

An Examination of the Relationships between Retail Work Environments, Salesperson Selling Orientation-Customer Orientation and Job Performance

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Abstract:

This research examines the relationship between three organizational level constructs and salesperson's selling orientation-customer orientation (SOCO) in an in-store retail setting. Respondents represent a wide variety of retail firms. A firm's customer orientation, centralization, and employee perceptions of support from individuals in the organization were significantly related to customer orientation, selling orientation, or both. Firm level customer orientation and perceptions of work environment support were positively related to a salesperson's degree of customer orientation and negatively related to selling orientation. Centralization was positively related to selling orientation but not to customer orientation. Customer orientation was positively related to performance, while selling orientation was not related.

Keywords: selling orientation | customer orientation | salesperson performance

Article:

In retailing, customer-contact sales employees are the fundamental link operationalizing policy through their every day interactions with customers. Salespeople often face the contradictory directives of generating sales revenue by closing sales and securing customer satisfaction (Oliver and Swan 1989). In addition, salespeople play an important role in developing mutually beneficial buyer-seller relationships (Crosby, Evans, and Cowles 1990; Jackson 1985). Therefore, research that examines organizational and personal characteristics associated with salesperson behavior and salesperson performance is of both practical and theoretical interest.

Saxe and Weitz (1982) present an operational measure of a salesperson's sales orientation based upon relative amounts of selling orientation versus customer orientation (SOCO). A selling oriented approach to sales emphasizes getting the sale and/or selling as much as possible to every

customer. Directly addressing customers' best interests becomes secondary. Customer orientation, on the other hand, refers to the degree a salesperson practices, "the marketing concept by trying to *help customers make purchase decisions* (emphasis added) that will satisfy customer needs" (Saxe and Weitz 1982, p. 344).

Customer-oriented selling appears to help both the salesperson and his/her firm since it is related positively to customer relationships (Williams and Attaway 1996). It has likewise been linked to business-to-business salesperson performance (Swenson and Herche 1994) and to real estate salesperson performance (Dunlap, Dotson and Chambers 1988). In a retail setting, salesperson customer orientation has been directly linked to customer satisfaction and, indirectly, to satisfaction with the selling firm and manufacturer (Goff, Boles, Bellenger, and Stojack 1997).

The current body of literature examining SOCO indicates that it is important from a salesperson, organization, and customer perspective (e.g. Dunlap et al. 1988; Goff al. 1997).

This is particularly true when the purchase involves big-ticket items, which can be associated with greater risk to the purchaser of making a poor purchase decision (Saxe and Weitz 1982). Thus, identifying constructs associated with SOCO is of considerable importance to organizations seeking to improve sales effectiveness. The purpose of the current study is to extend the marketing literature by examining some potential organizational antecedents of salesperson SOCO in a retail setting. Specifically, we test relationships between three aspects of a work environment (centralization, support from coworkers in retail work environments, and a firm's degree of customer orientation) and retail employees' SOCO. The study also examines how these constructs relate to sales performance in a retail setting.

These three constructs were selected for several reasons. First, while the relationship between a firm's level of customer orientation and a salesperson's selling orientation has been examined in outside business-to-business sales settings (Siguaw, Brown and Widing 1994), it has not been empirically examined in an inside retail setting. Since an inside salesperson may be subject to closer supervision, it is possible that the customer orientation of the firm may be more clearly communicated to that individual as compared to an outside salesperson. Providing a test of this relationship will extend what is known about the strength of the linkage between a firm's customer orientation and SOCO in a retail setting.

Centralization is a key construct in retail organizational environments. In many work settings, there is a movement to provide employees with increased on-the-spot decision making flexibility (less centralization) to meet buyer needs. However, centralized control is one way of maintaining a consistent experience in a retail environment, which is something most firms desire. Further, it also can help compensate for a generally low level of employee training that is found in many retail sales environments when compared to outside salespeople engaged in business-to-business sales. Previous research has not examined the relationship between centralization and the SOCO of retail salespeople. If centralization has a significant effect on a retail salesperson's sales approach, then decentralization/centralization is a very important issue for retail firms.

The third work environment construct examined in this study involves the employee's perception regarding the degree of support they receive from individuals in the work environment. Past

research has focused on supervisor support, which has been linked previously to a variety of positive employee attitudes. For example, support in the retail work environment is negatively related to role stress and positively related to job satisfaction (Babin and Boles 1996). In sales settings, there is evidence that positive feedback from supervisors is positively related to employee performance (Jaworski and Kohli 1991) and job satisfaction (Teas 1983). Perceptions of support from the organization have been linked to increased job satisfaction and motivation (Babakus, Cravens, Johnston, and Moncrief 1996). Thus, previous research suggests that the degree of support an employee receives from workplace sources is related to sales behaviors generally. The current study extends existing research concerning supportive work environments by examining the effect of support from any individual (not just supervisors) on salesperson selling behaviors.

This inclusion of coworker (including supervisors) support represents an extension to the sales literature since most previous research regarding support for employees has examined only the effect of supervisor support (Kohli 1985; Teas 1983). A central consideration in the selection of these three organizational level constructs is that each is a part of the work environment and, at least somewhat, subject to managerial action. If these constructs are related to the SOCO of retail employees, management may be able to take actions to provide the type of supportive environment that is associated with the desired behaviors.

While the body of SOCO research is quite extensive, studies examining possible organizational level correlates of a retail employee's selling approach have been under-examined when compared to SOCO studies in business-to-business settings (cf. Siguaw et al. 1994; Williams and Attaway 1996). Thus, this study contributes to existing SOCO research in two ways. First, it examines the relationship between several elements of the work environment and salesperson SOCO, and the relationship between SOCO and performance. Second, it examines this relationship in a retail setting.

SELLING ORIENTATION–CUSTOMER ORIENTATION

Research Overview

Since its development, the SOCO scale has generated research interest in three general areas. These three are: 1) addressing measurement issues (Saxe and Weitz 1982); 2) identifying possible consequences of using a customer oriented or sales oriented approach (Keillor, Parker and Pettijohn 1999); and, 3) identifying potential organizational, personal, and attitudinal antecedents of salesperson SOCO (Baldauf and Cravens 1999; O'Hara, Boles and Johnston 1991).

Research has addressed measurement-related issues, not only from the salesperson's viewpoint, but also from the buyer's. SOCO has been studied from the buyer's perspective in both business-to-business (Michaels and Day 1985) and retail settings (Brown, Widing, and Coulter 1991). Results from these studies indicate that the measure is robust and is applicable in business-to-business and retail sales encounters. Additional studies have examined potential bias in a salesperson's self-reported SOCO scores. Research suggests that salespeople report more favorable SOCO scores relative to customer ratings in both retail (Dunlap et al. 1988) and

business settings (Michaels and Day 1985). However, when asked about the SOCO of sales personnel other than themselves, salespeople provide estimates very similar to buyer ratings of salespeople (Pilling, Eroglu and Boles 1994). Generally, research has been supportive of SO CO as a useful and valid instrument for assessing the sales approach used by a salesperson and/or experienced by a customer (Brown et al., 1991; Tadapelli 1995).

A second theme emphasizes SOCO's relevance by investigating its effect on important outcomes including salesperson performance, firm performance, customer satisfaction, and relationship quality. Results from studies examining these issues indicate that a salesperson, selling firm, and customer all can benefit when a customer-oriented selling style is used as opposed to a selling orientated approach (e.g. Goff et al. 1997; Swenson and Herche 1994).

A salesperson's use of a customer-oriented selling style is directly related to customer satisfaction with the salesperson and indirectly to satisfaction with the firm (Goff et al., 1997). Previous SOCO research indicates that salespeople who take a customer oriented sales approach can positively influence buyer ratings of buyer-seller relationship quality (Williams and Attaway 1996). These findings demonstrate that there is a positive relationship between customer-oriented sales behaviors, sales effectiveness and a firm's level of success.

From a performance perspective, it appears that a salesperson often benefits from utilizing a customer-oriented selling approach. For example, in a study of residential real-estate salespeople, top-performing salespeople reported higher levels of customer-orientation than equally experienced, but less successful, realtors (Dunlap et al. 1988). Likewise, in a business-to-business sales setting, Swenson and Herche (1994) report that customer orientation was related to higher performance. Thus, available evidence indicates that customer-orientation is positively related to salesperson performance, though the research is limited - particularly in retail settings.

The research addressing potential relationships between organizational environments and SOCO focuses on two areas: personal and organizational antecedents. Demographically, female salespeople report higher levels of customer orientation than do their male counterparts (O'Hara, et al. 1991). Further, as salespeople's tenure increases, they report less customer oriented and more sales oriented selling behavior.

From an organizational standpoint, two different studies found that organizational commitment is positively related to customer orientation (Kelley 1992; O' Hara et al., 1991). Market orientation of the firm in a business-to-business setting is positively related to customer-oriented sales behaviors (Siguaw et al. 1994). If a firm is perceived as being customer oriented, salespeople for that firm are more likely to practice customer-oriented selling (Flaherty, Dahlstrom and Skinner 1999). Favorable perceptions of the organizational culture (Williams and Attaway 1996) and organizational climate (Kelley 1992) are positively related to an employee adopting a customer orientation. Job satisfaction also is positively related to customer oriented selling (Hoffman and Ingram 1992).

A large body of previous research has illustrated the power and influence of the work environment on salesperson attitudes and behaviors (e.g. Babin and Boles 1996; Jaworski and Kohli 1993; Teas 1983). However, as potential SOCO correlates, few aspects of the work

environment have received much research attention in either the sales or retail areas. The relative omission of work environment constructs in SOCO research appears to be an important issue given the strong effects of the work environment on other workplace attitudes and behaviors. Among possible SOCO correlates, the work/organizational environment appears to offer the most opportunity for furthering effective sales performance. This is true because the organizational environment is an area that can be effectively acted upon by management - particularly in retail settings where the potential for direct communication with employees is enhanced. The importance of additional investigation of potential organizational level constructs that are related to SOCO provides the impetus for the current research.

STUDY HYPOTHESES

Figure 1 depicts proposed linkages between organizational constructs and self-reported performance of SOCO behaviors. In the current research, organizational factors included in the model are: 1) firm customer orientation; 2) a supportive work environment; and, 3) centralization. The model hypothesizes a direct link between a salesperson's SOCO and his/her sales performance. SOCO is operationalized as two inversely related but distinct dimensions contrasting customer orientation versus selling orientation. Previous research indicates that SOCO is composed of these two inversely related dimensions (Michaels and Day 1985; Saxe and Weitz 1982).

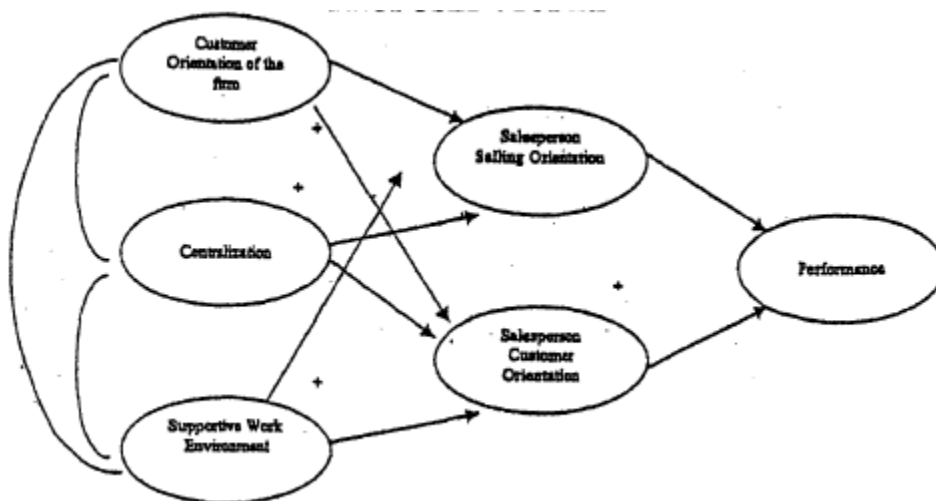


FIGURE 1. Proposed model

Firm Customer Orientation

Customer orientation involves activities and behaviors implemented to reflect the degree to which the needs and desires of the customer are the basis of the firm's sales philosophy. Previous work suggests that a firm's degree of customer orientation is derived from the attitudes of management exerting influence throughout the organization. In a customer oriented firm, all employees should consider the impact their decisions have on the general welfare of customer constituencies. For example, if mid-level managers believe that top management has adopted a customer orientation, they, in turn, are more likely to emphasize the importance of all employees

being more customer oriented. A firm's commitment to developing and maintaining a concern for customers' best interests should be reflected in the way salespeople treat customers.

Since concern for the customer will be pervasive in an organization with high levels of customer orientation, customer-contact employees such as retail salespeople are also likely to prioritize their actions in favor of customer benefits. Conversely, when customer orientation is low at the firm level, customer oriented behavior also is unlikely to occur among front-line customer-contact personnel. Employees can more easily fall back on behaviors that produce immediate rewards — current period sales. We hypothesize:

H1: Retailer customer orientation is related positively to customer oriented sales behavior.

H2: Retailer customer orientation is related negatively to selling oriented behavior.

Supportive Work Environments

The effect of supportive work environments on employee attitudes and behaviors has been studied extensively in a variety of sales settings (e.g. Johnston, Parasuraman, and Futrell 1989; Kohli 1989). Supportive work environments have a significant effect on a number of constructs of interest in sales force management. Previous research indicates that a supportive supervisor can significantly reduce employee role stress, and in turn, improve retail salesperson performance (Babin and Boles 1996). Supportive supervision also has a positive influence on job satisfaction (Teas 1983). While the role of peers has been less often examined, in sales research peer feedback has been linked with improved behavioral performance, role clarity, and greater satisfaction with coworkers (Kohli and Jaworski 1994).

One explanation for the relationship between experiencing a supportive work environment and positive job outcomes involves employee beliefs concerning organization values. If employees feel valued, they will be more likely to value one another and provide support to other workers. An employee will recognize this and be more positive about his/her job and the firm itself (Eisenberger et al. 1986; Teas 1983). A cohesive work environment is one in which employees are more likely to work together toward satisfying customer needs and requests. Conversely, without this cohesiveness, employees may be more likely to behave in an egotistic manner to maximize commissions without worrying about sharing the benefits or concern for the long-term best interest of the firm.

Conditions in a supportive work environment are consistent with a selling approach that considers a customer's needs and not just those of the firm. In contrast, work environments perceived as not supportive may be related to greater use of a selling orientation. In non-supportive environments, an employee may attempt to increase sales, enhance his/her performance, and avoid negative sanctions from management that might be feared to a greater degree than in a more supportive work environment. Therefore, we hypothesize that:

H3: Employee perceptions of support from other individuals in the work environment are related positively to a customer-oriented selling approach.

H4: Employee perceptions of support from other individuals in the work environment are related negatively to a selling-oriented selling approach.

Centralization

Centralization means, "the inverse of the amount of delegation of decision-making authority throughout the organization and the extent of participation by organizational members in decision-making" (Jaworski and Kohli 1993, p. 56). Being a customer oriented salesperson may sometimes require focusing on customer needs first - even if it means making a judgment call in a situation without taking the time to confer with a manager. When a valued customer has a problem with some aspect of the purchase, the salesperson may need to make an "on-the-spot" decision. Further, a manager may not be available to provide assistance or guidance in this decision. In fact, this scenario occurs often in retail settings where a retail employee recommends a product based on customer needs, exchanges a product for a customer, arranges for a refund, or deals with a customer complaint without managerial guidance.

Highly centralized authority in making decisions relating to customers provides the firm with some control over the purchase encounter and can help insure consistent behavior across stores in many different geographic locations. Unfortunately, it may not provide salespeople with the flexibility they need to address customer concerns. In fact, centralized decision making may have a negative effect on an employee's willingness to initiate an innovative solution to a customer's problem and reduces his/her flexibility in satisfying customer needs (Jaworski and Kohli 1993; Zaltman, Duncan, and Holbek 1973). A retail salesperson in a highly centralized workplace will be less likely (and probably feel less able) to adapt to the customer's needs and more likely to rely on the ubiquitous directive to 'add-on' or increase sales. Inflexibility may result in the salesperson being less customer-oriented and less likely to attempt to work for the customer's best interest. Thus, we hypothesize that:

H5: Centralized decision-making is related negatively to a salesperson's customer orientation.

H6: Centralized decision-making is related positively to a salesperson's selling orientation.

Performance

The initial SOCO study (Saxe and Weitz 1982) presented evidence supporting the existence of a positive relationship between customer oriented sales behaviors and salesperson performance. Since then, additional research has provided support for a positive link between customer orientation and performance. For example, customer oriented sales behaviors are positively related to salesperson performance among industrial salespeople (Swenson and Herche 1994). In residential real-estate sales, top performers were found to be more customer-oriented than other equally experienced real estate salespeople (Dunlap et al 1988). While none of these studies examined in-store retail salespeople, evidence from other industries suggests the following:

H7: Salesperson customer orientation is related positively to salesperson performance.

H8: Salesperson selling orientation is related negatively to salesperson performance.

Mediation

SOCO is posited as a mediator of the links between firm-level customer orientation, centralization, and the degree of support in the work environment and retail salesperson job performance. The model posits only indirect, or mediated, relationships between the exogenous constructs and performance. The basic rationale here is that the sales force is responsible for implementing company policies in a way that makes a difference to consumers. If, for example, a firm desires to implement a consumer oriented decision making style, it is up to the customer contact employees to carry out this directive. Firm level policies influence sales activities and behaviors which, in turn, are directly linked to performance. Therefore, we hypothesize that:

H9: The relationship of a firm's level of customer orientation, centralization, and degree of support in the retail work environment with salesperson performance will be mediated by salesperson SOCO.

MEASURES AND METHODS

Sample

The study was conducted with in-store, retail salespeople in two large urban areas. Respondents worked in stores selling a wide variety of shopping goods including clothing, furniture, major appliances and electronics. Approximately 150 different retail organizations participated. Thus, the sample represents a wide range of salespeople selling a diverse variety of goods and services in many different organizations. Typically, one employee responded from most retailers, but in the case of a few large retail organizations (such as Sears), multiple respondents (two to five) participated. In all cases, at least a part of the salesperson's compensation was based on sales activity.

Employees were encouraged to participate by management. In addition, employees were assured that individual survey results would not be seen by management. Questionnaires were dropped off one day and picked up by a research assistant on the following day. Four hundred surveys were distributed. Of those, 294 were returned fully completed and used in the analyses.

The resulting sample demonstrated demographic variance typical of retail settings. Median age for the sample was 31 years. The typical respondent had an average of 4.6 years in their current sales position and 8.5 years of experience in retail sales. Over seventy-five percent of the sample had at least some college education with twenty-seven percent having college degrees. Fifty-seven percent of the respondents were female and approximately fifty percent were married.

Measures

Measures used in this study were taken from existing measures found in the marketing and organizational behavior literature. Some items were adapted slightly to make them more consistent with the retail environment where the study was conducted. Sample items for each measure can be viewed in the Appendix.

A salesperson's selling orientation-customer orientation was assessed using items from the SOCO scale (Saxe and Weitz 1982). Items were assessed using a 7-point Likert format. Centralization was measured with four items used previously by Jaworski and Kohli (1993). Perceptions of a supportive work environment were assessed using items from Moos' (1981) work environment scale that is designed to assess the degree of personal support offered among coworkers. These items were measured using a 7-point Likert format. A firm's level of customer orientation was measured with the customer orientation items from the market orientation measure used by Narver and Slater (1990).

The self-rated performance measure incorporated items adapted from previously developed measures used in salesperson and retail employee surveys (e.g. Netemeyer, Boles and McMurrian 1996; Busch and Bush 1978). Respondents rated their "effectiveness" on important work aspects using a 7-point scale ranging from 1 ("Not Very Effective") to 7 ("Very Effective"). A self-rated measure is advantageous given that respondents represent a variety of firms selling different products at a wide range of prices. Sales volume measures or a performance measure based on income from selling are difficult to operationalize and are often not comparable from store to store. While not perfect, a self-rated measure can be compared more easily across retail firms (Babin and Boles 1996). Coefficient alpha for all measures exceeded .80. Reliability and correlation estimates are presented in Table 1.

Table 1. Intercorrelations Estimates of Study Constructs 1,a

	1	2	3	4	5	6	Mean	Std. Dev.
1. Retailer Customer Orientation	(.91)	.42	-.34	-.42	.44	.14	29.7	5.1
2. Supportive Work Environment		(.93)	-.27	-.25	.43	.20	21.9	4.8
3. Centralization			(.82)	.34	-.32	-.19	11.6	5.8
4. Selling Orientation				(.92)	-.53	-.14	12.9	7.5
5. Customer Orientation					(.88)	.21	25.1	3.2
6. Performance						(.89)	32.6	7.4

Reliabilities are diagonal

² All correlations are significant ($p < .10$)

Given the similar content of the two dimensions of SOCO, preliminary measurement analyses were conducted specifically examining its dimensionality (Oliver and Swan 1989; Sobel and Bohrnstedt 1985). A two factor confirmatory model was fit constraining six selling orientation and four customer orientation items into the two perspective dimensions. This result was compared to a model constraining all 10 items onto a single SOCO factor. A better fit for the two factor model provides evidence of discriminant validity and is fundamentally equivalent to the practice of setting the correlation estimate between two constructs to unity. In this case, the two factor model provided a considerably better fit ($\chi^2 = 57.6$, $df = 34$, $CFI = .99$) than did the model folding the two dimensions into one ($\chi^2 = 508.4$, $df = 35$, $CFI = .78$; $\Delta\chi^2 = 450.8$, $df = 1$, $p < .0001$).

ANALYSIS AND RESULTS

Measurement Quality

Preliminary scale validation led to the deletion of items based primarily on the patterns of residuals resulting from factor analyses. Confirmatory factor analysis (CFA) was used to test the measurement model formed by constraining the 28 items remaining. The measurement model was constrained so that all measures loaded only on their respective factors and no correlated measurement error was allowed.

The CFA model produced a χ^2 residual of 488.5 with 335 degrees of freedom ($p < .001$). A significant χ^2 is not unexpected given the model complexity and sample size. However, the χ^2 to degrees of freedom ratio (1.46), the comparative fit index (CFI) of .97, the goodness of fit index (GFI) of .90, and the standardized root mean square residual (RMSR) of .04 are all supportive of the model fit (Gerbing and Anderson 1992). The parsimony normed fit index (PNFI) is .82. Additionally, all measurement parameter estimates are highly significant and no latent factors can be combined without sacrificing a significant degree of fit. Therefore, the measures are valid for use in hypothesis testing.

Structural Model Estimation

Table 2 presents standardized path estimates resulting from testing the proposed structural model. For the structural model, $\chi^2=495.3$ with 338 degrees of freedom ($p < .001$). The model CFI is .97, the GFI is .90, RMSR is .05 and PNFI = .83. These indices indicate an acceptable fit for the structural model for the purpose of testing proposed hypotheses.

Table 2. Standardized Parameter Estimates Resulting from Examination of the Structural Equations Model

Hypothesized Relationship	Parameter Estimates	t-Value	Hypothesis Supported
Retailer customer orientation -- > Customer Orientation (H1)	.27	3.93	.001
Retailer customer orientation -- > Selling Orientation (H2)	-.32	4.72	.001
Supportive Work Environment -- > Customer Orientation (H3)	.28	4.19	.001
Supportive Work Environment -- > Selling Orientation (H4)	-.06	-.86	NS
Centralized Decision Making -- > Customer Orientation (H5)	-.15	2.36	.01
Centralized Decision Making -- > Selling Orientation (H6)	.22	3.36	.001
Customer Orientation -- > Performance (H7)	.20	2.58	.01
Selling Orientation -- > Performance (H8)	-.04	-.48	NS

Model Fit Indices:

$\chi^2= 495.3$ with 338 degrees of freedom

CFI=.97

GFI= .90

RMSR=.05

Hypotheses Test Results

The first two hypotheses concerned the relationship between the firm's level of customer orientation and retail salesperson's SOCO. Consistent with predictions, path estimates suggest

that a firm's customer orientation is related positively to a salesperson's use of a customer-oriented selling approach (.27, $p < .001$) and related negatively to a selling-oriented sales style (-.32, $p < .001$).

Hypotheses three and four suggested relationships between a supportive work environment and salesperson SOCO. Hypothesis three is supported by a significant and positive path estimate (.28, $p < .001$) indicating a positive relationship between supportive colleagues and customer-oriented practices. In contrast, no relationship was discovered between a supportive work environment and selling-oriented practices (-.06, ns). Supportive work environments provide positive examples of how to treat individuals and also may encourage salespeople to adopt customer-centered selling approaches. Given the importance of customer satisfaction in today's very competitive retail environment and the increasing expectations of customers regarding their treatment by retailers, it was somewhat surprising to find that supportive work settings are not negatively related to an increased selling orientation among salespeople. Perhaps, the nature of the retail sales setting — which often requires a salesperson to build rapport, present the product/service, and close the sale in one meeting — leads salespeople to engage in some degree selling oriented behavior even if they work in a supportive environment.

Hypotheses five and six predict outcomes of centralized decision making. The negative relationship predicted between centralized decision making and customer orientation is supported by the corresponding path estimate (-.15, $p < .01$). The results are also consistent with H6 as the estimate between centralized decision making and a selling orientation among retail salespeople is significant and positive (.22, $p < .001$). Centralized decision making appears to limit a salesperson's ability (and perhaps desire) to respond to customer needs in a proactive fashion — being a customer-oriented customer contact and results in them being more likely to use selling oriented behaviors during interactions with customers. Retailers with centralized decision making may signal to their salespeople that closing the sale is the key focus of their salespeople, not customer satisfaction or forming relationships with customers.

The hypotheses predicting relationships between each type of salesperson selling style and self-reported job performance offer contrasting results. A positive relationship is observed between a customer orientation and job performance (.20, $p < .01$), consistent with H7. However, in contrast, a sales orientation appears unrelated to job performance (-.04, ns). Previous literature from business-to-business (Saxe and Wetiz 1982) and non-store retail selling environments (Dunlap et al. 1988) indicates that customer-oriented selling approaches can result in superior performance. Our research indicates that the same may be true for in-store retail sales encounters. In addition, for in-store retail settings, a selling orientation is not negatively related to sales performance. It may be that in retail settings, customers expect salespeople to engage in selling-oriented behavior to some degree.

The final hypothesis posited only indirect relationships between the three exogenous constructs and job performance. Salesperson selling orientation and customer orientation were hypothesized to facilitate (mediate) relationships between the exogenous constructs and job performance. While there is considerable support in the literature for the overall influence of work environment constructs on salesperson behavior, there is little evidence that helps determine if these types of constructs are directly related to a salesperson's performance. We examined this

issue more closely by conducting an analyses allowing the three additional paths representing these direct relationships to be estimated freely ($\Delta\chi^2 = 6.8$, $df = 3$, $p > .05$). This finding indicates that of the three potential direct relationships among exogenous constructs and job performance, only the one representing the effect of centralization on job performance approached significance (.13, $t = 1.79$, $p < .10$). These results suggest that sales orientation and customer orientation serve as mediators of the link between a firm's work environment and sales performance. Thus, the relationships of a firm's customer orientation, a supportive work environment, and centralization with performance are indirect.

DISCUSSION AND IMPLICATIONS

Previous research has shown that SOCO can be used to study sales force behavior successfully in retail settings (Brown et al., 1991) as well as business-to-business sales (Siguaw et al., 1994). The present research contributes to this literature by developing and testing a model explaining how important elements of a retail employee's work environment are related to customer and selling orientations, and how these are linked to job performance. Thus, results help build theory concerning SOCO and provide some insight toward effective marketing management of the retail environment.

Findings

Results indicating that a firm's customer orientation is related positively to a salesperson's customer orientation and negatively related to a selling orientation are consistent with results in other contexts that examined a firm's degree of customer and/or market orientation. However, as might be expected, the relationship appears to be somewhat stronger in the current study than in a business to business context where the full market orientation measure was used – as opposed to our use of the firm-level customer orientation items only (Siguaw et al. 1994). Hearing about how a firm believes customers should be treated – and then leaving the office for the rest of the day – may result in a much different interpretation of, and commitment to, that perspective than when a salesperson is surrounded by a customer-oriented workplace for eight hours a day. In the instance of a firm's customer orientation, in-store salespeople may be more receptive to the message than is the case in outside sales positions.

Findings presented here indicate that the degree to which a retail sales employee perceives his coworkers to be supportive is related to the treatment a customer receives. Specifically, results show that perceptions of increased support are associated with a greater customer orientation. Previous research indicates that a salesperson's role stress and absenteeism are related negatively to perceptions of workplace support (Kohli 1989; Teas 1983; Eisenberger et al. 1986). A supportive workplace provides employees with a more positive work environment where they enjoy coming to work, feel less alienated (Ramaswami, Agarwal, and Bhargava 1993), and are more willing to work together. Our results suggest that these happier employees also may be more likely to go to extra lengths to satisfy customer needs by being customer oriented in their work.

Unlike the positive relationship found between both a supportive work environment and market orientation with a salesperson's customer orientation, centralized decision making appears more

strongly related to selling orientation. If a salesperson lacks the authority to make individual decisions based on customer needs and problems, he/she may use a selling oriented approach in an effort to generate sales – giving less consideration to the customer's point of view. Without some latitude in dealing with customers as individuals, a retail salesperson can simply take the approach to his/her job that, "It's a numbers game – talk to enough customers and I'll make my numbers."

Results presented here indicate that increased customer orientation is associated with higher retail job performance. These results corroborate other SOCO research. Saxe and Weitz (1982) found that salesperson customer orientation relates to performance in both business and retail settings. Other research indicates that maintaining a customer orientation results in long-run sales performance (Swenson and Herche 1994). Though most of this research has examined sales behaviors in business-to-business sales settings, the present results suggest this generalization extends to a retail setting as well.

Perhaps more interesting, results suggest that a selling orientation is not significantly related to salesperson performance. This finding indicates that in some sales settings a selling orientation may not be particularly harmful to a salesperson's performance. It is even possible that customers expect some degree of "selling" from a retail salesperson (though that viewpoint requires testing with customers before it can be verified).

One reason for the discrepant findings may be that previous research generally constrained SOCO into a single bipolar dimension. This study suggests that, while being customer oriented helps the salesperson perform better, a selling orientation may not necessarily prove harmful in retail sales positions. This leaves open the possibility that policies may exist that blend appropriate sales-orientation measures with a keen orientation toward addressing customers' true needs. Perhaps this would involve effective cue recognition and a reliance on customer knowledge that would allow suggested sales that were more likely to address real customer needs.

The current research also indicates that the relationship between a salesperson's perspective of the organization and his/her performance is largely mediated through SOCO. A model positing direct and indirect relationships between the organizational level constructs and job performance failed to outperform the totally mediated model. Therefore, it is through SOCO that the relationships of a firm's customer orientation, coworker support and centralization with salesperson performance are realized.

Summary

The use of a customer oriented selling style appears to be an appropriate approach in retail sales as well as business-to-business selling. Adopting a customer oriented sales approach is related to salesperson performance in retail settings, just as earlier research indicates (Dunlap et al., 1988; Saxe and Weitz 1982), and that SOCO is related to employee perceptions of organizational characteristics. This ability to influence the salesperson, potentially makes it easier for a retail store or chain to emphasize customer oriented behaviors, as compared to a firm engaged in outside sales or a business-to-business sales effort that relies on manufacturers' reps to sell their

product. In these later situations, there may not be sufficient reinforcement of the importance of being customer oriented in the salesperson's daily activities.

All of these findings relating the retail work environment to salesperson SOCO suggests that, from a theoretical perspective, the work environment of employees is critical to their success, and is strongly related to their level of selling orientation or customer orientation. Some level of organizational control is obviously necessary for a firm to function smoothly. Yet, providing employees with a rigid decision making framework may result in their taking a more negative approach to customers than a firm would prefer – spending less time working through customer problems to arrive at a winning solution for the customer. Determining the proper amount of control required for the organization to function smoothly while still giving employees the flexibility to adapt the sales process and/or the product or service offering to meet customer needs is a decision that each firm must make based on its situation and marketplace. However, it appears that too much centralization and/or too little support from the workplace is negatively related to a salesperson's performance of customer orientated behaviors.

Future Research and Study Limitations

Future SOCO research needs to examine the relationship between organizational level constructs and salesperson SOCO in business-to-business sales settings. All three of the organizationally actionable issues examined in this study were significantly related to selling orientation, customer orientation, or both. However, a retail setting may allow the firm more control over its sales force than is present in an outside selling position as is often found in the business-to-business sales environment or in outside retail selling such as real-estate or insurance. An outside sales position would provide a more stringent test concerning the generalizability of these findings.

Research also needs to examine other facets of retail work environments. For example, what is the relationship between organizational citizenship behavior and a salesperson's level of selling orientation and customer orientation. Once again, future research concerning organizational level behaviors whether initiated by high or mid-level management needs to be examined for both retail and business selling positions. Additional research may also address differences in relationships between customer orientation and selling orientation. Are there salespeople that practice both? If so, what causes this and what are the results?

The current research has several limitations. First, current findings may not be generalizable to all in-store retail sales positions. Though our sample included salespeople from a variety of firms, it did not include representatives from all retail sales settings. Testing similar relationships in a business-to-business sales setting, in an outside retail sales position, or in specific retail settings would strengthen confidence concerning the generalizability of these findings. Second, there are other organizational/managerial level constructs that may have equally strong relationships to SOCO. For example, organizational citizenship, other aspects of the work environment, or equity, could be highly correlated with a salesperson's use of selling oriented or customer oriented behaviors. A second limitation involves the measurement of performance. A self-rated measure is appropriate in this study given the diverse retail sales positions examined. However, a study of a single firm's sales force with a salesperson's sales volume, manager rating,

or his/her customer satisfaction ratings as another measure of performance would be valuable in determining the relationship between other performance measures and SOCO in an inside retail sales position.

Finally, the possibility also exists that some relationships are attenuated by ceiling effects. In this case, several of the means (for example, performance and customer orientation) are quite close to their maximum values. The effect is that the limited variance may under-represent the true covariation between constructs.

CONCLUSION

This research has examined three organizational level correlates of SOCO. Findings indicate that all three constructs are related to a salesperson's selling orientation or customer orientation. These findings suggest that a firm can exert considerable influence on a sales force to perform in a customer oriented or sales oriented fashion. Results from this research also demonstrate that a retail salesperson's practice of customer oriented behavior is positively related to his/her performance. These findings support and extend previous SOCO research conducted in retail sales settings (e.g. Brown et al., 1991; Dunlap et al., 1988; Goffet al., 1997)

APPENDIX

Item Descriptions

Firm Customer Orientation Items

My company strives to:

- Create customer value
- Understand customer needs
- Meet customer satisfaction objectives
- Provide service after a sale
- Measure customer satisfaction

Salesperson Performance

How effective are you at the following activities?

- Promoting sales of new products
- Exceeding sales targets
- Assisting you sales supervisor to meet his/her goals
- Generating a high dollar volume
- Promoting the full product line

Customer Orientation

- I try to influence a customer by information rather than pressure.
- I offer the product that is best suited to the customer's problem .
- I answer a customer's questions about products as correctly as I can.
- I try to bring a customer with a problem together with a product that helps him solve that problem.

Selling Orientation

I try to sell as much as I can rather than to satisfy a customer.

If I am not sure a product is right for a customer, I will still apply pressure to get him to buy.

I decide what products to offer on the basis of what I can convince customers to buy, not on what will satisfy them in the long run.

I spend more time trying to persuade a customer to buy than I do trying to discover his/her needs.

It is necessary to stretch the truth in describing a product to a customer.

Centralization

A store manager who wants to make his own decision would be discouraged at this company.

Even small matters have to be referred to someone higher in the company for a final answer.

I have to ask my boss before I do almost anything.

Any decision my boss makes has to be approved by an individual at another location.

Supportive Work Environment

The other salespeople in my company are helpful and supportive.

There is a cohesive atmosphere among the salespeople in my company.

Salespeople in my company share work related information.

My supervisor shares work related information.

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