates are paid rewards when certain goals have been reached (Bass 1981; Deluga 1990). Second, this leadership style is characterized by management-by-exception, which means that the leader monitors his subordinates' performance and exerts corrective action, when they deviate from their goals (Bass 1981, 1985). Thus, transactional leadership influences subordinates through instrumental compliance (MacKenzie et al. 2001).

Although MacKenzie et al. 2001 state that research on transactional leadership has been "somewhat disappointing" (p. 116), other researchers were able to find positive influences on subordinates commitment, satisfaction and performance (Bycio et al. 1995; Podsakoff et al. 1984; Vecchio et al. 2008).

Transactional leadership is probably the most frequently used leadership style in industry (Yammarino & Bass 1990) and is of particular importance for the sales context, which has several reasons. First, transactional leadership is always

associated with a clear communication of job tasks and goals. If a salesperson has an exact perception of the expectations of her leader, she/he can better achieve those goals. Second, if good effort is noticed and rewarded by the leader the subordinate is provided with incentives to act in the desired way. Therefore transactional leadership is often associated with extrinsic motivation. Subordinates are motivated to achieve their leaders' goals, because they expect rewards (e.g. Rank et al. 2009). Theoretical support for this relationship can be derived from agency theory (Jensen & Meckling 1976), which states, that contingent reward contributes to align a principal's and an agent's interests. Furthermore, many empirical studies were able to find a relationship between transactional leadership and subordinates' performance (e.g. Comer et al. 1995; Russ et al. 1996; Vecchio et al. 2008).

Sales leaders are suggested to have two main interests: To increase the overall sales volume and to negotiate the best possible conditions. Sales managers expect their salespersons to be tough negotiators to achieve the most favorable negotiation outcomes for their organization. Transactional sales leaders will communicate these goals clearly and will reward the salespersons for achieving these goals. As salespersons fail to reach the demands, sales managers will assert corrective action. These leadership characteristics will positively influence salesperson's in-role behavior, so that the following hypothesis can be stated:

H6a: Transactional leadership by the sales manager has a positive influence on salesperson's perseverance concerning price enforcement during price negotiations.

Despite the positive influence on goal clarity and extrinsic motivation, transactional leadership may also have negative consequences. Especially corrective action like punishments by the leader may be counterproductive considering intrinsic motivation and effort. Bass (1985) explains that punishment practices may lead to reduction in effort, lower levels of performance, and even follower hostility. By referring to cognitive evaluation theory (Deci & Ryan 1987) Rank et al. (2009) state that "external events perceived as controlling reduce intrinsic motivation and elicit an external perceived locus of causality" (p. 468). As transactional leadership includes monitoring and punishment for deviations

from desired behavior, this form of leadership represents such an external influence.

Thus, it is likely that transactional leadership is not only negatively associated with innovation and creativity as some studies found out (Oldham & Cummings 1996; Rank et al. 2009) but also with self-efficacy. Deci and Ryan (1987) reviewed experimental studies in classrooms and found a tendency that more autonomy (and therefore less control) was associated with higher self-esteem. These findings provide support for the following hypothesis:

H6b: Transactional leadership by the sales manager has a negative influence on a salesperson's self-efficacy concerning her/his job.

Research on social identity theory acknowledges leadership to be a powerful way to influence subordinates and their identification with their organization. Though, most of this research focuses either on the explanation of leadership processes by means of social identity theory and self-categorization (e.g. Hogg 2001), or on the influence of transformational leadership on identification (Kark et al. 2003; Shamir et al. 1993). As Lord et al. (1999) state, transactional leadership is effective when individual behavior of subordinates shall be influenced and ineffective when collective or identification issues are addressed. Transactional leadership focuses more on instrumental compliance (MacKenzie et al. 2001) and is therefore not likely to influence the individual's identification with her/his tasks. For this reason, no influence of transactional leadership on job-identification is predicted.

4.4.2 Transformational Leadership

The *transformational leader* focuses more on social influence processes than the transactional leader. His most important leadership characteristics are charisma, inspiration, intellectual stimulation and individual consideration (Bass 1985). He tries to change the values, goals and aspirations of his employees instead of rewarding them for reaching particular goals. Thus, transformational leadership triggers a process of identification and internalization (MacKenzie et al. 2001). It helps building a "collective confidence" and has a positive influence on several performance measures (Bass et al. 2003; MacKenzie et al. 2001; Sosik et al. 1997).

Although the influence process of transformational leadership is completely different from transactional leadership, both leadership styles are rather complementary than competing. While contingent reward behavior is the basis for effective leadership, transformational leadership contributes to more effectiveness beyond the expectations of the leader (Bass & Avolio 1993; Waldman et al. 1990).

Transformational leadership may influence a salesperson's negotiation behavior through different mechanisms. As MacKenzie et al. (2001) explain transformational leadership has the ability to change the "values, goals and aspirations of followers" (p. 116). As higher goals and aspirations in negotiations lead to higher outcomes (Huber & Neale 1986; Thompson 1995), one can suggest a negative influence of transformational leadership on the negotiated discount.

Other effects of transformational leadership are extra-role behavior and intrinsic motivation (Jaramillo & Mulki 2008; MacKenzie et al. 2001), which may also increase a salesperson's performance. An extrinsic motivated salesperson is likely to put extra effort into her/his task, which may lead to a positive influence on negotiation outcomes.

Though, the question arises if transformational leadership will also have a positive effect on the salesperson's perseverance concerning price enforcement during a negotiation. As already explained above perseverance is a behavior which is expected by the leader and therefore belongs to the salesperson's in-role behavior. Transformational leadership however is associated with extra-role behavior, which makes a positive influence on the salesperson's perseverance unlikely. Therefore no hypothesis will be stated for this relationship.

Though, the case is different, concerning the influence on the salespersons self-efficacy concerning negotiations. As transformational leadership aims at changing the "attitudes, beliefs, and goals of subordinates" (Kuhnert & Lewis 1987, p. 653), it is likely to influence also the self-efficacy of subordinates, which is an attitude. A closer look at the components of transformational leadership may help to clarify this relationship.

By intellectually stimulating subordinates and individually considering them, transformational leaders try not only to change their subordinates' behavior but to

enable them to better deal with their tasks and develop their capabilities. Transformational leadership behavior also comprises motivation. Leaders try to encourage their subordinates and make them more confident to succeed in achieving their goals (Bass 1985). Transformational leaders “help convince employees they can accomplish more than they initially felt was possible” (Dubinsky et al. 1995).

These behaviors strongly suggest a positive influence on subordinates’ self-efficacy. Therefore it can be stated:

H7a: Transformational leadership by the sales manager has a positive influence on the salesperson’s self-efficacy concerning her/his job.

A similar relationship can be proposed concerning subordinate’s job identification. As Bass et al. (2003) explain “transformational leadership is an important antecedent to building the collective confidence or potency required of groups to be successful” (p. 209). This collective confidence can be reached by getting employees to “transcend their own self-interests for the sake of the group or organization” (Dubinsky et al. 1995).

Following Kark and Shamir (2002) one can argue that transformational leaders try to connect their subordinates’ self-concept or identity to their group’s goals and values. Their goal is an internalization of the company’s goals by their followers, which is nothing else than identification. By emphasizing the importance of each individual’s contribution to the group’s success, transformational leaders are supposed to have a strong influence on their subordinates’ group identification. This can be either organizational identification or job identification.

Empirical results provide further support for this relationship (Dvir et al. 2002; Walumbwa et al. 2002). Both studies found a significant influence of transformational leadership behavior on group identification.

Furthermore relationships between followers and leaders tend to be better for transformational leaders (Howell & Hall-Merenda 1999), which may also contribute to job-identification. In conclusion of the argumentation developed above one can hypothesize:

H7b: Transformational leadership by the sales manager has a positive influence on the salesperson's job-identification.

4.4.3 Modeling and Social Learning

Organizational psychologists have referred to a phenomenon called “organizational socialization”, which describes the adaption of organization-specific norms, perspectives and behaviors by employees (Etzioni 1961; Schein 1968). Social learning theory by Bandura (1969a; 1969b; 1971) goes even further by analyzing the process of learning and imitation. He identifies outcome expectations as the reason for imitation behavior and explains that people imitate behaviors which they expect to lead to rewards. In an organizational context attributes of the imitated person like power, status or perceived competence may lead to such outcome expectations (Bandura 1971).

This social learning process can be easily transferred to leader-subordinates relationships. Leaders have attributes like power, status and competence and it is therefore likely that they are imitated to a certain degree by subordinates. That this relationship exists has been shown by several empirical studies (e.g. Davis & Luthans 1980; Sims & Manz 1982; Weiss 1977).

A related stream of research identifies “role modeling” as an important leadership characteristic. Role modeling means that a leader provides a good example for his followers. Rich (1997) defines it as “behavior on part of the sales manager perceived by the salesperson as appropriate to follow that is consistent with both the values the sales manager espouses and the goals of the organization” (p. 320). By referring to social learning theory Rich (1997) states that an appropriate role model enables salespersons to learn more quickly and more accurately engage in successful behavior. His results support the hypothesis that role modeling positively affects sales performance, though this influence is mediated by trust in the sales manager.

Theoretical and empirical research suggests that modeling is an effective way for leaders to influence their subordinates' behavior. This process is also likely to occur when salespersons develop their negotiation behavior. They will try to adapt successful strategies from their sales managers and use them in negotiations with the customer. Thus:

H8: Sales manager's perseverance concerning price enforcement during price negotiations has a positive influence on the salesperson's perseverance concerning price enforcement during price negotiations.

4.4.4 Advice by the Leader

Leadership influences on negotiation ability and behavior may not be restricted on general leadership styles only. Also specific advice may have a significant impact. It may be not sufficient for a salesperson to know that her/his leader expects perseverance during price negotiations from her/him. If the salesperson does not know how to be perseverant and which strategies to employ to resist concessions, the motivation to do so may not suffice.

Advice by the leader concerning price enforcement strategies can help the salesperson to be able to make fewer concessions and be a more perseverant negotiator. Theoretical support for this proposition can be drawn from research on inoculation theory (e.g. McGuire 1962; Szybillo & Heslin 1973). McGuire (1962) argues that an individual can be prevented from being persuaded with help of the right defensive techniques. The individual has to be prepared by first realizing the potential threat of a persuasion. Second, the individual has to be provided with arguments that help to resist persuasion. Those arguments can be provided by the sales manager in a sales context. By giving advice to his subordinates the leader can inoculate her/him against persuasion techniques of customers.

That advice matters for the negotiation process and its outcomes has been shown by Steinel et al. (2007). They found out that advice and experience together have an impact on the choice of negotiation strategies and on negotiation outcomes. The researchers had to include the variable experience because they examined a sample of inexperienced negotiators. In practice it is likely that experience does not matter that much, because negotiators already have a certain level of experience.

Conclusively one can state that price tactic advice given to the salesperson by the sales manager will have a positive influence on her/his perseverance:

H9: Advice on price tactics by the leader has a positive influence on the salesperson's perseverance concerning price enforcement during price negotiations.

5. Method

The empirical study was conducted in an automotive retail context. The detailed procedure will be presented below.

5.1 Sample

The sample consisted of 351 seller-buyer interactions in an automotive retail context. Data were collected in seven German car dealerships. This sample was appropriate to test the hypotheses because when cars are bought, generally negotiations occur between salespersons and customers. Furthermore in the sales division of a car dealership the relationship between sales managers and salespersons is particularly close, which allows for a detailed analysis of leadership influences on salesperson's behavior.

Data was obtained from salespersons and their customers before and after sales conversations with help of questionnaires and the questionnaires were personally administered to the salespersons and customers by the research team to achieve the best possible response and matching rates. Additionally each salesperson had to complete a questionnaire about leadership behaviors of her/his sales manager, perceptions about negotiations, her/his self-efficacy concerning negotiations, and her/his job identification.

Customers and salespersons were matched by code-numbers. After seven weeks of data collection 351 interactions were obtained. 61 salespersons and 351 customers were surveyed, which means that a mean of 5.75 interactions was recorded per salesperson, ranging between 1 and 17 interactions per salesperson. The response rate of the salespersons was 100% as participation was obligatory for them. The response rate of customers could not be measured, but nevertheless non-response bias was addressed. Armstrong and Overton (1977) suggest comparing different waves of responses as later respondents tend to be more similar to non-respondents. In this case no waves of customers could be identified, but responses were collected from customers who originally did not want to participate with help of special incentives. The constructs measured by the customers (salesperson's perseverance, duration of the customer relationship, discount demanded by the customer, negotiated discount) were compared between the group of normal respondents and the group of original non-respondents with help of a t-test for independent samples. This test indicated that the means of the

constructs were not significantly different from each other for the two groups of respondents. Thus, non-response bias should not be a problem for this sample.

3.4% of the salespersons were female, 69.2% were male, which is typical for this industry (27.4% did not make a statement). The average age was 33.83 years with a median of 33 and a standard deviation of 13.42. The average experience of the sales persons was 11.21 years (SD = 9.44) ranging between 0 and 44 years.

The customers had a mean age of 44.47 with a median of 44 (SD = 13.92) and 27.9% were female and 67.8% male (4.3% missing). Data was clustered on basis of the salesperson's code numbers to separate salesperson- and interaction-level.

The customers received a voucher for a free car wash for their participation and an amount of 10€ was donated to an UNICEF-project for earthquake victims in Japan for each participant.

5.2 Measures

The majority of scales employed in the questionnaire were drawn from prior research. Though, on basis of a pre-study the measurements were slightly modified to fit the study's context.

Leadership measures: The transformational leadership scale was adopted from Conger and Kanungo (1998), and transactional leadership was measured on a scale based on the work of Podsakoff et al. (1984). To measure price tactic advice by the leader a feedback-scale by Sims et al. (1976) was modified to fit the context. The leader's perseverance was measured with help of a slightly modified scale by De Dreu and Van Kleef (2004). The originally five items ("I am: competitive, tough, demanding, unyielding, resistant") were reduced to three items ("During negotiations with the customer my leader is: tough, unyielding, resistant") to better capture the characteristics of a defending negotiation strategy (Alexander et al. 1991).

Variables on the salesperson-level: Self-efficacy was measured by a scale introduced by Wang and Netemeyer (2002), and for measuring job identification an identification scale by Mael and Ashforth (1992) was modified. The salesperson's perseverance was measured both by the salesperson her-/himself and by the customer. Like for the sales manager's perseverance, a modified scale by De Dreu and Van Kleef (2004) was used.

All these constructs were measured on seven-point scales from 1 (strongly disagree) to 7 (strongly agree).

Variables on the interaction-level: The negotiated discount was quoted by the customer, because objective data was not available for all interactions. A correlation analysis between available objective data and customer rating indicated that the customers were able to rate the discount properly ($r = .712$; $p < .01$).

Controls: Additional to the hypothesized effects developed above, it is likely that other variables have influences in this model. Therefore some control variables were included. First, it was controlled for the perceived relevance of contingent bonus payment, when the influence of leadership variables on salesperson's perseverance, job identification and self-efficacy was examined. This variable was measured by one item on a seven-point-scale by the salespersons.

Second, on the interaction level, the demanded discount by the customer, the duration of the customer-salesperson relationship (both measured by the customer in one item), and the employment of price justification strategies by the salesperson (measured by three items on a seven-point scale: "I mention the price in combination with advantages of the product"; "I justify the price with help of product properties"; "I relate the price to benefits for the customer") were included.

To assess reliability and validity of the scales, a confirmatory factor analysis was conducted. All constructs passed the tests and exceeded the recommended thresholds as well as the criterion by Fornell and Larcker (1981). The average extracted variance exceeded the squared correlations between all pairs of constructs. One exception were three items on the transactional leadership scale (see table 2 in the appendix), which had item reliabilities below the recommended threshold of 0.4. As Cronbach's alpha and the composite reliability for the scale were nevertheless above 0.8 and with regard to contents the items were not excluded from the scale.

All utilized scales and corresponding reliability and validity measures are presented in the appendix (table 3).

5.3 Analytical Approach

The data of the study was measured on two levels (salesperson- and customer-level) and customers' data were nested within salespersons. This data structure has to be taken into account with help of a special form of data analysis approach (see e.g. Wieseke et al. 2008). Following Wieseke et al. (2008) hierarchical linear modeling (HLM) was employed to test the hypotheses. The advantage of this approach is that it takes into account that individuals within a particular group may be more similar to each other than to individuals in other groups (see Hofmann 1997). Furthermore HLM allows testing multiple levels simultaneously in a single regression model (Goldstein 1995). Therefore hypotheses can be tested without losing important information. Support for this choice of analytical approach can be drawn from an examination of the intraclass correlation coefficients (ICC[1]). The ICC[1] indicates how much within-group variance can potentially be explained by a between-variable. Therefore higher ICC[1] values can be interpreted as evidence for strong within-group-agreement (Bliese & Halverson 1998), making the use of HLM necessary. ICC[1] for the model at hand was 0.358 for the negotiated discount, indicating that HLM was required for this data (Raudenbush & Bryk 2002).

Before the model was calculated data were grand mean centered to reduce potential multicollinearity problems and to provide a more appropriate estimation of the mediator and moderator relationships in the research model across the two levels (see Hofman & Gavin 1998).

For the HLM analysis the Mplus software (Version 6; Muthen & Muthen 2010) was used, because this program permits the consideration of multilevel structures.

6. Results

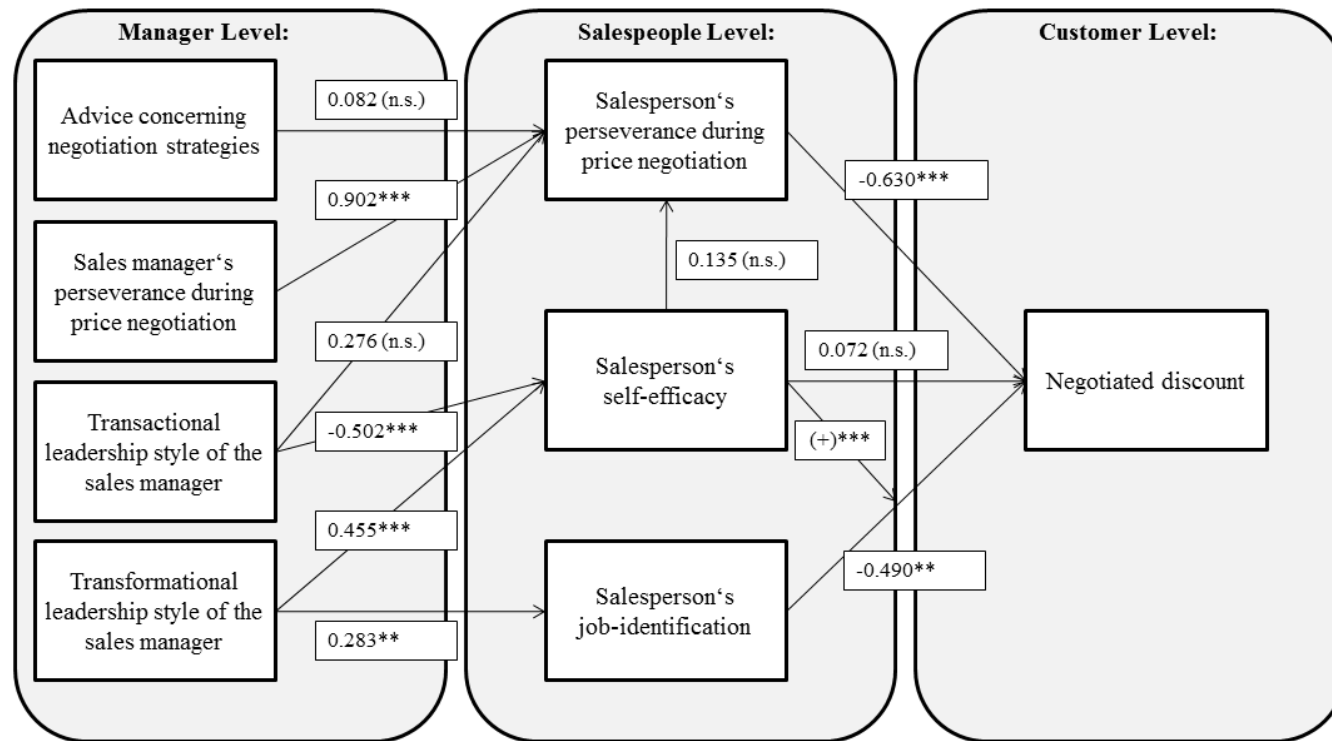
Prior to the analysis, correlations, means, and standard deviations of the employed variables were calculated (table 1). The negative correlations between salesperson's perseverance and job identification with the negotiated discount already indicate a relationship between these variables. The leadership measures show significant correlations with salesperson's self-efficacy, job identification and/or salesperson's perseverance.

Table 1
Correlations, Means, and Standard Deviations of the Used Variables

Variables	1	2	3	4	5	6	7	8	9	10	11
1. Advice by the Leader											
2. Transactional Leadership	.30**										
3. Transformational Leadership	.44**	.64**									
4. Leader's Perseverance	.17**	-.09	.10								
5. Salesperson's Perseverance	-.15*	-.14*	-.12	.34**							
6. Salesperson's Job Identification	.48**	-.10	.11	.16**	-.03						
7. Salesperson's Self Efficacy	-.13*	.28**	.16**	.48**	.18**	.11*					
8. Negotiated Discount (in %)	-.02	.12	.07	.21**	.25**	.20**	-.12				
<i>Control Variables</i>											
9. Duration of the Customer Relationship	-.15*	-.10	.01	.21**	-.06	-.09	.14*	.23**			
10. Price Justification Strategies	-.03	.10	.07	.02	-.02	-.05	-.00	.16*	.01		
11. Demanded Discount (in %)	-0.01	.06	.07	-.07	-.07	-.06	-.06	.62**	.16*	.08	
<i>Mean</i>	4.75	5.50	5.25	4.32	4.44	6.34	5.99	6.68	1.39	6.12	7.43
<i>Standard Deviation</i>	1.54	1.17	1.23	1.63	1.31	1.18	0.95	5.93	4.23	0.78	6.64

*= Significant at $p < .05$ (two-tailed); **= Significant at $p < .01$ (two-tailed)

Figure 3
Illustration of the Estimation Results



Values are the standardized estimates

* $p < 0.10$

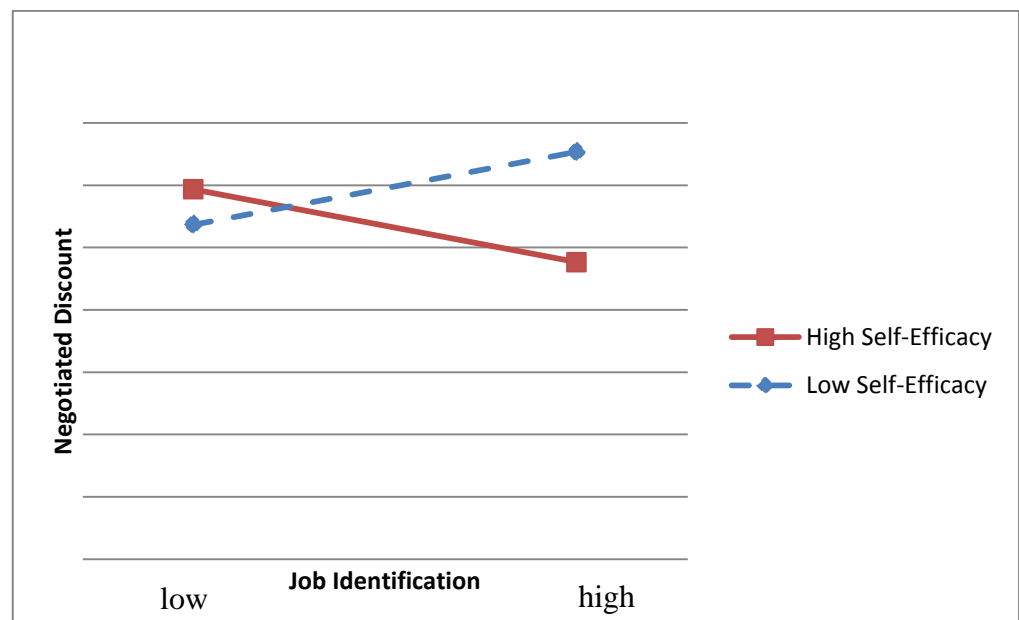
** $p < 0.05$

*** $p < 0.01$

Model fit: To provide a deeper analysis of the hypothesized relationships a two-level path model analysis was conducted based on the developed research model presented in figure 1. The overall fit measures indicate that the model fits the data well: $\chi^2/d.f. = 4.816$; CFI = .956; TLI = .911; RMSEA = .051; and SRMR (within) = .021 SRMR (between) = .068.

Model results: Figure 3 shows the estimation results of the path model analysis (a further table with the detailed estimation results is presented in the appendix; table 4). As can be seen in the figure the results provide strong support for most of the hypotheses. Higher salesperson's perseverance is related to a lower discount both on the within-level ($p < .01$; H1) and on the between-level ($p < .01$; H1). The effect of the salesperson's job identification on the negotiated discount is also significant ($p < .05$; H2). Though, the interaction effect of the salesperson's self-efficacy and job identification on the negotiated discount is even stronger ($p < .01$; H3). An additional moderator analysis shows the magnitude of this effect (figure 4). The influence of job identification on the discount is reversed as self-efficacy increases. All effects on the negotiated discount have the suggested directions.

Figure 4
Illustration of the Moderating Effect of Self-Efficacy on the Influence of Job Identification on the Negotiated Discount



Concerning the effects of the leadership influences on salesperson's perseverance, job-identification and self-efficacy nearly all hypotheses are supported. Transactional leadership is associated with lower salesperson's self-efficacy ($p <$

.01; H6b) as hypothesized, and has – as assumed – no effect on salesperson’s job identification. Though, the influence on the salesperson’s perseverance (H6a) becomes not significant ($p = 0.240$). Transformational leadership positively affects salesperson’s self-efficacy ($p < .01$; H7a) and job identification ($p < .10$; H7b). Furthermore, also a negative effect of transformational leadership on the salesperson’s perseverance concerning price enforcement during negotiations ($p < .01$) was found that had not been hypothesized.

The positive influence of leader’s perseverance on salesperson’s perseverance ($p < .01$) provides strong support for H8. Though, H9 can be rejected for this sample, as no significant effect of price tactic advice on salesperson’s perseverance can be found ($p = 0.745$).

On the within level the adjusted R^2 has a value of 0.535 for the negotiated discount, which indicates that more than fifty percent of the variance can be explained by the salesperson’s perseverance and the two control variables duration of the relationship and the demanded discount by the customer.

On the between level even more variance of the negotiated discount can be explained by the model. The adjusted R^2 of 0.956 shows that nearly all variance of the discount can be explained by the salesperson’s perseverance, job identification, self-efficacy, the interaction of job identification and self-efficacy, the control variable (employment of price justification strategies) and the within-level relationships.

Concerning the salesperson’s perseverance the adjusted R^2 has a value of 0.949. Of the salesperson’s job identification 8.8% (adj. $R^2 = 0.088$) and of the salesperson’s self-efficacy 23.8% (adj. $R^2 = 0.238$) of variance are explained.

A robustness check of the model (without controls) indicated that the results are robust. All effects remained significant, with one exception: the influence of transformational leadership on job identification.

Table 2
Overview of the Results

Hypothesis	Independent Variable	Dependent Variable	Moderator	Hypothesized Effect	Results
H1	Salesperson's Perseverance	Negotiated Discount		(-)	✓
H2	Salesperson's Job Identification	Negotiated Discount		(-)	✓
H3	Salesperson's Self-Efficacy	Negotiated Discount		(-)	✗
H4	Salesperson's Job Identification	Negotiated Discount	Salesperson's Self-Efficacy	(-)	✓
H5	Salesperson's Self-Efficacy	Salesperson's Perseverance		(+)	✗
H6a	Transactional Leadership	Salesperson's Perseverance		(+)	✗
H6b	Transactional Leadership	Salesperson's Self-Efficacy		(-)	✓
H7a	Transformational Leadership	Salesperson's Self-Efficacy		(+)	✓
H7b	Transformational Leadership	Salesperson's Job Identification		(+)	✓
H8	Leader's Perseverance	Salesperson's Perseverance		(+)	✓
H9	Price Tactic Advice	Salesperson's Perseverance		(+)	✗

✓ = supported; ✗ = not supported

7. Discussion

This paper was driven by the question, if sales managers can influence negotiation abilities and actual behavior of their subordinates. As prior research either focused on leadership influences on general subordinate characteristics or on general sales performance, this study should identify potential ways in which leaders are able to steer their follower's negotiation behavior and thereby contribute both to leadership and to negotiation research. This claim was met by the analysis. For an overview of the results see table 2.

7.1 Research Issues

As the organizational context has remained widely unexplored as potential influence on negotiation outcomes, this paper addressed this research gap by examining one of the most important influences in a sales context: The leadership behavior of the sales manager. With help of an appropriate sample of 351 salesperson-customer dyads interesting findings were gained by combining leadership and negotiation research.

The study is able to show that the salesperson's perseverance and job identification are important antecedents of the negotiated discount. This finding alone may appear trivial, though in combination with the identified leadership influences that affect the salesperson's perseverance and job identification, important insights into organizational influences on negotiation outcomes are gained.

The most important influence on the salesperson's perseverance can be found in the leader's negotiation behavior, to be more specific in his perseverance concerning price enforcement during negotiations with the customer. Modeling or imitation have already been addressed by leadership research, but have not been transferred on negotiation research, yet. The results of this study indicate that salespersons tend to adopt negotiation behavior of their sales managers. The more perseverant the sales manager is in negotiations with the customer, the more perseverant his subordinate is. The effect of transactional leadership behavior on the salesperson had the hypothesized direction, but was not significant, which supports the general tendency of results in recent research that the transactional

leadership style is less effective than transformational leadership (see e.g. MacKenzie et al. 2001).

The significant negative influence of transformational leadership on the salesperson's perseverance was not hypothesized. It was argued that the transformational leadership style is rather associated with extra-role behavior and intrinsic motivation and therefore not likely to affect a behavior, which is expected from the salesperson as part of her/his central tasks. Though, the analysis did not only indicate no positive influence of transformational leadership behavior, but a negative effect on the salesperson's perseverance. This finding suggests that salespersons with transformational leaders tend to be less perseverant during negotiations and are less capable to resist concessions. This may result from the fact that transformational leaders focus less on particular goals (like being more perseverant), but more on general success and extra effort (Bass 1985; MacKenzie et al. 2001). General success may also be reached by making more sales at the expense of being perseverant, which would explain the negative influence of transformational leadership on the salesperson's perseverance.

Another path that connects the leader's behavior with the salesperson's performance in price negotiations leads over the salesperson's job identification. While the salesperson's perseverance is a more or less learnable behavior, job identification is not directly connected with a certain action. Though, it has an impact on the negotiation outcomes of the salesperson, as this study was able to show.

Social identity research has already yielded many interesting results in marketing studies. Though, the transfer on negotiation research is rather new. The results indicate that a salesperson, who strongly identifies with her/his job is able to negotiate a lower discount than a salesperson low on identification. Job identification seems to trigger a motivation, which goes beyond the choice of a perseverant negotiation behavior, but leads to the same result: A lower discount is negotiated. If the salesperson identifies strongly with the values and beliefs inherent to the group of salespersons, that includes also the beliefs to negotiate lower discounts and to be successful. The processes which underlie this effect may be an interesting issue for further research.

The role of self-efficacy in this model is also worth mentioning. Though, without having a direct influence on the negotiation outcome self-efficacy shows to be an important factor in explaining leadership influences on negotiation behavior of subordinates. Self-efficacy is positively affected by transformational and negatively affected by transactional leadership behavior, as hypothesized. Additionally it moderates the effect of job identification on negotiated outcomes. Whereas salespersons with high job identification and low self-efficacy negotiate higher discounts, salespersons high on both factors are able to negotiate lower discounts (see figure 4). This provides further interesting insights into the influence process of job identification on negotiation outcomes. The moderation-relationship suggests that salespersons, who identify strongly with their job may be willed to negotiate lower discounts, but not able to unless they have high self-efficacy. Only if they can credibly communicate their position to the customer they can succeed in negotiating lower discounts. Self-efficacy therefore seems to be a crucial salesperson-characteristic to be successful in their job.

No support was found for the influence of the sales manager's advice on salesperson's perseverance. This may result from several reasons. First, research on advice has found out that individuals tend to discount the advice they receive. Depending on many influence factors like source credibility, complexity of the situation or their own opinion, individuals vary the weight they give to advice by others when they make decisions (Harvey & Fischer 1997; Steinel et al. 2007; Yaniv & Kleinberger 2000). This egocentric discount may have led salespersons to give little weight to their sales manager's price tactic advice and therefore impeded a significant relationship.

The second possible reason for the lack of significance may be that the advice was not necessary in this context, meaning that the salespersons already had the knowledge about price tactics without help of their sales managers. The missing correlation between price tactic advice and the employment of price justification strategies (see table 1) supports this explanation. A third possible reason is that the advice could not be put into practice by the salespersons properly. Maybe other factors moderate the relationship between advice and a salesperson's perseverance, which will have to be identified by future research.

7.2 Managerial Implications

The importance of the sales division for a company needs not to be stressed, as it is directly associated with the generation of profits. The benefit for sales managers provided by this study is evident. They are provided with important implications for their leadership behavior and its consequences for their salespersons' performance.

First, evidence has been found that role modeling is a very important leadership characteristic for sales leaders whose subordinates have to negotiate prices. A leader who is more perseverant himself in negotiations with the customer, will more likely have subordinates, who are perseverant in negotiations concerning discounts. This is an important implication as it helps sales managers to understand their role in leading salespersons. They are expected to provide an appropriate example concerning negotiation behavior and will be rewarded by superior performance of their subordinates.

Second, the different and partly opposing effects of transactional and transformational leadership behaviors on their salesperson's negotiation behavior and performance have been identified. A transactional leadership style may decrease the salesperson's self-efficacy, which is an unfavorable outcome, considering that self-efficacy plays an important role in moderating the effect of job identification on the negotiated discount. Therefore transformational leadership appears to be more appropriate in the sales context because it helps to positively influence the subordinates' job identification and self-efficacy. Nevertheless, one cannot exclude the possibility that transactional leadership behavior may also be necessary to foster the salespersons' negotiation behavior. The effect on the salespersons' perseverance was not significant, but had at least the predicted sign. As literature on the transactional-transformational leadership paradigm suggests, transactional leadership may be important as the basis of good leadership and transformational leadership accounts for superior subordinate performance (Bass & Avolio 1993; Waldman et al. 1990).

Third, even though important salesperson's characteristics could be identified that have a significant influence on the negotiated discount the initial demand by the customers remains the strongest predictor for the negotiated discount. Measures to

lower this initial demand, like for example arbitrarily given anchors, could be a successful way to reduce negotiated discounts.

7.3 Limitations, Conclusions and Directions for Future Research

Like in other research there are some limitations that restrict its generalizability and interpretation. These will be discussed together with potential starting points for future research.

As can be seen in figure 2 the research model, on which this study is based, consists of three levels: The sales manager, the salesperson and the customer. Due to methodological issues data was measured only on two levels, though. Thus, leadership measures were rated by the salespersons and not by the leaders themselves. This is common practice in leadership research, though (see e.g. Jaramillo & Mulki 2008; MacKenzie et al. 2001; Shoemaker 1999; Tyagi 1985) and can be explained by the fact that self-reported data of sales managers on leadership behavior may be biased (see e.g. Gramzow et al. 2003). Nevertheless, results would be even more robust, if they would have also been found on the basis of sales managers' evaluations.

Another limitation results from the sample that was examined in this study. As it was restricted to one car dealership chain and on the automotive retail industry the generalizability of the results may be restricted as well. This issue could be partly addressed by the examination of seven car dealerships with consistent results for all establishments. Though, it may be possible that certain effects arose because of specific firm policies, which cannot be generalized to other car dealerships or industries. Future research replicating the results of this study would help to overcome this issue.

In salesperson's perseverance, job identification and self-efficacy only three possible mediators for leadership influences on negotiation performance were examined. Though, it seems likely that there are more ways in which sales managers may influence their subordinates' negotiation behavior. Customer orientation and adaptive selling may be only two more potential mediators in this context. The inclusion of salesperson-specific moderators – like need for advice or price perceptions – into the model could contribute to a better understanding of the influence processes that occur when sales managers try to ameliorate their

followers' performance. This could be an interesting starting point for future research as well.

Despite the limitations stated above, this study provides an important contribution to literature in connecting the streams of negotiation and leadership research. It is successfully demonstrated that sales managers have an important impact in influencing their subordinates' negotiation abilities and behavior.

Appendix

Table 3
Measurement Scales and Results of the Confirmatory Factor Analysis

Construct	Items	Item Reliability	Composite Reliability	AVE	Cronbach's Alpha
<i>Leadership Measures</i>					
Transactional Leadership (based on Podsakoff et al. 1984)	1. My sales manager gives me positive feedback if I perform well	0.90	0.87	0.52	0.88
	2. My sales manager lets me know if I do a good job.	0.75			
	3. My sales manager commends me when I reach my goals.	0.79			
	4. My sales manager often does not recognize good effort (reverse coded).	0.61			
	5. My sales manager indicates if I perform at a level below that which I was capable of.	0.07			
	6. My sales manager lets me know about it if I perform poorly.	0.16			
	7. My sales manager tells me if my work is below standard.	0.38			
Transformational Leadership (adapted from Conger and Kanungo 1998)	1. My sales manager is very successful in inspiring me for a shared vision.	0.56	0.93	0.67	0.93
	2. My sales manager can inspire me even on bad days.	0.84			
	3. My sales manager has a vision that he tries to achieve with creative ideas.	0.54			

Construct	Items	Item Reliability	Composite Reliability	AVE	Cronbach's Alpha
	4. My sales manager is able to present the goals of my organization inspiringly.	0.82			
	5. My sales manager recognizes new opportunities in that may facilitate the achievement of organizational objectives.	0.70			
	6. My sales manager is able to motivate me by articulating effectively the importance of what I am doing.	0.76			
	7. My sales manager is a convincing representative to the external public	0.45			
Price Tactic Advice (based on a feedback scale by Sims, Szilagyi and Keller 1976)		0.89	0.95	0.87	0.95
	1. My sales manager talks to me about possibilities to avoid demands for discounts by customers.				
	2. My sales manager tells me arguments how to invalidate demands for discounts by customers.	0.89			
	3. My sales manager provides me with techniques to avoid discounts for customers.	0.83			
Sales Manager's Perseverance (based on De Dreu & Van Kleef 2004)		0.90	0.97	0.91	0.97
	1. During price negotiations with the customer my sales manager is generally very tough.				
	2. During price negotiations with the customer my sales manager is generally very unyielding.	0.89			
	3. During price negotiations with the customer my sales manager is generally very resistant.	0.93			

Construct	Items	Item Reliability	Composite Reliability	AVE	Cronbach's Alpha
<i>Salesperson Behavior and Characteristics</i>					
Salesperson's Perseverance (based on De Dreu & Van Kleef 2004; customer- and salesperson-scale validated separately)	1. During the price negotiation with the customer I was very tough (answered by the salesperson)	0.55	0.86	0.68	0.86
	2. During the price negotiation with the customer I was very unyielding (answered by the salesperson).	0.70			
	3. During the price negotiation with the customer I was very resistant (answered by the salesperson).	0.80			
	1a. The salesperson has tried to offer me a low price (answered by the customer).	0.70	0.84	0.64	0.84
	2a. The salesperson has tried to be below competitor's prices (answered by the customer).	0.59			
	3a. The salesperson has offered me a high discount (answered by the customer).	0.61			
	Salesperson's Self-Efficacy (adapted from Wang and Netemeyer 2002)		0.83	0.95	0.86
1. I am convinced of my ability to do a good job.	0.86				
2. I feel that I am very well suited for my job as a salesperson.	0.90				
3. I feel that I have the capabilities to be a successful salesperson.					

Construct	Items	Item Reliability	Composite Reliability	AVE	Cronbach's Alpha
Salesperson's Job Identification (based on Mael and Ashforth 1992)	1. I identify strongly with my job as a salesperson.	0.99	0.97	0.88	0.97
	2. I feel good being a salesperson.	0.92			
	3. The salesperson-job suits well to me.	0.78			
	4. I feel belonging to the group of salespersons.	0.84			
Strategies for Price Justifications	1. I mention the price in combination with advantages of the product.	0.83	0.82	0.61	0.79
	2. I justify the price with help of product properties.	0.63			
	3. I relate the price to benefits for the customer.	0.36			

Table 4
Estimated Path Coefficients for the Model

	Unstandardized Coefficient	(SE)	T-Value
Link on the Interaction-Level (Within-Level)			
H1: Salesperson's perseverance → negotiated discount	-0.828	(0.318)	-2.603***
Links between Salesperson- and Interaction-Level (Between-Level)			
H1: Salesperson's perseverance → negotiated discount	-3.090	(1.063)	-2.908***
H2: Salesperson's job identification → negotiated discount	-0.615	(0.293)	-2.097**
H3: Salesperson's self-efficacy → negotiated discount	-0.256	(0.401)	-0.639
H4: Salesperson's self-efficacy * job identification → negotiated discount	-1.225	(0.374)	-3.274***
Links on the Salesperson-Level (Between-Level)			
H5: Salesperson's self-efficacy → salesperson's perseverance	0.055	(0.086)	0.639
H6a: Transactional leadership → salesperson's perseverance	0.101	(0.086)	1.176
H6b: Transactional leadership → salesperson's self-efficacy	-0.449	(0.162)	-2.769***
H7a: Transformational leadership → salesperson's self-efficacy	0.401	(0.146)	2.742***
H7b: Transformational leadership → job identification	0.277	(0.147)	1.889*
H8: Sales manager's perseverance → salesperson's perseverance	0.210	(0.058)	3.649***
H9: Advice by the sales manager → salesperson's perseverance	0.020	(0.062)	0.325
Controls on the Interaction-Level (Within Level)			
Discount demanded by the customer → negotiated discount	0.526	(0.066)	8.000***
Duration of the customer relationship → negotiated discount	0.174	(0.080)	2.187**

	Unstandardized Coefficient	(SE)	T-Value
Controls on the Salesperson-Level (Between Level)			
Price justification strategies → negotiated discount	1.013	(0.393)	2.580**
Contingent bonus payment → salesperson's perseverance	-0.031	(0.038)	-0.800
Contingent bonus payment → salesperson's self-efficacy	-0.053	0.053	-1.003
Contingent bonus payment → salesperson's job identification	0.064	(0.076)	0.847
Transactional leadership → salesperson's job identification	-0.005	(0.140)	-0.036
Transformational leadership → salesperson's perseverance	-0.195	(0.099)	-1.977**

*p < .10 (two-tailed)

**p < .05 (two-tailed)

***p < .01 (two-tailed)

Additional Items used for the Analysis**Discount** (answered by the customer)

I have received ___% of discount.

Demanded Discount by the Cuytomer (answered by the customer)

I have demanded ___% of discount.

Duration of the Salesperson-Customer Relationship (answered by the customer)

I know the salesperson for ___ years.

References

- Alexander, J. F.; Schul, P. L.; Babakus, E. (1991): *Analyzing Interpersonal Communications in Industrial Marketing Negotiations*, in: *Journal of the Academy of Marketing Science*, Vol. 19 (2), 129-139.
- Anderson, C.; Shirako A. (2008): *Are Individuals' Reputations Related to Their History of Behavior?*, in: *Journal of Personality and Social Psychology*, Vol. 94(2), 320-333.
- Armstrong, J. S.; Overton, T. S. (1977): *Estimating Nonresponse Bias in Mail Surveys*, in *Journal of Marketing*, Vol. 14, 396-402.
- Ashforth, B. E.; Mael, F (1989): *Social Identity Theory and the Organization*, in: *Academy of Management Review*, Vol. 14, 20-39.
- Bandura, A. (1969a): *Principles of Behavior Modification*, New York: Holt, Rinehart, & Winston, 1969.
- Bandura, A. (1969b): *Social Learning Theory of Identificatory Processes*, in: Goslin, D. A. (Ed.), *Handbook of Socialization Theory and Research*, Chicago: Rand McNally, 1969.
- Bandura, A. (1971): *Social learning theory*, Morristown, NJ: General Learning Press, 1971.
- Bandura, A. (1997): *Self-Efficacy: The Exercise of Control*. New York: W.H. Freeman, 1997.
- Barling, J.; Beattie, R. (1983): *Self-efficacy Beliefs and Sales Performance*, in: *Journal of Organizational Behavior Management*, Vol. 5 (1), 41-51.
- Bartos, O. J. (1974): *Process and Outcome in Negotiation*, New York: Columbia University Press, 1974.
- Bass, B. M. (1981): *Stogdill's Handbook of Leadership: A Survey of Theory and Research*. New York: Free Press, 1981.
- Bass, B. M. (1985): *Leadership and Performance beyond Expectations*. New York: Free Press, 1985.

Bass, B. M.; Avolio, B. J. (1993): *Transformational Leadership: A Response to Critiques*, in: *Chemers, M. M.; Ayman, R. (Eds.): Leadership Theory and Research: Perspectives and Directives*, New York: Academic Press, 49-80.

Bass, B. M.; Avolio, B. J.; Jung, D.I.; Berson, Y. (2003): *Predicting Unit Performance by Assessing Transformational and Transactional Leadership*, in: *Journal of Applied Psychology*, Vol. 88(2), 207-218.

Barling, J.; Beattie, R. (1983): *Self-Efficacy Beliefs and Sales Performance*, in: *Journal of Organizational Behavior Management*, Vol. 5, 41-51.

Bliese, P. D.; Halverson, R. R. (1998): *Group Size and Measures of Group-Level Properties: An Examination of Eta-Squared and ICC Values*, in: *Journal of Management*, Vol. 24, (2), 157-172.

Blount, S.; Thomas-Hunt, M. C.; Neale, M. A. (1996): *The Price is Right – Or is it? A Reference Point Model of Two-Party Price Negotiations*, in: *Organizational Behaviour and Human Decision Processes*, Vol. 68, 1-12.

Brams, S. J. (2003): *Negotiation Games: Applying Game Theory to Bargaining and Arbitration*, 2. Edition, London: Routledge, 2003.

Brett, J. F.; Pinkley, R. L.; Jackofsky, E. F. (1996): *Alternatives to Having BATNA in Dyadic Negotiation: The Influence of Goals, Self-Efficacy, and Alternatives on Negotiated Outcomes*, in: *International Journal of Conflict Management*, Vol. 7, 121-138.

Brockner, J. (1992): *The Escalation of Commitment to a Failing Course of Action: Toward Theoretical Process*, in: *Academy of Management Review*, Vol. 17, 39-61.

Brown, R.; Condor, S.; Mathews, A.; Wade, G.; Williams, J. (1986): *Explaining Intergroup Differentiation in an Industrial Organization*, in: *Journal of Occupational Psychology*, Vol. 59, 273-286.

Burns, J.M. (1978): *Leadership*. New York: Harper & Row, 1978.

Bycio, P.; Hackett, R. D.; Allen, J. S. (1995): *Further Assessments of Bass's (1985) Conceptualization of Transactional and Transformational Leadership*, in: *Journal of Applied Psychology*, Vol. 80, 468-478.

Carnevale, P. J.; Pruitt, D. G. (1992): *Negotiation and Mediation*, in: *Annual Review of Psychology*, Vol. 43, 531-582.

Carrol, J. S.; Bazerman, M. H.; Maury, R. (1988): *Negotiator Cognitions: A Descriptive Approach to Negotiators' Understanding of Their Opponents*, in: *Organizational Behavior and Human Decision Processes*, Vol. 41, 352-370.

Comer, L. B.; Jolson, M. A.; Dubinsky A. J.; Yammarino, F. Y. (1995): *When the Sales Manager is a Woman: An Exploration into the Relationship Between Salespeople's Gender and their Responses to Leadership Styles*, in: *Journal of Personal Selling and Sales Management*, Vol. 15, 17-32.

Conger, J. A.; Kanungo, R. N. (1998): *Charismatic Leadership in Organizations*, 2. Edition, Thousand Oaks, London, New Delhi: Sage Publications, 1998.

Davis, T.; Luthans, E. (1980): *A Social Learning Approach to Organizational Behavior*, in: *Academy of Management Review*, Vol. 5, 281-290.

De Dreu, C. K. W.; Van Kleef, G. A. (2004): *The Influence of Power on the Information Search, Impression Formation, and Demands in Negotiation*, in: *Journal of Experimental Social Psychology*, Vol. 40 (3), 303-317.

Deci, E. L.; Ryan, R. M. (1987): *The Support of Autonomy and the Control of Behavior*, in: *Journal of Personality and Social Psychology*, Vol. 53, 1024-1037.

Deluga, R. J. (1990): *The Effects of Transformational, Transactional, and Laissez-Faire Leadership Characteristics on Subordinate Influencing Behavior*, in: *Basic and Applied Social Psychology*, Vol. 11(2), 191-203.

Dubinsky, A. J.; Yammarino, F. J.; Jolson, M. A. (1994): *Closeness of Supervision and Salesperson Work Outcomes: An Alternate Perspective*, in: *Journal of Business Research*, Vol. 29, 225-237.

Dubinsky, A. J.; Yammarino, F. J.; Jolson, M. A.; Spangler, W. D. (1995): *Transformational Leadership: An Initial Investigation in Sales Management*, in: *Journal of Personal Selling & Sales Management*, Vol. 15(2), 17-31.

Dvir, T.; Eden, D.; Avolio, B. J.; Shamir, B. (2002): *Impact of Transformational Leadership on Follower Development and Performance: A Field Experiment*, in: *Academy of Management Journal*, Vol. 45, 735-744.

- Etzioni, A. (1961): *A comparative analysis of complex organizations*. New York: The Free Press, 1961.
- Fisher, R.; Ury, W. (1981): *Getting to Yes: Negotiating Agreement Without Giving in*, Boston, MA: Houghton Mifflin.
- Fornell, C.; Larcker, D. (1981): 'Evaluating Structural Equation Models with Unobservable Variables and Measurement Error, in: *Journal of Marketing Research*, Vol. 18 (1), 39-50.
- Frenzen, H.; Hansen, A-K; Krafft, M.; Mantrala, M. K.; Schmidt, S. (2010): *Delegation of Pricing Authority to the Sales Force: An Agency-Theoretic Perspective of its Determinants and Impact on Performance*, in: *International Journal of Research in Marketing*, Vol. 27, 58-68.
- Galinsky, A. D.; Mussweiler, T.; Medvec, V. H. (2002): *Disconnecting Outcomes and Evaluations: The Role of Negotiator Focus*, in: *Journal of Personality and Social Psychology*, Vol. 83(5), 1131-1140.
- Glick, S.; Croson, R. (2001): *Reputation in Negotiations*, in: Hoch, S.; Kunreuther, H. (Eds.): *Wharton on Making Decision*, New York: Wiley, 177-186.
- Goldstein, H. (1995): *Multilevel Statistical Models*, 2. Edition, London: Hodder Arnold, 1995.
- Gramzow, R. H.; Elliot, A. J.; Asher, E.; McGregor, H. A. (2003): *Self-Evaluation Bias and Academic Performance: Some Ways and Some Reasons Why*, in: *Journal of Research in Personality*, Vol. 37, 41-61.
- Handelsblatt (2011): *Autobauer setzen weiter auf Rabatte*, 1. Juli 2011, URL: http://www.uni-due.de/~hk0378/publikationen/2011/20110701_Handelsblatt.pdf (Zugriff am 23.09.2011).
- Hansen, A-K.; Joseph, K.; Krafft, M. (2008): *Price Delegation in Sales Organizations: An Empirical Investigation*, in: *Business Research*, Vol. 1(1), 94-104.
- Harrison, A. W.; Rainer Jr., R. K.; Hochwater, W. A.; Thompson, K. R. (1997): *Testing the Self-Efficacy-Performance Linkage of Social Cognitive Theory*, in: *The Journal of Social Psychology*, Vol. 137, 79-87.

Harvey, N.; Fischer, I. (1997): *Taking Advice: Accepting Help, Improving Judgment, and Sharing Responsibility*, in: *Organizational Behavior and Human Decision Processes*, Vol. 70, 117-133.

Hofmann, D. A. (1997): *An Overview of the Logic and Rationale of Hierarchical Linear Models*, in: *Journal of Management*, Vol. 23 (6), 723-744.

Hofman, D. A.; Gavin, M. B. (1998): *Centering Decisions in Hierarchical Linear Models: Implications for Research in Organizations*, in: *Journal of Management*, Vol. 24 (5), 623-664.

Hogg, M. A. (2001): *A Social Identity Theory of Leadership*, in: *Personality and Social Psychology Review*, Vol.5 (3), 184–200.

Hogg, M. A.; Hains, S. C.; Mason, I. (1998): *Identification and Leadership in Small Groups: Salience, Frame of Reference, and Leader Stereotypicality Effects On Leader Evaluations*, in: *Journal of Personality and Social Psychology*, Vol. 75, 1248-1263.

Howell, J. M.; Hall-Merenda, K. E. (1999): *The Ties that Bind: The Impact of Leader-Membership Exchange, Transformational and Transactional Leadership, and Distance on Predicting Follower Performance*, in: *Journal of Applied Psychology*, Vol. 84 (5), 680-694.

Huber, V. L.; Neale, M. A. (1986): *Effects of Cognitive Heuristics and Goals on Negotiator Performance and Subsequent Goal Setting*, in: *Organizational Behavior and Human Decision Processes*, Vol. 38, 342-365.

Huber, V. L.; Neale, M. A. (1987): *Effects of Self and Competitor Goals on Performance in an Independent Bargaining Task*, in: *Journal of Applied Psychology*, Vol. 72(2), 197-203.

Jaramillo, F. Locander, W. B.; Spector, P. E.; Harris, E. G. (2007): *Getting the Job Done: The Moderating Role of Initiative on the Relationship between Intrinsic Motivation and Adaptive Selling*, in: *Journal of Personal Selling & Sales Management*, Vol. 27(1), 59-74.

Jaramillo, F.; Mulki, J. P. (2008): *Sales Effort: The Intertwined Roles of the Leader, Customers, and the Salesperson*, in: *Journal of Personal Selling & Sales Management*, Vol. 28(1), 37-51.

Jensen, M. C.; Meckling, W. H. (1976): *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*, in: *Journal of Financial Economics*, Vol. 3 (4), 305-360.

Johnson, D. W. (1971): *The Effects of Warmth of Interaction, Accuracy of Understanding and the Proposal of Compromises on the Listener's Behavior*, in: *Journal of Counseling Psychology*, Vol. 18, 207-216.

Joseph, K. (2001): *On the Optimality of Delegating Pricing Authority to the Sales Force*, in: *Journal of Marketing*, Vol. 65, 62-70.

Kahnemann, D. (1992): *Reference Points, Anchors, Norms, and Mixed Feelings*, in: *Organizational Behavior and Human Decision Processes*, Vol. 51, 296-312.

Kark, R.; Shamir, B. (2002): *The Dual Effect of Transformational Leadership: Priming Relational and Collective Selves and Further Effects on Followers*, in Avolio B. J.; Yammarino F. J. (Eds.), *Transformational and charismatic leadership: The road ahead (Vol. 2)*, Oxford, UK: Elsevier Science, 2002, 67-91.

Kark, R.; Shamir, B.; Chen, G. (2003): *The two faces of transformational leadership: Empowerment and dependency*, in: *Journal of Applied Psychology*, Vol. 88 (2), 246-255.

Katz-Navon, T. Y.; Goldschmidt, C. (2009): *Goal Orientations in negotiations: The Influence of Goal Orientations on Fixed-Pie Perceptions and Bargaining Outcomes*, in: *International Journal of Psychology*, Vol. 44, 60-70.

Kernan, M. C.; Hunt, C. S.; Conlon, D. E. (2007): *Expectancy Disconfirmation and Negotiator Reactions Across Negotiation Episodes*, in: *Journal of Applied Social Psychology*, Vol. 37, 143-162.

Kimmel, M.; Pruitt, D. G.; Magenau, J.; Konar-Goldbrand, E.; Carnevale, P.J. (1980): *The Effects of Trust, Aspiration and Gender on Negotiation Tactics*, in: *Journal of Personality and Social Psychology*, Vol. 38, 9-23.

Kirkpatrick, S. A.; Locke, E. A. (1996): *Direct and Indirect Effects of Three Core Charismatic Leadership Components on Performance and Attitudes*, in: *Journal of Applied Psychology*, Vol. 81 (1), 36-51.

Kristensen, H.; Gärling, T. (1997): *Determinants of Buyers' Aspiration and Reservation Price*, in: *Journal of Economic Psychology*, Vol. 18, 487-503.

Kuhnert, K. W.; Lewis, P. (1987): *Transactional and Transformational Leadership: A Constructive/Developmental Analysis*, in: *Academy of Management Review*, Vol. 12 (4), 648-657.

Lal, R. (1986): *Delegating Pricing Responsibility to the Salesforce*, in: *Marketing Science*, Vol. 5(2), 159-168.

Lord, R. G.; Brown, D. J.; Freiberg, S. J. (1999): *Understanding the Dynamics of Leadership: The Role of Follower Self-Concepts in the Leader/Follower Relationship*, in: *Organizational Behavior and Human Decision Processes*, Vol. 78 (3), 167-203.

MacKenzie, S. B.; Podsakoff, P.M.; Rich, G. A. (2001): *Transformational and Transactional Leadership and Salesperson Performance*, in: *Journal of the Academy of Marketing Science*, Vol. 29(2), 115-134.

Mael, F; Ashforth, B. E. (1992): *Alumni and their Alma Mater: A Partial Test of the Reformulated Model of Organizational Identification*, in: *Journal of Organizational Behavior*, Vol. 13 (2), 103-123.

Malhotra, D.; Bazerman, M. H. (2008): *Psychological Influence in Negotiation: An Introduction Long Overdue*, in: *Journal of Management*, Vol. 34, 509-531.

Mannix, E. A.; Neale, M. A. (1993): *Power Imbalance and the Pattern of Exchange in Dyadic Negotiation*, in: *Group Decision and Negotiation*, Vol. 2, 119-133.

McGuire, W. J. (1962): *Persistence of the Resistance to Persuasion Induced by Various Types of Prior Belief Defenses*, in: *Journal of Abnormal and Social Psychology*, Vol. 64, 241-24.

Nash J. (1951): *Non-Cooperative Games*, in: *The Annals of Mathematics*, Vol. 54(2), 286-295.

Neale, M. A.; Bazerman, M., H. (1985): *The Effect of Framing on Conflict and Negotiator Overconfidence*, in: *Academy of Management Journal*, Vol. 28, 34-39.

Neale, M. A.; Bazerman, M. H. (1985a): *Perspectives for Understanding Negotiation: Viewing Negotiation as a Judgmental Process*, in: *Journal of Conflict Resolution*, Vol. 29, 33-55.

Neale, M. A.; Northcraft, G. B. (1986): *Experts, Amateurs, and Refrigerators: Comparing Expert and Amateur Negotiators in a Novel Task*, in: *Organizational Behavior and Human Decision Processes*, Vol. 38, 305-317.

Northcraft, G. B.; Neale, M. A. (1987): *Experts, Amateurs, and Real Estate: An Anchoring-and-Adjustment Perspective on Property Pricing Decisions*, in: *Organizational Behavior and Human Decision Processes*, Vol. 39, 84-97.

Northcraft, G. B.; Neale, M. A. (1994): *Joint Effects of Assigned Goals and Training on Negotiator Performance*, in: *Human Performance*, Vol. 7, 257-272.

Northcraft, G. B.; Preston, J. B.; Neale, M. A.; Kim P.; Thomas-Hunt M. (1998): *Non-Linear Preference Functions and Negotiated Outcomes*, in: *Organizational Behavior and Human Decision Processes*, Vol. 73, 54-75.

O'Connor, K. M.; Arnold, J. A.; Burriss, E. R. (2005): *Negotiators' Bargaining Histories and their Effects on Future Negotiation Performance*, in: *Journal of Applied Psychology*, Vol. 90(2), 350-362.

Oldham, G. R.; Cummings, A. (1996): *Employee Creativity: Personal and Contextual Factors at Work*, in: *Academy of Management Journal*, Vol. 39, 607-634.

Patton, C.; Balakrishnan, P.V. (2010): *The Impact of Expectation of Future Negotiation Interaction on Bargaining Processes and Outcomes*, in: *Journal of Business Research*, Vol. 63, 809-816.

Piercy, N. F.; Cravens, D. W.; Lane, N.; Vorhies, D. W. (2006): *Driving Organizational Citizenship Behaviors and Salesperson In-Role Behavior Performance: The Role of Management Control and Perceived Organizational Support*, in: *Journal of the Academy of Marketing Science*, Vol. 34(2), 244-262.

Podsakoff, P. M.; Todor, W. D.; Grover, R. A.; Huber, V. L. (1984): *Situational Moderators of Leader Reward Behavior and Punishment Behaviors: Fact or Fiction?*, in: *Organizational Behavior and Human Performance*, Vol. 34, 21-63.

Pruitt, D. G. (1981): *Negotiation Behavior*, New York: Academic, 1981.

Rank, J.; Nelson, N. E.; Allen, T. D.; Xu, X. (2009): *Leadership Predictors of Innovation and Task Performance: Subordinates' Self-Esteem and Self-Presentation as Moderators*, in: *Journal of Occupational and Organizational Psychology*, Vol. 82, 465-489.

Raiffa, H. (2003): *The Art and Science of Negotiation*, 17. Edition, Harvard University Press 2003.

Raudenbush, S. W.; Bryk, A. S. (2002): *Hierarchical Linear Models: Applications and Data Analysis Methods*, 2. Edition, Newbury Park, CA: SAGE.

Rich, G. A. (1997): *The Sales Manager as a Role Model: Effects on Trust, Job Satisfaction, and Performance of Salespeople*, in: *Journal of the Academy of Marketing Science*, Vol. 25 (4), 319-328.

Rubin, J. Z.; Brown, B. R. (1975): *The Social Psychology of Bargaining and Negotiation*, San Diego, CA: Academic Press 1975.

Russ, F. A.; McNeilly, K.; Comer, J. (1996): *Leadership Decision Making and Performance of Sales Managers: A Multi-Level Approach*, in: *Journal of Personal Selling and Sales Management*, Vol. 16, 1-15.

Schein, E. H. (1968): *Organizational Socialization and the Profession of Management*, in: *Industrial Management Review*, 1968, Vol. 9, 1-15.

Shamir, B.; House, R. J.; Arthur, M. B. (1993): *The Motivational Effects of Charismatic Leadership: A Self-Concept Based Theory*, in: *Organization Science*, Vol. 4 (4), 577-594.

Shoemaker, M. E. (1999): *Leadership Practices in Sales Managers Associated with the Self-Efficacy, Role Clarity, and Job Satisfaction of Individual Industrial Salespeople*, in: *Journal of Personal Selling & Sales Management*, Vol. 19 (4), 1-19.

- Sims, H. P.; Manz, C. C. (1982): *Modeling Influences on Employee Behavior*, in: *Personnel Journal*, Vol. 61, 58-65.
- Sims, H. P.; Szilagyi, A. D.; Keller, R. T. (1976): *The Measurement of Job Characteristics*, in: *Academy of Management Journal*, Vol. 19 (2), 195-212.
- Sondak, H.; Bazerman, M. H. (1989): *Matching and Negotiation Processes in Quasi-Markets*, in: *Organizational Behavior and Human Decision Processes*, Vol. 44(2), 261-280.
- Sosik, J. J.; Avolio B. J.; Kahai, S. S. (1997): *The Impact of Leadership Style and Anonymity on Group Potency and Effectiveness in a GDSS Environment*, in: *Journal of Occupational Psychology*, Vol. 60, 177-186.
- Steinel, W.; Abele, A. E.; De Dreu, C. K. W. (2007): *Effects of Experience and Advice on Process and Performance in Negotiations*, in: *Group Processes Intergroup Relations*, Vol. 10 (4), 533-550.
- Stephenson, P. R.; Cron, W. L.; Frazier, G. L. (1979): *Delegating Pricing Authority to the Sales Force: The Effects on Sales and Profit Performance*, in: *Journal of Marketing*, Vol. 43, 21-28.
- Sullivan, B. A.; O'Connor, K. M.; Burris, E. R. (2006): *Negotiator Confidence: The Impact of Self-Efficacy on Tactics and Outcomes*, in: *Journal of Experimental Social Psychology*, Vol. 42 (5), 567-581.
- Sujan, H.; Weitz, B. A.; Kumar, N. (1994): *Learning Orientation, Working Smart, and Effective Selling*, in: *Journal of Marketing*, Vol. 58, 39-52.
- Szybillo, G. J.; Heslin, R. (1973): *Resistance to Persuasion: Inoculation Theory in a Marketing Context*, in: *Journal of Marketing Research*, Vol. 10, 396-403.
- Tajfel, H. (1978): *Differentiation between Social Groups: Studies in the Social Psychology of Intergroup Relations*, London: Academic Press, 1978.
- Thompson, L. L. (1991): *Information Exchange in Negotiation*, in: *Journal of Experimental Social Psychology*, Vol. 27, 161-179.

Thompson, L. L. (1995): *The Impact of Minimum Goals and Aspirations on Judgements of Success in Negotiations*, in: *Group Decision and Negotiation*, Vol. 4(6), 513-524.

Thompson, L. L.; Wang, J.; Gunia, B. C. (2010): *Negotiation*, in: *Annual Review of Psychology*, Vol. 61, 491-515.

Turner, J. C., Hogg, M. A.; Oakes, P. J.; Reicher, S. D.; Wetherell, M. S. (1987): *Rediscovering the Social Group: A Self-Categorization Theory*,” *American Journal of Sociology*, 94 (6), 1514–16.

Tyagi, P. K. (1985): *Relative Importance of Key Job Dimensions and Leadership Behaviors in Motivating Salesperson Work Performance*, in: *The Journal of Marketing*, Vol. 49 (3), 76-86.

Van Knippenberg, D. (2000): *Work Motivation and Performance: A Social Identity Perspective*, in: *Applied Psychology: An International Review*, Vol. 49 (3), 357-371.

Van Poucke, D.; Buelens, M. (2002): *Predicting the Outcome of a Two-Party Price Negotiation: Contribution of Reservation Price, Aspiration Price an Opening Offer*, in: *Journal of Economic Psychology*, Vol. 23, 67-76.

Vecchio, R. P.; Justin, J. E.; Pearce, C. L. (2008): *The Utility of Transactional and Transformational Leadership for Predicting Performance and Satisfaction within a Path-Goal Theory Framework*, in: *Journal of Occupational and Organizational Psychology*, Vol. 81, 71-82.

Waldman, D. A.; Bass, B. M.; Yammarino, F. J. (1990): *Adding to Contingent Reward Behavior: The Augmenting Effect of Charismatic Leadership*, in: *Group & Organization Studies*, Vol. 15, 381-394.

Walumbwa, F. O.; Avolio, B.; Zhu, W. (2008): *How Transformational Leadership Weaves its Influence on Individual Job Performance: The Role of Identification and Efficacy Beliefs*, in: *Personnel Psychology*, Vol. 61 (4), 793-825.

Wang, G.; Netemeyer, R. G. (2002): *The Effects of Job Autonomy, Customer Demandingness, and Trait Competitiveness on Salesperson Learning, Self-*

Efficacy, and Performance, in: Journal of the Academy of Marketing Science, Vol. 30 (3), 217-228.

Weinberg, C. B. (1975): An Optimal Commission Plan for Salesmen's Control over Price, in: Management Science, Vol. 21, 937-943.

Weiss, H. M. (1977): Subordinate Imitation of Supervisor Behavior: The Role of Modeling in Organizational Socialization, in: Organizational Behavior and Human Performance, Vol. 19, 89-105.

Weitz, B. A.; Sujan, H.; Sujan, M. (1986): Knowledge, Motivation, and Adaptive Behavior: A Framework for Improving Selling Effectiveness, in: Journal of Marketing, Vol. 50 (4), 174-191.

Wieseke, J.; Lee, N.; Broderick, A. J.; Dawson, J. F.; Van Dick, R. (2008): Multilevel Analyses in Marketing Research: Differentiating Analytical Outcomes, in: Journal of Marketing Theory and Practice, Vol. 16 (4), 321-339.

Wolfe, R. J.; McGinn, K. L. (2005): Perceived Relative Power and its Influence on Negotiations, in: Group Decision and Negotiation, Vol. 14, 3-20.

Yammarino, F. J.; Bass, B. M. (1990): Long-Term Forecasting of Transformational Leadership and its Effects among Naval Officers: Some Preliminary Findings, in: Clark, K. E.; Clark, M. B. (Eds.): Measures of Leadership, Greensboro, NC: Center for Creative Leadership, 975-995.

Yaniv, I.; Kleinberger, E. (2000): Advice Taking in Decision Making: Egocentric Discounting and Reputation Formation, in: Organizational Behavior and Human Decision Processes, Vol. 83 (2), 260-281.