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**AN INVESTIGATION OF THE ANTECEDENTS AND CONSEQUENCES OF  
INDIVIDUAL-LEVEL CUSTOMER ORIENTATION**

**A COMPREHENSIVE APPROACH**

by

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A Dissertation Submitted to the Faculty of  
Old Dominion University in Partial Fulfillment of  
the Requirement for the Degree of

**DOCTOR OF PHILOSOPHY**

**BUSINESS ADMINISTRATION**

**OLD DOMINION UNIVERSITY**

December 2004

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\_\_\_\_\_  
Yuping Liu (Member)

## ABSTRACT

### AN INVESTIGATION OF THE ANTECEDENTS AND CONSEQUENCES OF INDIVIDUAL-LEVEL CUSTOMER ORIENTATION A COMPREHENSIVE APPROACH

Ceyhan Kilic  
Old Dominion University, 2004  
Director: Dr. Anusorn Singhapakdi

Customer orientation has been acknowledged by both practitioners and scholars as a critical element for the success of almost every business. If an organization aims to establish and/or maintain a competitive position in the marketplace and to develop long-term satisfactory relationships with its customers, it should emphasize an understanding of the factors that influence customer orientation of its employees. The number of studies on individual-level customer orientation is quite limited (e.g., Rozell, Pettijohn, and Parker 2004; Saxe and Weitz 1982; Siguaw, Brown, and Widing 1994). Customer orientation has mainly been examined by past research at the organizational level in combination with the other dimensions of the marketing concept and/or market orientation (e.g., Kohli and Jaworski 1993; Lucas and Ferrell 2000; Narver and Slater 1995; Strong and Harris 2004).

The primary objective of this research study is to respond to the previous research calls (e.g., Brown *et al.* 2002; Deshpande, Farley, and Webster 1993; O'Hare, Boles, and Johnston 1991) by investigating the antecedents and consequences of customer orientation at the individual level through a comprehensive structural model. The suggested model captures a comprehensive set of potential antecedents of customer orientation. The antecedents and consequences of customer orientation include *organizational factors* (i.e., organizational culture and market orientation), *job-related*

*factors* (i.e., job involvement, role ambiguity / conflict, job satisfaction, and organizational commitment), *individual factors* (i.e., gender, age, experience, and education), *personality factors* (i.e., compliant, aggressive, and detached) and *performance factors* (i.e., improved buyer-seller relations and performance). Especially, the effect of organizational culture type (i.e., clan, adhocracy, hierarchy, and market) on customer orientation of the individual is an important issue that has not been investigated much.

The suggested model was tested over a random sample of 2000 marketers from a broad range of businesses. A web-version of D & B Million Dollar Database Premier was used as the sampling frame. A single-respondent approach was employed. A self-administered questionnaire was sent to each respondent along with a cover letter and a postage-paid return envelope. The final sample consisted of 189 usable responses resulting in a response rate of 9.78%. A structural equation modeling (SEM) analysis via LISREL 8.5 was used for the model specification and hypothesis testing. The study results suggest that high levels of market orientation lead to high levels of individual-level customer orientation. Role ambiguity has a significant negative effect on customer orientation. Organizational commitment was found to be positively linked to customer orientation. The study results do not support the hypothesis that women marketers are more customer-oriented than their male counterparts. The study also tested the effects of age, experience and education on customer orientation. According to the study results, younger marketers (less than 45 years old) place more value on customers than older marketers (45 years and older); inexperienced marketers (less than 10 years of experience on the job) care more about their customers than experienced ones (at least 10

years of experience on the job); and finally, more educated marketers (having attended graduate school or higher) have more customer orientation than less educated marketers. The study results also reveal that higher levels of customer orientation result in higher levels of relationship development and individual performance. Managerial implications of the study results were also presented and discussed. At the end, future research suggestions were provided.

This dissertation is dedicated to:

My son, Alper Tunga, the greatest warrior of all times, you live in our hearts.

My wife, Turkan, the biggest supporter of my being.

## ACKNOWLEDGEMENTS

This journey started with a purpose of “seeking knowledge” parallel to Yunus Emre’s (The Turkish Mystic, d. 1320 A.D.) purpose of seeking *ilm* in his poem. He says that: “*İlim ilim bilmektir, ilim kendin bilmektir; Sen kendini bilmezsin ya nice okumaktır. Okumaktan mana ne, kişi Hakk’ı bilmektir; Çün okudun bilmezsin, ha bir kuru ekmektir.*” This is translated into English as: “Knowledge should mean a full grasp of knowledge. Knowledge means to know you, heart and soul. If you have failed to understand yourself, then all of your reading has missed its call. What is the purpose of reading those books? So that man can know the All-Powerful. If you have read, but failed to understand, then your efforts are just a barren soul.” Some journeys are short, some journeys are long. I believe this was one of the most meaningful and the longest journeys of all.

I started this journey with my wife, Turkan. She has shared all of the pleasures, difficulties, and challenges of this long journey with me as a wife at home and as a colleague at school and in academia. Without her support and commitment, this dissertation would not have been possible. I would like to thank to my mother, Halime, for her prayers and thoughtfulness, and to my father, Akif, for his guidance. Also, I would like to thank to my brother, Cengiz, and my sisters, Yurdanur and Oznur, and their families for their best wishes. I would also like to thank to my mother-in-law, Sahinaz, and father-in-law, Zihni, for giving me this chance of having this journey with my biggest supporter and motivator, Turkan.

At Old Dominion University, I had a chance to meet many great professors and faculty, I would like to thank to them all for making this journey more pleasurable. Both

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## CHAPTER ONE

### INTRODUCTION

#### 1.1. Centrality of Customer Orientation

Organizations may have different types of business orientations such as customer orientation, goal orientation, management orientation, sales orientation, marketing orientation, and so on. All these orientations can be assessed both at the organizational and individual levels. They may be critically important for firms both in national and international markets. In general, the purpose of these orientations is to generate more profit, more sales, more satisfaction, and so on. Especially, customer orientation has been increasingly emphasized by both academics and practitioners as a beneficial business orientation for the last two decades. The concept of customer orientation can be evaluated from the two perspectives: organizational-level customer orientation versus individual-level customer orientation. Below, the extent of each orientation in the literature will be examined. But, the main focus of this study will be on the individual-level customer orientation and its importance.

#### 1.2. Organizational-Level Customer Orientation

Customer orientation has been a part of the important stages of modern marketing's evolution. This evolution is characterized by four distinctive eras by some marketing texts (e.g., Berkowitz, Kerin, Hartley, and Rudelius 1994). These eras include, in chronological order, the *Production Era*, the *Sales Era*, the *Marketing Concept Era*, and the *Market Orientation Era* (Berkowitz et al. 1994; Wilkie and Moore 2003). This periodization framework is widely acknowledged by scholars. According to this well-known framework, the first era, the *Production Era*, is commonly extended from about

1870 to 1930. The major emphasis of management in this era is on production rather than distribution (Fullerton 1988). This era gave very little attention to marketing (Bagozzi 1986; Fullerton 1988). The *Production Era* was followed by the *Sales Era* in 1930s. In this era, personal selling was backed by research and advertising (Webster 1988). Until the mid-1950s, “marketing” was seen as “selling”. Under this conventional view of marketing, it was believed that greater sales volume was the key to profitability. The main focus was on products, not on customers (Webster 1988). In 1950, the *Marketing Concept Era* which is based on customer orientation started (Webster 1988). A consumer orientation approach has proved more profitable (Webster 1988). Customer orientation is one of the foundational elements of the marketing concept. According to Bell and Emory (1971), the marketing concept consists of the three dimensions which are customer orientation or customer focus, integrated effort, and profit direction or market-driven. The last era is the *Market Orientation Era* which starts in the 1980s and lasts to present time. Since market orientation is accepted as the implementation of the marketing concept (Kohli and Jaworski 1990), customer orientation has also been an integral part of a market orientation. There are two widely-acknowledged views of market orientation in the literature. These are a *cultural* perspective (Narver and Slater 1990) and a *behavioral/activities/process* perspective (Kohli and Jaworski 1990) of a market orientation (Jaworski and Kohli 1996). From the cultural perspective, Narver and Slater (1990) defined market orientation as “*the organization culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, superior performance for the business*” (p.21). Market orientation was characterized by the three dimensions which are (1) customer orientation, (2) competitor

orientation or focus and (3) cross-functional coordination. From the *behavioral/ activities/ process* perspective, Kohli and Jaworski (1990) described market orientation as follows: “*Market orientation is the organization-wide generation of market intelligence pertaining to current and future customers needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it*” (p.6). Market orientation consists of the three dimensions which are (1) intelligence generation, (2) intelligence dissemination, and (3) responsiveness (Kohli, Jaworski, and Kumar 1993). Both the marketing concept and market orientation have been mainly studied at the organizational level in the literature. The effect of market orientation on organizational performance has been widely investigated by scholars in different business contexts (e.g., Baker and Sinkula 1999; Greenley 1995; Jaworski and Kohli 1993; Kohli and Jaworski 1990; Matsuno and Mentzer 2000; Narver and Slater 1990; Voss and Voss 2000). This effect was mostly positive and significant (Deshpande, Farley, and Webster 1993; Jaworski and Kohli 1993; Han, Kim and Srivastava 1998; Narver and Slater 1990; Ruekert 1992). It would be fair to say that the antecedents, consequences, and/or effects of the *organizational-level customer orientation* have been relatively well-documented compared to those of the *individual-level customer orientation*. The previous organizational-level research showed that market orientation may lead to a number of individual- or employee-level favorable outcomes such as: enhanced employee esprit de corps and organizational commitment (Jaworski and Kohli 1993; Jaworski and Kohli 1996). Market orientation also affects the customer orientation, role stress, job satisfaction, and organizational commitment of salespeople (Siguaw, Brown, and Widing

1994; Jaworski and Kohli 1996). The number of studies on employee consequences of a market orientation is quite small (Jaworski and Kohli 1996).

### **1.3. Individual-Level Customer Orientation**

Employees of a market-oriented firm are ideally expected to be also market- or customer-oriented. Market orientation motivates employees to become more customer-oriented, more committed to their company and their job, and more satisfied with their job (Kohli and Jaworski 1990; Siguaw, Brown, and Widing 1994). It has been empirically shown that, in a market-oriented organization, employees are likely to have more esprit de corps and organizational commitment (Jaworski and Kohli 1993; Jaworski and Kohli 1996) as addressed before. A small volume of studies have investigated whether a high level of the organizational-level market orientation results in a high level of customer orientation exhibited by the firm's employees at different organizational levels (e.g., Siguaw, Brown, and Widing 1994). Siguaw, Brown, and Widing (1994) found a positive and significant relationship between organizational-level market orientation and individual-level customer orientation. The possible relationship between overall market orientation of the firm and the customer orientedness of the firm's employees may have important implications for businesses. Establishing and maintaining a strong customer orientation in each employee are critical for the success of almost any types of businesses.

Having a workforce with a strong market/customer orientation is especially important for a firm in the selling context. If a firm is market-oriented, it is more likely to take a planned action to train its sales employees to make them more market / customer-oriented. Because the marketing concept requires that all of a firm's activities be directed

toward providing customer satisfaction and establishing long-term relationships (Kotler 1980; Tadepalli 1991), there is a mandate for customer-oriented selling. In the literature, different terms have been used to express the customer orientedness of marketers. Some researchers have chosen to use the term 'customer-oriented selling', which was described as "*the practice of the marketing concept at the level of the individual salesperson and customer*" (Saxe and Weitz 1982, p.343). Better customer-oriented selling is achieved by customer-oriented marketers. Especially, customer-oriented sales people or sales force can create a high level of customer satisfaction and thus, develop a strong customer base for the company. According to Brown, Mowen, Donavan, and Licita (2002), in service organizations, market orientation is implemented by individual service workers. Also, it is true that "personal interaction component of services is often a primary determinant of the customer's overall satisfaction" (Rush, Zahorik, and Keiningham 1996, p.391).

However, to attain a desirable level of customer satisfaction is not an easy task for a market-oriented company in competitive national and international market environments due to a number of challenges there. The most significant challenge for a company may be the creation of mutually beneficial, long-term relationship with its market(s) (Kotler 1980). To overcome this challenge, all of the firms' activities should be directed toward creating personal communication of information to persuade customer(s) to buy something (Etzel *et al.* 2004). A highly customer-oriented sales force can make a difference here. In a competitive market environment, the selling function gains greater importance and becomes one of the most crucial marketing functions (Weld 1917). Therefore, the function of selling must be understood and examined very carefully in the marketing environment. In a recent statement, Williams and Attaway (1996) highlights

the unarguable importance of salespeople and their influential role for the success of an organization. The authors stated that (e.g., Grewal and Sharma 1991; Magrath 1990 suggested):

“Generally, sales representatives have the most direct contact with the customer. As a consequence, the conduct and behavior of salespeople personifies how selling firm feels about its customers . . . . Thus, the marketing success of a firm is highly dependent upon its sales representatives since they have the most immediate influence on customers” (Williams and Attaway 1996, p.34).

Since a marketer has a significant impact on the creating demand and establishing trust between the organization and the customer, the actions and behavior of a marketer and his/her orientation towards the customer become very significant and central from the organizational standpoint. If an organization aims to establish and/or maintain a competitive position in the marketplace and to develop long-term satisfactory relationships with its customers, it should definitely emphasize on understanding the factors that influence the customer-orientedness of its marketers.

#### **1.4. Statement of the Problem**

Even though customer orientation is accepted by both practitioners and scholars as a critical element for the success of almost every business, past research has not given a specific attention to this subject much. The previous research has mainly treated customer orientation as an important component of the marketing concept (e.g., Bell and Emory 1971) and/or market orientation (e.g., Narver and Slater 1990). Customer orientation has mainly been examined at the organizational level in combination with the other dimensions of the marketing concept and/or market orientation (e.g., Kohli and Jaworski 1990, 1993; Lucas and Ferrell 2000; Narver and Slater 1990, 1994, 1995). In the literature, the number of individual-level market/customer orientation studies is

limited (e.g., Saxe and Weitz 1982; Siguaw, Brown, and Widing 1994; Swenson and Herche 1994; Williams and Spiro 1985). Recently, Brown *et al.* (2002) noted that “Despite the apparent importance of employees’ customer orientation to the implementation of the marketing concept in the market-driven company, research on the construct has been limited” (p.111). Deshpande, Farley, and Webster (1993) stated that customer orientation has been given very little *empirical* attention despite the great attention given to the concept by researchers.

Moreover, the issue of the individual-level customer orientation within the selling context or customer-oriented selling has not been given a sufficient attention by researchers. Several researchers have pointed out that there is a lack of understanding of customer-oriented selling or customer orientation at the individual salesperson level (e.g., O’Hare, Boles and Johnston 1991; Saxe and Weitz 1982). Also, the number of studies on this issue is small (e.g., Brown, Mowen, Donavan, and Licita 2002; O’Hare, Boles and Johnston 1991). For example, Saxe and Weitz (1982) stated that “little empirical work has examined the effectiveness of customer oriented selling and the factors influencing the extent to which salespeople engage in it” (p.344). O’Hare, Boles, and Johnston (1991) urged that “Although customer oriented selling is an acknowledged practice, a complete understanding of is lacking” (p.61). All of these scholars have tried to draw attention to the lack of empirical research on customer orientation at the individual level and the importance of a better understanding of the customer-oriented selling concept in today’s business world.

The past research has defined the concept of customer orientation (Saxe and Weitz 1982). The past research on the customer-oriented selling has aimed to measure

and/or modify the effectiveness of customer-oriented selling and to examine the relationship between selling behavior and sales effectiveness (e.g., Brown, Widding, and Coulter 1991; Dunlap, Dotson, and Chambers 1988; Howe, Hoffman, Hardigree 1994; Michaels and Day 1985; Saxe and Weitz 1982; Tadapalli 1995; Thomas, Soutar and Ryan 2001). These studies used mostly the SOCO (*sales orientation-customer orientation*) scale which was developed by Saxe and Weitz (1982). Saxe and Weitz (1982) defined the concept of customer orientation and developed the 24-item scale to measure customer orientation and to examine the relationship between the selling behavior and selling effectiveness. This scale measures “the extent to which salespersons practice the marketing concept or, more precisely, the degree to which salespersons practice customer-oriented selling” (Brown, Widing and Coulter 1991, p.347). This scale “fulfills an important need for marketers by enabling the measurement of a salesperson’s customer orientation” (Tadepalli, p.178). Most studies have concentrated on the definition and replication of the SOCO scale in different marketing contexts. These studies have measured the customer orientation of different groups, other than sales people, by using the SOCO scale. These studies have used either the same or modified version of the SOCO scale to evaluate the level of the customer orientation of the individual in different business contexts or from different perspectives (e.g., Brown, Widing, and Coulter 1991; Dunlap, Datson, and Chambers 1988; Michaels and Day 1985; Tadepalli 1995; Thomas, Soutar, and Ryan 2001). Michaels and Day (1985) used the SOCO scale to assess the customer orientation of salespeople over a national sample of 3216 purchasing professionals or buyers. The customer orientation of salespeople was evaluated from the buyer’s perspective. Dunlap, Datson, and Chambers (1988) evaluated

the extent to which real-estate brokers adhere to the marketing concept by engaging in customer-oriented practices over the samples of 425 real-estate consumers and 190 real-estate brokers. The results revealed that consumers (buyers) of real estate do not perceive real-estate brokers to be as customer-oriented as they (the brokers) perceive themselves to be. Brown, Widing, and Coulter (1991) utilized the customer orientation scale by asking 348 consumers to evaluate the customer orientation of retail salespeople. The scale items were slightly modified to fit the consumer sample and retail focus of the study. The authors concluded that the customer orientation scale “works as well with buyers as with salespeople.” Later, Tadepalli (1995) modified Michaels and Day’s (1985) version of the customer orientation scale using a sample of 345 people. More recently, Thomas, Soutar, and Ryan (2001) examined if the number of items could be reduced while still maintaining the scale’s dimensionality and consistency. All of these studies and their replications have helped researchers understand the concept better, and provided important business implications for a larger audience in different business environments. These studies have developed a great deal of measurement tools that are usable by both researchers and practitioners.

A few studies have focused on examining the effects of customer orientation on business in both individual and organizational contexts. A group of studies have examined the factors that affect the degree of customer orientation of individuals (e.g., Brown *et al.* 2002; O’Hara, Boles, and Johnston 1991; Siguaw and Honeycutt 1995; Siguaw, Brown, and Widing II 1994; Williams and Attaway 1996). The customer orientation construct was used as an intermediary variable in some studies (e.g., Howe, Hoffman, and Hardigree 1994; O’Hare, Boles, and Johnson 1991; Siguaw, Brown, and

Widding 1994; Williams and Attaway 1996). O'Hara, Boles and Johnston (1991) tested job tenure, supervisor/employee relations, job involvement, organizational commitment, and personal characteristics (i.e., gender) as antecedents of customer orientation. Siguaw and Honeycutt (1995) investigated the links among job satisfaction, organizational commitment, role conflict, role ambiguity, and salesperson's performance over a sample of 1644 salespersons with a response rate of 16.4%. Siguaw, Brown, and Widing II (1994) explored the effect of market orientation, as viewed from the salesperson's perspective, on the salesperson's customer orientation and job attitudes (i.e. role ambiguity and conflict, job satisfaction, and organizational commitment) using random samples of 585 sales personnel and 353 sales/marketing managers. Williams and Attaway (1996) examined the relationships among organizational culture, customer orientation, and buyer-seller relationship development. Customer-oriented behavior was used as a mediating variable between buyer's / seller's organizational cultures and buyer-seller relationships. A selling firm's organization culture is the significant predictors of customer orientation and relationship development. Brown *et al.* (2002) investigated the effects of basic personality traits on the customer orientation of employees.

Although the volume of the studies on the measurement or modification of the effectiveness of customer-oriented practices is quite large, there are not many studies that have examined the antecedents and consequences of the customer-orientedness of an individual in different business contexts including marketing, advertising, retailing, and so on. O'Hare, Boles, and Johnston (1991) noted that "A review of work in the area of selling orientation/customer orientation indicates only limited research has examined the antecedents of this selling style" (p.64). Kelley (1992) urged that "very little research has

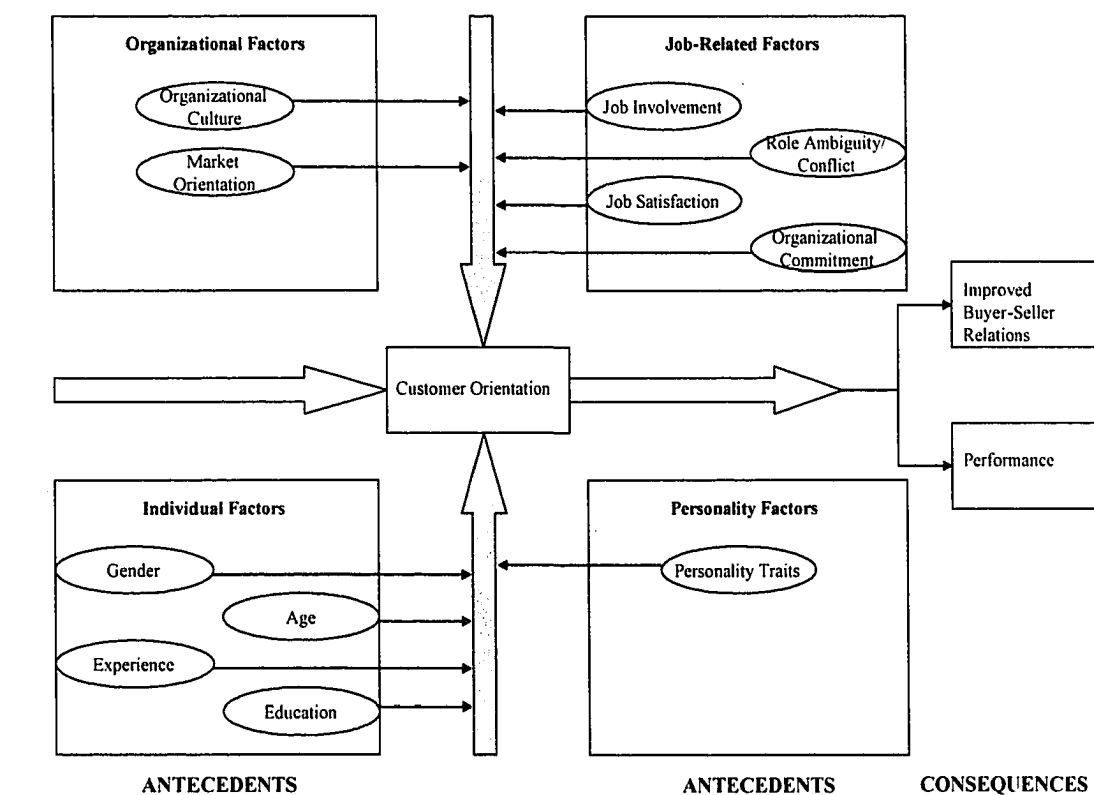
investigated customer orientation and its antecedents” (p.30). According to Hoffman and Ingram (1991), “Little is known about the factors that affect customer-oriented behavior” (p.31). This gap in the literature should be filled by future empirical studies.

### 1.5. Description of the Model

The suggested model (Figure 1.1) consists of four parts: (1) organizational-level antecedents of customer orientation, (2) individual-level antecedents of customer orientation, (3) customer orientation, and (4) individual performance outcomes as consequences. The antecedents and consequences of customer orientation include a number of organizational- or individual-level factors. These factors were classified as (a) *organizational factors* (i.e., organizational culture and market orientation), (b) *job-related factors* (i.e., job involvement, role ambiguity/conflict, job satisfaction, and organizational commitment), (c) *individual factors* (i.e., gender, age, experience, and education), (d) *personality factors* (i.e., personality traits), and (e) *performance factors* (i.e., improved buyer-seller relations, performance). The conceptualization and measurement of organizational culture will be based on the typology used by Deshpande, Farley, and Webster (1993). According to this typology, there are four different types of organizational cultures which are *clan*, *adhocracy*, *hierarchy*, and *market* cultures. Market orientation of the organization will be evaluated by the scale developed by Kohli, Jaworski, and Kumar (1993). Personality factors consist of three different forms of personality traits suggested by Noerager (1979). These are *compliant*, *aggressive*, and *detached*.

A few studies have examined the drivers and outcomes of customer orientation at the personal level within the selling context (e.g., Brown *et al.* 2002; O'Hara, Boles, and Johnston 1991; Siguaw and Honeycutt 1995; Siguaw, Brown, and Widing II 1994; Williams and Attaway 1996). This study aims to examine the possible antecedents and consequences of customer orientation in the marketing context by exclusively focusing on the concept of customer orientation. Thus, this study with the suggested model is expected to fill a significant void in the relevant literature.

**FIGURE 1.1. THE ANTECEDENTS AND CONSEQUENCES OF INDIVIDUAL LEVEL CUSTOMER ORIENTATION**



## 1.6. Significance and Contributions of the Research

One of the objectives of this research study is to respond to the previous research calls (e.g., Brown *et al.* 2002; Deshpande, Farley, and Webster 1993; O'Hare, Boles and Johnston 1991) by investigating the antecedents and consequences of customer orientation at the individual level. This study is expected to help researchers and practitioners have a better understanding of the customer orientation concept in the marketing context. This research study aims to make significant contributions to the relevant literature in a number of ways:

First, the suggested model captures a very comprehensive set of the potential antecedents of customer orientation. Thus, the effects of a large group of organizational- and individual-level variables on the marketers' customer orientation will be tested simultaneously using the same sample of respondents. This will give us an opportunity to examine any possible interactions among the antecedents of customer orientation in future studies.

Second, according to the author's best knowledge, the effect of organizational culture type on the customer-orientedness of the individual is an important issue that has not been investigated much. Williams and Attaway (1996) investigated the relationship between organizational culture and customer orientation at the individual salesperson level. But, their conceptualization / operationalization of organizational culture were based on a simplistic classification of organizational cultures as *bureaucratic* versus *supportive* cultures. This study will utilize a more comprehensive conceptualization and classification scheme of organizational culture. This study will treat organizational culture as an antecedent and examine the effects of four different types of organizational

culture (i.e., clan, adhocracy, hierarchy, and market) on the customer orientation of the marketers.

Third, the impacts of the individual's personality traits on the degree of customer orientation of the individual are examined by a limited number of studies (e.g., Brown *et al.* 2002). This study will examine the effect of each CAD dimension (i.e., compliant, aggressive, and detached) on the level of customer orientation of the marketer. Thus, the findings of the study will unveil whether or not the personality of the marketer is a critical factor in the development of the customer-oriented marketing force by firms. The CAD dimensions are used in this study for several reasons. First, to the author's best knowledge, the CAD dimensions have not been tested in the marketing and business contexts previously. In this study, these dimensions will be tested for the first time within a comprehensive model. Second, the CAD dimensions include 16 personality factors which are considered to be the origins of the "Big Five" personality dimensions. The CAD dimensions may be as valid and reliable as the "Big Five" personality dimensions since they are connected. Thus, this study will test the reliability and validity of this original scale in the marketing context. Third, the number of items in this personality scale is much smaller than that in more comprehensive scales with more dimensions. For example, while CAD has 19 items, "big five" has 60 items. There is a significant gap between the numbers of items in the two scales. Since there is a space limitation in the survey questionnaire, using a shorter scale may be more convenient. Finally, the personality dimensions of CAD are more appropriate to the marketing managers than those of any other scales.

Fourth, in this study, the short-term and long-term performance outcomes of customer orientation (i.e., performance versus improved buyer-seller relations) will be examined simultaneously. To my best knowledge, these two individual-level performance measures have not been examined within the same framework before. A simultaneous examination of these two performance variables will give us a chance to understand whether there is a significant difference between the short-term and long-term performances of a marketer.

Fifth, the target respondent of this study will be the marketer. This study aims to measure the customer orientation of “marketers” who could be marketing managers, advertising managers, product managers, promotion managers, brand managers, and so on. To my best knowledge, there are no other studies that have focused exclusively on the marketers who are well-known practitioners of customer orientation. Most of the past studies have focused on salespersons, and/or sales managers, and/or customers. Based on the review of the relevant literature, it can be said that this is the first study that measures the customer orientation of marketers. This aspect of the study will be one of the most significant contributions of this study to the marketing literature.

Finally, sixth, from an overall perspective, the findings of this study are expected to provide significant practical implications for practitioners at the managerial level. Firms that desire to develop a customer-oriented marketing force will benefit from the findings of this study.

## 1.7. Research Terminology

A number of terms will be used frequently in this study. In order to provide a better understanding of the study, the meanings of these terms will be explained briefly below:

### *Marketer:*

This study will be conducted at the individual level. The target respondent is the marketer. Therefore, an accurate understanding of the responsibilities of a “marketer” is important. According to the definition of *Field Guide to Marketing* (1994), marketing management has different functions in a business environment. These functions are realized by marketers. The responsibilities of marketers include the following tasks:

(*Field Guide to Marketing*, 1994, p.110-111, the fonts were changed):

- 1) Finding out the facts (marketing research)
- 2) Making predictions from research (forecasting).
- 3) Designing products based on that research (new product management)
- 4) Making sure they are products that customers want to buy (brand management).
- 5) Deciding on quantities (budgeting).
- 6) Deciding at what price goods should be sold and for what profit (pricing policy).
- 7) Moving goods from their point of manufacture to their point of consumption (distribution).
- 8) Selling (sales management).
- 9) Persuading through communication (advertising, public relations, and sales promotion).
- 10) Positioning and packaging the product (product strategy, branding).

### ***Customer-Oriented Marketing:***

This study investigates the antecedents and consequences of customer orientation. In this study, the customer orientation scale will be employed to measure the marketer’s customer orientation. Therefore, this concept should be well-understood. Saxe and Weitz (1982) defined *Customer-Oriented Selling* or *Sales Orientation-Customer Orientation* of

*Sales People* as follows: "Customer-oriented selling can be viewed as the practice of the marketing concept at the level of the individual salesperson and customer" (p.343). More specifically, "The term refers to the degree to which salespeople practice the marketing concept by trying to help their customer make purchase decisions that will satisfy customer needs" (Saxe and Weitz 1982, p.344). The authors added that "*Customer-Oriented Selling* is a way of doing business on the part of salespeople" (p.344). In this study, the customer orientation scale will be used to measure customer orientation of marketers.

#### ***Customer-Oriented Marketers:***

Saxe and Weitz (1982) defined the key characteristics of the *customer-oriented sales people*. "*Highly customer-oriented salespeople* engage in behaviors aimed at increasing long-term satisfaction. In addition, they avoid behaviors which might result in customer dissatisfaction. Thus, highly customer-oriented salespeople avoid actions which sacrifice customer interest to increase the probability of making an immediate sale." (p.344). These key characteristics of customer-oriented sales people are also applicable to "customer-oriented" marketers.

#### ***Relationship Development:***

Williams and Attaway (1996) defined *relationship development* as "the extent to which individual buyers are interested in maintaining and/or increasing their level of interaction with a sales organization's representative as well as their willingness to refer the representative to the others within or outside their firm" (p.35).

### **1.8. Suggested Research Methodology**

The suggested research model was tested over a random sample of 2000

marketers from a broad range of businesses within the manufacturing and non-manufacturing sectors. A self-administered questionnaire was sent to each respondent along with a cover letter and a postage-paid return envelope. A single respondent from each firm was asked to participate in the survey. All the model constructs were measured by the scales borrowed from the past studies. A marketer's customer orientation was assessed by using the customer orientation scale suggested by Saxe and Weitz (1982). Customer orientation was evaluated from the marketer's perspective. A Structural Equation Modeling (SEM) analysis via LISREL 8.5 was used for analyzing the data gathered.

This study is organized as follows: Chapter 2 presents a comprehensive review of the relevant literature on individual-level customer orientation. Chapter 3 introduces the suggested model, and discusses the research hypotheses. Chapter 4 defines the research methodology employed for data collection and analysis, and discusses the findings of the study in detail. Chapter 5 summarizes the study results, and presents future research suggestions.

## CHAPTER TWO

### LITERATURE REVIEW

The number of studies on customer orientation at the individual level has been limited so far. The studies on this topic have appeared in a variety of academic journals, including *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Personal Selling & Sales Management*, *Journal of Marketing Theory and Practices*, *Industrial Marketing Management* and so on. The past research on customer orientation of an individual can be examined under two major sections: (1) The customer orientation studies that investigate the statistical properties of the SOCO scale and/or aim to modify the SOCO scale to fit it into different perspectives and/or different business contexts, and (2) The customer orientation studies that investigate various antecedents and consequences of customer orientation of salespeople mostly via theoretical frameworks. In this chapter, the review of the customer orientation research at the individual level will be facilitated on the basis of these two major sections. In this chapter, first, the origins of the customer orientation research will be briefly reviewed. Within this section, the evolution of modern marketing, and the meanings and scopes of the marketing concept and a market orientation will be discussed. To become familiar with the origins or foundations of customer orientation will help the reader better understand the past and current research on the individual-level customer orientation. Second, the customer orientation studies that specifically focus on the use and modification of the SOCO scale will be reviewed in greater details. Third, the customer orientation studies that investigate the antecedents and outcomes of customer orientation of individuals within organizations will be critically evaluated. A summary table of the major individual-level customer

orientation studies will be presented in this chapter in order to provide a quick review for the readers of this study (Please see Appendix 2.1). Additionally, a number of important theoretical frameworks will be exhibited within the last section of this chapter.

## **2.1. Origins of the Customer Orientation Research**

Customer orientation has been an important part of the modern marketing's evolution. In the following section, the development of the customer orientation concept will be presented within a chronological framework along with the evolution of modern marketing.

### **2.1.1. Evolution of Modern Marketing**

A brief discussion of modern marketing's evolution from production orientation to market orientation may be helpful in comprehending the foundations of customer orientation. Modern marketing's evolution from production orientation to market orientation falls into four distinctive eras (Berkowitz *et al.* 1994). This periodization framework is widely recognized by academics. These eras are, chronologically, the *Production Era*, the *Sales Era*, the *Marketing Concept Era*, and the *Market Orientation Era* (Berkowitz *et al.* 1994; Wilkie and Moore 2003). Alternatively, from a totally different perspective, Fullerton (1988) suggested a more comprehensive periodization framework that includes four distinctive eras -the *Era of Antecedents*, the *Era of Origins*, the *Era of Institutional Development*, and the *Era of Refinement and Formalization* (See Fullerton 1988 for details). In this section, the former periodization will be adopted and discussed in greater details since it clearly shows the marketing's evolution from production to market orientation in a causal relationship.

According to the former framework, the first era, the Production Era, is commonly extended from about 1870 to 1930. The major focus of management in this era was on production of goods and services rather than distribution of them (Fullerton 1988). The major characteristics of this era were listed by Fullerton (1988) as follows: First, the primary attention was given to physical production, solving supply-related problems through new technologies, and developing more efficient management techniques. Distribution was a secondary concern for companies. Second, output was an outcome of limited product lines and production requirement-based product design and conception rather than the customer need-based one. Third, there was more demand than supply due to increasing disposable income and desire for any available products among large population. Fourth, little competition existed in each product market, and finally, fifth, there was no pressure on wholesalers and retailers to develop complex methods to sell products since products sold themselves easily (Fullerton 1988). Apparently, this era paid very little attention to marketing-related issues (Bagozzi 1986), and more comprehensive marketing practices have actually developed much more recently (Fullerton 1988). Starting from the end of the 1950s, manufacturing had a less important role in company strategy compared to accounting and marketing (Draaijer 1992).

The Sales Era followed the Production Era in 1930s. In this era, personal selling was supported by both research and advertising. 'Marketing' was viewed as 'selling' until the mid-1950s. Under this traditional view of marketing, it was believed that greater sales volume was the key to profitability (Webster 1988). Consequently, marketing's main responsibility was to sell what the factory could produce and to convince people that they needed what the firm was producing. In this era, the main focus was on

products, not on customers (Webster 1988). The products were taken as given, and had to be sold by a sales force. A short-term and tactical focus was prevalent in marketing. The selling process itself was emphasized (Webster 1988).

In 1950, the Marketing Concept Era that is based on customer orientation started. "The reorganization of the General Electric Company in the early 1950s signaled ascendancy of a corporate philosophy which came to be known as the marketing concept" (Sachs and Benson 1978, p.68). Until the 1960s the price of a product was the most significant factor for the customer. But during the early 1970s, various industries started to emphasize the quality of their products (Draaijer 1992). This trend was supported and reinforced by customers and other companies as well (Draaijer 1992). The marketing concept evolved when the American economy matured into a consumer society, the number of products and brands increased, and the purchasing power of the consumer improved. A customer orientation approach has appeared to be more profitable (Webster 1988). The customer orientation approach is based on offering carefully tailored products and an integrated mix of marketing elements, and pursuing a long-term, strategic orientation instead of a short-term, tactical orientation, focusing on long-run market segmentation and product differentiation as a key to profitability instead of sales volume (Webster 1988).

In the early 1980s, companies were stimulated by more demanding customers to develop more product selections at optimum quality and minimal costs (Draaijer 1992). Then, the last era, the Market Orientation Era, started in the 1980s and lasted to present time (Fullerton 1988). Market orientation is known as the implementation of the

marketing concept (Jaworski and Kohli 1990). In the next two sections, the scopes and extents of both the marketing concept and market orientation will be presented.

### **2.1.2. The Marketing Concept**

The marketing concept has been seen as a critical marketing management approach (Kohli and Jaworski 1990) and/or a marketing philosophy (Barksdale and Darden 1971). The major goal of the marketing concept is to achieve customer satisfaction at a profit (Houston 1986). In order to provide customer satisfaction, a firm must understand needs and preferences of its customers first. According to Kotler (1980), "The marketing concept . . . holds that the key to achieving organizational goals consists of . . . determining the needs and wants of target markets" (p.22). A firm operating under the marketing concept should spend a considerable amount of time and effort on identifying needs/wants/preferences of its customers, and then, developing right products and services to satisfy them (Kotler and Zaltman 1971; Houston 1986).

Under the marketing concept, the interests of customers are at the top of the firm's priorities for executives. In this approach, the product is not considered to be as given, instead it is seen as a variable to be modified according to changing customer needs (Webster 1988). Sachs and Benson (1978) stated that customer demand is not dependent on the supply of the product, instead, it comes from customers who seek satisfaction or utility (Sachs and Benson 1978). In spite of the concept's apparent wisdom and importance, it has always had to struggle for continued acceptance (Webster 1988). The marketing concept always encourages continued change in an organization in response to market conditions. This is really difficult to do (Webster 1988).

According to Brännback (1997), the main elements of the marketing concept are customer orientation and integrated marketing. According to the marketing concept, customer needs should be satisfied through integrated marketing. Integrated marketing refers to “the co-ordination of action of other functional departments in an organization” (Brännback 1997, p.296). The marketing concept, as Davis, Morris, and Allen (1991, p.45) noted, requires the organization (1) to concentrate on specific target markets, (2) to focus on customer needs/wants, (3) integrate an emphasis on customer satisfaction throughout all the activities and personnel of the firm, and (4) to invest in long-term profitability (Also see Kerby 1972; Kotler 1988; McKetterick 1957; McNamara 1972). This characterization of the marketing concept by Davis, Morris, and Allen (1991) seems to be practical rather than philosophical. In this regard, it presents a strong support to Bell and Emory (1971, p.39)’s argument that the marketing concept is totally operational rather than philosophical. Bell and Emory (1971) claimed that despite the statements of customer orientation possess the elements that appear to be philosophical in nature, in fact, philosophical issues are not raised. For example, the aim of customer orientation is to increase the firm’s selling effectiveness. This aim is entirely operational (Bell and Emory 1971).

Even though the marketing concept is an organizational concept, it also applies to the individual behaviors of the firm’s employees. For example, Kurtz, Dodge, and Klompmaker (1976) related the marketing concept to the salesperson’s individual behavior in their following statement which was also cited by Saxe and Weitz (1982, p.343):

“In the marketing concept, all parts of an organization are oriented toward solving customer problems and meeting the needs of the marketplace. Sales personnel no

longer specialize solely in increasing sales volume; rather, the prospect's real needs become the basis of the marketing plan... Companywide acceptance of a customer orientation requires the sales force to become thoroughly professional in its dealings with prospects and customers. A mark of professionalism in sales is that sellers adopt a problem-solving approach to their work. A professional salesperson does not wonder, "What can I sell this individual?" but instead asks, "How can I best solve this person's problems?" (Kurtz, Dodge, and Klompmaker 1976, p.13-14).

The top management's sole acceptance of and commitment to the marketing concept are not enough for the successful execution of the principles of the marketing concept. In fact, employees of an organization are the implementers of the marketing concept. They need to understand, accept, and apply those principles in their job-related activities. They should be customer-oriented in their all interactions with customers. Customer satisfaction should be at the top of the list of their job priorities.

Despite its simplicity (Barksdale and Darden 1971), the marketing concept has often been misunderstood and misused over time (Houston 1986). The failure of businesses with respect to the marketing concept is related to the following two reasons: First, the marketing concept has been perceived as an optimal managerial approach to marketing almost universally. It has been seen as a remedy in nearly all circumstances. In fact, it is not applicable in all instances (Houston 1986). Second, the marketing concept has been executed inaccurately and poorly over time (Houston 1986).

### **2.1.3. Market Orientation**

The research that examines market orientation at the organizational level has been extensive. Market orientation was formally defined by Jaworski and Kohli (1990) and Narver and Slater (1990). Their definitions of market orientation were presented earlier in Chapter 1, therefore, they will not be repeated here. Market orientation was also conceptualized and operationalized by these same researchers (Kohli and Jaworski 1993;

Narver and Slater 1990). Their definition and conceptualization of market orientation were substantially different from each other. Indeed, their views on market orientation represent two distinctive perspectives. Narver and Slater (1990)'s perspective on market orientation is labeled as a "cultural perspective". Kohli and Jaworski (1990)'s perspective is referred to as a "behavioral/ activities/process perspective". Narver and Slater (1990)'s conceptualization of market orientation is based on the three main dimensions which are customer orientation, competitor orientation, and interfunctional coordination. Narver and Slater (1990) developed the MKTOR scale on the basis of their conceptualization of market orientation. Kohli and Jaworski (1990)'s conceptualization of market orientation is characterized by the three main dimensions which are customer and competitor intelligence generation, dissemination of intelligence throughout the organization, and responsiveness to it. Market orientation was measured by the MARKOR scale. Both these distinct conceptualizations and scales have been widely acknowledged by researchers.

In this study, the behavioral perspective of a market orientation is adopted since a market orientation is not considered to be a part of the organization's culture in the model. Market orientation and organizational culture are treated as different constructs within the suggested model. Accordingly, the MARKOR scale will be used to evaluate the level of the organization's market orientation. Furthermore, a market orientation is viewed as a behavioral concept Kohli and Jaworski (1990). Customer orientation is a behavioral concept as well. An organization with a strong market orientation requires its employees to adopt customer-oriented behaviors. The customer orientation scale suggested by Saxe and Weitz (1982) is based on the behavioral items. Therefore, the

inclusion of customer orientation in the model which is a behavioral phenomenon and the use of the customer orientation scale which has the behavioral items require the adoption of a behavioral perspective of a market orientation and the employment of the MARKOR scale.

The past research on the organizational-level market orientation has mainly focused on the relationship between market orientation and company performance in different business settings (e.g., Baker and Sinkula 1999; Greenley 1995; Jaworski and Kohli 1993; Kohli and Jaworski 1990; Matsuno and Mentzer 2000; Narver and Slater 1990; Voss and Voss 2000). In general, the effect of market orientation on firm performance was positive and significant (Deshpande, Farley, and Webster 1993; Jaworski and Kohli 1993; Han, Kim and Srivastava 1998; Narver and Slater 1990; Ruekert 1992). A group of scholars has investigated better ways of measuring the market orientation constructs (e.g., Narver and Slater 1990; Jaworski and Kohli 1993; Kohli, Jaworski and Kumar 1993; Deshpande and Farley 1996). A number of studies have probed the links of market orientation to a variety of business concepts, including sales behavior and attitudes (Siguaw, Brown and Widing II 1994), learning (Baker and Sinkula 1999; Slater and Narver 1995), innovativeness (Han, Kim and Srivastava 1998; Hurley and Hult 1998; Lukas and Ferrell 2000) and so on.

## **2.2. Definition / Conceptualization / Operationalization of Customer Orientation**

One of the earliest research studies that conceptualized and operationalized the individual-level customer orientation was done by Saxe and Weitz (1982). Saxe and Weitz (1982) developed a scale to investigate the relationship between selling behavior and selling effectiveness or customer orientation of salespeople. Their scale was labeled

as the sales orientation-customer orientation (SOCO) scale. For their study, Saxe and Weitz (1982) interviewed 25 sales people and sales managers in their preliminary research to define the attitudes and the behaviors that differentiate more and less customer-oriented salespeople. On the basis of their review of the literature and their personal interviews with salespeople and sales managers, they described the customer-oriented selling behavior with the following seven elements (p.344);

- (1) A desire to help customers make satisfactory purchase decisions.
- (2) Helping customers assess their needs.
- (3) Offering products that will satisfy those needs.
- (4) Describing products accurately.
- (5) Adapting sales presentations to match customer interests.
- (6) Avoiding deceptive or manipulative influence tactics.
- (7) Avoiding the use of high pressure.

Saxe and Weitz (1982) noted that the highly customer-oriented salespeople try to create long-term relationships between the customer and their organization. The customer-oriented salespeople are also likely to avoid from adverse behaviors which may harm the customer satisfaction.

Saxe and Weitz (1982) conducted two different mail surveys to develop the SOCO scale. For the first survey, they used a convenience sample of 208 sales people to test 70 items. They achieved a response rate of 44%. For the second survey, a sample of 133 salespeople was sent questionnaires. They accomplished a response rate of 71%. After analyzing the data from these surveys, Saxe and Weitz (1982) developed a valid and reliable scale (SOCO) to measure 'customer orientation of salespeople' or 'the customer-oriented selling'. This scale has been largely accepted and frequently used as a measure of customer orientation by academics (e.g., Thomas, Soutar and Ryan 2001; Michaels and Day 1985; Tadeipalli 1995; Brown, Widing and Coulter 1991; Dunlap,

Datson and Chambers 1988; Thomas, Soutar and Ryan 2001; O'Hara, Boles and Johnston 1991; Siguaw and Honeycutt 1995; Williams and Attaway 1996; Siguaw, Brown, and Widing II 1994; Brown, Mowen, Donavan, and Licita 2002; Boles, Babin, Brashear, and Brooks 2001; Joshi and Randall 2001; Flaherty, Dahlstrom, and Skinner 1999; Brady and Cronin 2001; Kelly 1992; Peggei, Riccardo and Patrice Rosental 2001; Howe, Hoffman, and Hardigee 1994; McIntyre, Claxton, Anselmi, and Wheatley 2000; Sumrall and Sebastianelli 1999; Keillor, Parker, and Pettijohn 1999; Pettijohn, Pettijohn, and Taylor 2002; Jones, Busch, and Dacin, 2003; Widmier 2002; Susskind, Kacmar, and Borchgrevink 2003; Wray, Palmer, and Bejou 1994, etc.). The items of this important scale are presented in Table 2.1 below.

**Table 2.1**  
**Saxe and Weitz's (1982) original SOCO scale (p.345-346)**

*Stem-positively stated items*

- (1) I try to help customers achieve their goals.
- (2) I try to achieve my goals by satisfying customers.
- (3) A good salesperson has to have the customer's best interest in mind.
- (4) I try to get customers to discuss their needs with me.
- (5) I try to influence a customer by information rather than by pressure.
- (6) I offer the product of mine that is best suited to the customer's problem.
- (7) I try to find out what kind of product would be most helpful to a customer.
- (8) I answer a customer's questions about the products as correctly as I can.
- (9) I try to bring a customer with a problem together with a product that helps him solve that problem.
- (10) I am willing to disagree with a customer in order to help him make a better decision.
- (11) I try to give customers an accurate expectation of what the product will do for them.
- (12) I try to figure out what a customer's needs are.

*Stem-negatively stated items*

- (13) I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer would buy.
- (14) I try to sell as much as I can rather than to satisfy a customer.
- (15) I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy.

- (16) If I am not sure a product is right for a customer, I will still apply pressure to get him to buy.
- (17) I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run.
- (18) I paint too rosy a picture of my products, to make them sound as good as possible.
- (19) I spend more time trying to persuade a customer to buy than I do trying to discover his needs.
- (20) It is necessary to stretch the truth in describing a product to a customer.
- (21) I pretend to agree with customers to please them.
- (22) I imply to a customer that something is beyond my control when it is not.
- (23) I begin the sales talk for a product before exploring a customer's needs with him.
- (24) I treat a customer as a rival.

Berthon, Hulper, and Pitt (1999) noted that "In recent years, there have been increasing efforts to formalize a definition of customer orientation" (p.38). Indeed, recently, there have been other attempts to define customer orientation at the individual salesperson level (e.g., Brown *et al.* 2002; Kennedy, Lassk, and Goolsby 2002; Thomas, Soutar and Ryan 2001; Tadepalli 1995; Brown, Widing, and Coulter 1991; Dunlap, Dotson, and Chambers 1988; Michaels and Day 1985, etc.). Brown *et al.* (2002) defined customer orientation as "an employee's tendency or predisposition to meet customer needs in an on-the-job context" (p.111). They also indicated that "for most types of service organizations, individual service workers are direct participants in implementing the marketing concept" (Brown *et al.* 2002, p.110). Kennedy, Lassk, and Goolsby (2002) developed a construct which was named as 'customer mind-set' (CMS). Customer mind-set was defined as "an individual's belief that understanding and satisfying customers, whether internal and external to the organization, is central to the proper execution of his or her job" (p.160). They said that "CMS is derived from the marketing concept as well as other marketing and management research streams building on the traditional definition of customers to include both internal and external customers" (Kennedy,

Lassk, and Goolsby 2002, p.162). They think that since the definition of the customer is changing in the literature, may be it is time to change the definition of customer orientation of the salesperson. They indicated that the CMS of employees in an organization will be positively related to external customer satisfaction, and the CMS of work units in an organization will be positively related to internal customer satisfaction. This definition is broader than the earlier definition of customer orientation by Saxe and Weitz (1982) since it assumes that the term customers include not only external customers but also internal customers.

### **2.3. The Conditions Favoring Customer-Oriented Behavior**

According to Saxe and Weitz (1982), in order to understand when employing the customer-oriented selling is more appropriate, a short-term cost and long-term benefit analysis should be conducted. In the short run, there will be opportunity cost due to the loss of sales to maintain and/or increase the customer satisfaction and to increase the probability of future sales (Saxe and Weitz 1982). In addition to this, a sales person must spend a considerable amount of time to collect and organize information to satisfy customer needs and desires (Ingram *et al.* 2001; Michaels and Day 1985; Saxe and Weitz 1982). The time that the salesperson spends for one individual customer is important because the same time can be used for the other customers or prospects to generate sales calls. Sales calls might be more important than the research for one individual customer's sales (Saxe and Weitz 1982). In this situation, "a customer-oriented approach would be used when the benefits outweigh the cost" (Saxe and Weitz 1982, p.348). These conditions are likely to be met in the following circumstances (Saxe and Weitz 1982, p.348):

- 1) The salesperson can offer a range of alternatives and has the expertise to determine which alternatives will satisfy customer needs.
- 2) The salesperson's customers are typically engaged in complex buying tasks.
- 3) The salesperson typically has a cooperative relationship with his or her customers.
- 4) Repeat sales and referrals are an important source of business for salesperson.

Saxe and Weitz (1982) further stated that the customer-oriented selling may be cost effective if sales people have the resources. Also, if customers need assistance to solve a problem and they have close and trusting relationships with salespeople, the customer-oriented selling is effective and appropriate. A satisfied customer is more likely to continue his/her relationship with the salespeople and place new orders. This situation leads to better performance for salespeople.

Saxe and Weitz (1982) also empirically examined the relationships between sales orientation - customer orientation and the characteristics of sales situations. The 18 items characterizing the sales situations were analyzed. The two different factors were identified. The first factor was referred to as '*RELATION*', which "indicates the degree to which the customer-salesperson relationship is long-term and cooperative" (p.384). The second factor was labeled as '*ABILITY TO HELP*', which refers to "the ability of salespeople to help their customers satisfy their needs" (p.348). Saxe and Weitz (1982) found that the customer-oriented selling is *positive* when customers use salespeople as an information source, collaborate with salespeople in defining needs, and trust salespeople. The customer-oriented selling is *negative* when the salespeople perceive a conflict of interest with their customers. According to the study findings, the relationship between customer orientation and sales performance was positive and significant when both the degrees of RELATIONS and ABILITY TO HELP were high.

This study by Saxe and Weitz (1982) has several important weaknesses. First, both the customer orientation measure and the measure of the sales situations are based on only self-reports, which are obtained from the salespeople. Second, sales performance was examined over a short period of time. In this case, the long-term effectiveness of customer orientation on performance is very difficult to measure and analyze. In spite of its shortcomings, this study by Saxe and Weitz (1982) should be considered as a significant contribution to the literature since it identifies the sales situations in which a high level of customer orientation of salespeople is appropriate. Its findings have valuable practical implications for firms.

#### **2.4. Replication Studies of Customer Orientation Using the Original or Modified Version of the SOCO Scale**

This group of studies has tested the reliability and validity of the customer orientation scale within different business contexts or examined the degree of customer orientation of salespeople by employing a modified version of the scale. These studies can be divided into two major groups according to the perspective(s) from which customer orientation of an individual has been evaluated: (1) customer orientation studies from the buyer's perspective, and (2) customer orientation studies from both the buyer's and the seller's perspectives.

##### **2.4.1. Customer Orientation Studies from the Buyer's Perspective**

Some studies have investigated customer orientation from the customer's point of view (e.g., Brown, Widing, and Coulter 1991; Michaels and Day 1985; Tadepalli 1995; O'Hara, Boles and Johnston 1991; Siguaw and Honeycutt 1995, etc.). These studies aim to obtain more objective evaluations or assessments of the degree of customer orientation

of the firm's employees. Customers are expected to be less subjective in their evaluations of salespeople with whom they interact in sales situations or transactions (Michaels and Day 1985).

Michaels and Day (1985) examined the customer-oriented selling or customer orientation of salespeople from the customer's perspective in their work. Mail questionnaires were sent to a sample of 3216 respondents chosen from the membership list of the *National Association of Purchasing Management* (NAPM). A usable response rate of 31.25% was attained. Michaels and Day (1985) modified and adjusted the customer orientation scale to the customer's or buyer's point of view in which customers evaluated salespeople and salespeople evaluated themselves on their interactions with customers. The authors indicated that "It seems reasonable to assume that the assessment of the sellers' customer orientation by buyers might be more objective than self-assessments by salespeople" (Michaels and Day 1985, p.443). Their findings with the modified scale were similar to those obtained by Saxe and Weitz (1982) with the customer orientation scale. Yet, the presence of the scale mean differences between the modified customer orientation scale and the self-assessed original customer orientation scale ratings for the two samples was reported by the authors. Actually, the mean value of the modified customer orientation scale was two scale points lower than the values of the two sample means obtained by Saxe and Weitz (1982) with the original customer orientation scale. This difference may be resulted from (1) the buyers' negative bias about the salespersons or (2) the sellers' positive bias about himself / herself or even (3) the presence of biases in both directions. Overall, this study is one of the few studies that have attempted to measure the degree of the salesperson's customer orientation from the

customers' perspective (e.g., Dunlap, Datson and Chambers 1988; Jones, Busch and Dacin 2003; Thomas, Soutar and Ryan 2001). That is an important contribution to this line of research.

Tadepalli (1995) examined the relationships between customer orientation and the following three situational factors (p.185): (a) the similarity between the buyer and the salespersons, (b) the risk to the buyer from the purchase, and (c) the information requirements of the buyer. Tadepalli (1995) surveyed a sample of 345 respondents selected from the membership list of the *National Association of Purchase Management* (NAPM). A response rate of 52.2% was achieved. According to the findings, the similarity between the buyer and the salesperson is strongly related to customer orientation. Tadepalli (1995) concluded that "it would appear that similarity between the buyer and the salesperson is likely to enhance the buyer's evaluation of the salesperson's customer orientation to a greater extent than the other two situational factors" (p.185).

In this study, Tadepalli (1995) made some modifications on Michaels and Day (1985)'s version of the customer orientation scale. Tadepalli (1995) made two major changes on the scale. First, the scale addressed a single salesperson instead of salespeople. Second, the measurement scale utilized was changed from a 9-point scale to a 7-point scale. Also, the scale instructions were modified to be able to evaluate the respondent's most current buying situation. The reliability of the modified scale was higher than that of the two other scales developed by Michaels and Day (1985) and Saxe and Weitz (1982).

Brown, Widing, and Coulter (1991) modified the customer orientation scale to extend the analysis of the measurement properties of the customer orientation scale to the

retail environment. Brown, Widing, and Coulter (1991) reduced the number of the points in the original customer orientation scale and modified its verbal anchors to fit the format of telephone surveys. The sample size was 348 and the response rate was 87%. They concluded that the findings related to the factor structure and the reliability are very similar to those obtained by Saxe and Weitz (1982) and Michaels and Day (1985). As a result, Brown, Widing, and Coulter (1991) reported that the customer orientation scale works as good with buyers as with the sellers (e.g., Hoffman and Ingram 1991; Tadepalli 1995; Williams and Attaway 1996).

#### **2.4.2. Customer Orientation Studies from Both the Buyer's and the Seller's**

##### **Perspectives**

A few studies have explored the extent of customer orientation and the customer orientation scale from both the seller's and buyer's perspectives (e.g., Dunlap, Dotson, and Chambers 1988; Jones, Busch, and Dacin 2003; Thomas, Soutar, and Ryan 2001). Dunlap, Dotson, and Chambers (1988) examined the applicability of the customer orientation scale in the real estate industry over a sample of 425 real estate customers and 190 real estate brokers. In the real estate industry, more parties along with buyers and sellers are directly involved in an exchange transaction. The exchange process within this industry is characterized by the three parties which are "a provider (the seller of a professional service), a client (the person who takes title to the service), and a buyer (the individual who takes the title to a client's product)" (Dunlap, Dotson, and Chambers 1988, p.175).

According to the results of this study, the brokers perceived themselves more customer-oriented than they really were. The results can be classified on the basis of the

buyers' and the sellers' perspectives. The results associated with the buyers' perspective are three-fold: First, the buyers, which are not represented in the sales transactions, perceived that those brokers who made a follow-up visit after the sales were more customer-oriented than those who did not. Second, the buyers who purchased homes as their second residence found brokers less customer-oriented than those who had purchased their house as a principle residence. Third, the buyers who used their friends or co-workers as a reference to find brokers generated the highest scores on customer orientation. The findings related to the sellers' perspective are two-fold: First, the brokers who were paid a straight commission displayed a higher level of customer orientation than those who were paid a combination of salary and commission. Second, the brokers who had the least and the most experience in the real estate business, and those who had the highest and the lowest salaries reported the highest score of customer orientation. The lowest experienced broker's highest score can be explained by his/her strong desire to become successful in the real estate field. Based on the results of the study, it appears that the customer orientation scale works quite well in the real estate industry. Dunlap, Dotson, and Chambers (1988) examined customer orientation from two different points of view in their study. This is a very unique research perspective that can be considered as an important contribution to the customer orientation literature.

A few studies have examined whether or not the customer orientation scale is applicable within an international context (e.g., Chee and Peng 1996; Honeycutt, Siguaw, and Hunt 1995; Menguc 1996; Thomas, Soutar, and Ryan 2001). The major studies in this area have mostly concentrated on the verification of the customer orientation scale in the international arena. Thomas, Soutar, and Ryan (2001) tried to validate the customer

orientation scale by using the data from a sample of 250 salespeople, 157 of their managers, and 376 of their customers in the Australian context. The results of the study indicated that sales managers viewed salespeople as being more sales-oriented and less customer-oriented. On the other hand, according to the results, salespeople considered themselves as being more customer-oriented. Furthermore, the authors noted that the number of items in the customer orientation scale can be reduced without sacrificing the scale's "dimensionality" and "consistency". Although some information loss may occur in the scale, the new scale is likely to be more reliable and valid. This study is important in three respects: First, this is one of the few studies that validate internal measurement of the reliability and validity of the customer orientation scale. Second, even though there have been several researchers who attempted to change the wording of the items or the items in the scale (e.g., O'Hare, Boles, and Johnson 1991; Tadepalli 1995; Williams and Attaway 1996), this is the first study which actually tries to change the entire concept and/or the ingredients of the customer orientation scale. Thomas, Soutar, and Ryan (2001) created a more parsimonious version of the customer orientation scale (see Table 2.2 for the scale items). Finally, this study made it possible to use the psychometrics properties of the customer orientation scale from all salespeople', customers', and sales managers' perspectives. This study by Thomas, Soutar and Ryan (2001) validated the customer orientation scale in an international context (e.g., Chee and Peng 1996; Honeycutt, Siguaw, and Hunt 1995; Menguc 1996). The study results can be compared to those results obtained from the domestic contexts.

**Table 2.2.****Thomas, Soutar, and Ryan's (2001) parsimonious customer orientation scale (p.66).***Customer Orientation*

- (1) Tries to figure out a customer's needs.
- (2) Has the customer's best interests in mind.
- (3) Takes a problem solving approach in selling products or services to customers.
- (4) Recommends products or services that are best suited to solving problems.
- (5) Tries to find out which kinds of products or services would be most helpful to customers.

*Sales Orientation*

- (6) Tries to sell as much as he/she can, rather than satisfying customers.
- (7) Find it necessary to stretch the truth in his/her sales representation.
- (8) Tries to sell as much as he/she can to convince the customer to buy, even if it is more than wise customers would buy.
- (9) Paints too rosy a picture of the products or services to make them sound as good as possible.
- (10) Makes recommendations based on what he/she thinks he/she can sell and not on the basis of customer's long-term satisfaction.

**2.5. Antecedents and Consequences of the Organizational-Level Market Orientation**

Customer orientation has mainly been studied at the organizational level by the past research. The previous studies have investigated the antecedents and consequences of the organizational-level customer orientation or market orientation. It is believed that a thorough understanding of possible antecedents and consequences of the organizational-level customer / market orientation can shed some light on the potential antecedents and consequences of the individual-level customer / market orientation. Therefore, the following two sections will present the major findings related to the antecedents and consequences of the organizational-level market / customer orientation.

### 2.5.1. Antecedents of the Organizational-Level Customer / Market Orientation

#### External Antecedents

Since the alterations in environmental factors are uncontrollable by organizations, each organization has to accept these external factors or variables as given. However, this does not mean that the organization should do nothing about them. At least, the variations in exogenous factors such as market turbulence, technological turbulence, and competitive intensity should be followed very closely by the organization (Millman 1982). The previous research has revealed that the degree of market orientation (Jaworski and Kohli 1993; Kohli and Jaworski 1990; Narver and Slater 1990), the significance of market orientation (Bennett and Cooper 1981; Houston 1986; Jaworski and Kohli 1993; Tauber 1974), the link between market orientation and organizational performance (Greenley 1995; Jaworski and Kohli 1993; Slater and Narver 1994a), and the relationship between market orientation and organizational innovativeness (Han, Kim, and Srivastava 1998) can be moderated by the external environmental context of an organization. Two critical environmental factors, *market turbulence* and *technological turbulence*, have been treated as potential antecedents and moderators of market orientation. Previously, these variables were used by Kohli and Jaworski (1990) as the potential environmental moderators of the market orientation-business performance linkage. The similar variables (labeled as the rate of market growth and rate of technological change) were used by Narver and Slater (1990) as control variables in analyzing the effect of market orientation on business profitability. However, Slater and Narver (1994a) did not find much support for their proposition that a competitive environment affects the strength of the market orientation-performance relationship. This apparent controversy among scholars

regarding the impact of a competitive environment on the magnitude of market orientation in a firm certainly requires a further investigation.

According to Han, Kim, and Srivastava (1998), market turbulence is a result of “heterogeneity in consumer preferences” (p.35). Organizations in more turbulent markets are likely to modify their product / service offerings continuously to satisfy customers’ changing needs and preferences. So, they need more market information to set or adjust their marketing mix and other activities in the right direction, and they intensify their market-oriented activities and become more market-oriented than the organizations in stable markets (Jaworski and Kohli 1993; Kohli and Jaworski 1990). As a result, it is argued that as the degree of market turbulence increases, the level of market orientation exercised by the firm rises as well. Moreover, under weak demand conditions, firms need to focus more closely on understanding customer needs and wants, and on effectively providing superior customer value (Slater and Narver 1994a, p.48). However, if market demand is more than supply, firms operating in such an environment are likely to be satisfied with a low level of market orientation (Kohli and Jaworski 1990). It is argued that businesses are more likely to become less market-oriented when a market is characterized by strong demand (Kohli and Jaworski 1990). Under high demand conditions or high market demand growth, being market-oriented may have less influence on performance. In this case, demand can be greater than supply and, therefore, customers might be more willing to accept what is offered (Slater and Narver 1994a, p.48).

Technological turbulence is a result of “irresolution of industry technological standards” (Han, Kim, and Srivastava 1998, p.35). It is argued that technological

turbulence is likely to affect the adoption of a market orientation by firms (Appiah-Adu 1997; Kohli and Jaworski 1993). In terms of the effect of technological turbulence on market orientation, there are two contrasting views: According to the first view held by Jaworski and Kohli (1993), in a technologically turbulent market, a market orientation may be relatively less important. An organization in a technologically turbulent environment might prefer to obtain a competitive advantage through technological innovation rather than a market orientation. And therefore, a technologically turbulent environment diminishes the emphasis given to a market orientation (especially customer intelligence generation dimension) since customers with little knowledge about the nascent technology might not provide much insight into the market opportunities (Jaworski and Kohli 1993; Li and Calantone 1998). A firm operating in a market that is characterized by rapid transformation of technologies is less likely to benefit from market orientation, therefore, it is more likely to emphasize technological innovation to establish a competitive advantage (Appiah-Adu 1997; Kohli and Jaworski 1993). However, a firm operating in a market with stable technologies is likely to depend more on market orientation as a way to establish competitive advantage (Appiah-Adu 1997). Businesses with stable technologies are less likely to use technology as a means of gaining a competitive advantage and they prefer to utilize a market orientation for this purpose (Jaworski and Kohli 1993). Yet, in a counter argument, it is claimed that when the rate of technology change is high, firms need to intensify their customer intelligence generating activities to understand the direction for a changing product market by looking at customers' changing needs and preferences (Day and Wensley 1988; Li and Calantone 1998; Narver and Slater 1990). It is claimed that organizations may not necessarily

diminish the importance of a market orientation while concentrating on technological innovation (Jaworski and Kohli 1993).

*Competitive intensity* is regarded as an important factor that is likely to influence the level of market orientation within the firm. In a competitive market environment, customers usually have more options / selections to satisfy their needs and wants. In such an environment, it would be wise for firms to be more sensitive and responsive to customer needs (Appiah-Adu 1997; Lusch and Laczniak 1987). Firms are expected to be more market-oriented. In a business environment where the level of competitive intensity and hostility is low, a firm may find being market-oriented less important (Atuahene-Gima 1995). Slater and Narver (1994b) suggested that, in the long-term, all businesses will experience low growth, weak demand, and competitive hostility. In these conditions, businesses need to be more market-oriented. Given the fact that developing a market orientation is a complex and time-consuming process, it is essential to invest in developing a market orientation when market conditions are more favorable (Slater and Narver 1994b). In brief, regardless of the level of market turbulence or competitive hostility in the market at present, an organization should consider to develop a market orientation from the stretch or enhance the level of market orientation already exercised by it to be safe in the long-run.

Also, *the stage of product life cycle* might affect the level of market orientation executed by a firm (Atuahene-Gima 1995).

### **Internal Antecedents**

Scholars argued that an organization's structure might have a profound role in effectiveness of information processing and utilization among its various subunits in an

organization (Gupta, Raj, and Wilemon 1986). Organizational structure is represented by four dimensions: complexity (Gupta, Raj, and Wilemon 1986), formalization, centralization, and departmentalization (Kohli and Jaworski 1990; Jaworski and Kohli 1993). *Complexity* is viewed as “a function of the number of specialists in the organization and their professionalism” (Gupta, Raj, and Wilemon 1986, p.10; Also see Hage and Aiken 1970, p.33). When complexity is high in an organization, it is difficult for the organization to accomplish integration among its various subunits (Gupta, Raj, and Wilemon 1986). As a result, it can be concluded that the higher the level of complexity within the organization, the more difficult the adoption of a market orientation.

Especially, formalization and centralization have been widely used as internal, structural variables that affect cross-functional information exchange in an organization (Gupta, Raj, and Wilemon 1986; Song, Neeley, and Zhao 1996). Past research indicates that both formalization and centralization is negatively related to information utilization (Jaworski and Kohli 1993, p.56; Also, see Deshpande and Zaltman 1982; Hage and Aiken 1970). *Formalization* is defined as “the extent to which rules and procedures are followed in an organization” (Roberts and Hunt 1991, p.69). The literature indicates that formalization in an organization can affect its market orientation (Kohli and Jaworski 1990). *Centralization* is a structural element that shows the distribution of the power in an organization (Roberts and Hunt 1991, p.71). It indicates the hierarchy of authority and degree of participation by organizational members in decision making in a firm. “The higher the level on which decision making takes place within the organization and the less the participation in the decision-making process, the greater the centralization”

(Gupta, Raj, and Wilemon 1986, p.11). Deshpande and Zaltman (1982), and Deshpande (1982) found that the more decentralized firms are more likely to make greater use of the market research information when the authors tested the causal model of research use-managers with a sample of 397 marketing managers. It can be inferred from this finding that the more centralized firms are expected to be more reluctant to collect market information. Thus, they are less likely to be market-oriented.

Additionally, the level of departmentalization or specialization (Jaworski and Kohli 1993), and the lack of employee involvement and empowerment (Martin, Martin and Grbac 1998) are regarded as the antecedents of market orientation. The level of market orientation may also be influenced by some implementation-related obstacles, including a short-term business focus, limited market research activity, limited firm resources (i.e., technological, financial, and human), technological limitations (i.e., costs associated with shifting products and production lines), and a lack of marketing research skills (Liu 1996).

### **2.5.2. Consequences of Market Orientation**

Jaworski and Kohli (1996, p.128) identified four groups of the potential benefits / consequences associated with a market orientation: *financial*, *customer*, *employee*, and *innovation* groups. In this review, a similar typology of consequences of a market orientation will be adopted. But, two more categories will be added. These will be called as *strategic* and *environmental* consequences.

#### **Financial Consequences**

The findings from past studies have unveiled that being market-oriented improves company performance (e.g., Deshpande, Farley, and Webster 1993; Jaworski and Kohli

1993; Narver and Slater 1990; Narver, Jacobson, and Slater 1993; Ruekert 1992). The market-driven firm's targeting of more profitable loyal customers, and the firm's better tracking of its accounts and investments result in superior cost and investment efficiency (Day 1998). A strong market orientation is expected to lead to higher business performance in organizations (Jaworski and Kohli 1990; Narver and Slater 1990). Better new product performance is one of important performance outcomes of a market orientation as well. It was found that market orientation may improve not only new product development activities but also new product project and market success significantly (Atuahene-Gima 1995). Given the large number of studies on the market orientation-performance relationship, it would be appropriate to say that financial outcomes / consequences of being market-oriented have received the highest research attention so far.

### **Customer Consequences**

Major customer consequences of market orientation include customer satisfaction and customer loyalty or high customer retention rate (Jaworski and Kohli 1996; Raju, Lonial, and Gupta 1995). Slater and Narver (1994b) stated that it is the market-oriented culture that builds and maintains the core capabilities that continuously create superior value for customers. Understanding and exceeding customer expectations increase the number of loyal customers. This is a really critical consequence of being market-oriented given the fact that the cost of keeping an existing customer is only approximately one-fifth as much as the cost of attracting a new one (Slater and Narver 1994b).

Rust and Oliver (2000) pointed out a different issue resulting from putting too much emphasis on customer orientation. They contended that actually "delighting the

customer 'raises the bar' of customer expectations, making it more difficult to satisfy the customer in the next purchase cycle and hurting the firm in the long run" (Rust and Oliver 2000, p.86; Quotation marks were converted to apostrophes). Since a market orientation encourages firms to satisfy their customers to a greater extent, sometimes, for these firms, it might be quite difficult to draw a clear line between "satisfying" and "delighting" their customers. When this line is crossed by a firm, outcomes might be hurtful for the firm, as specified by Rust and Oliver (2000). Therefore, it is important for firms to regularly and carefully monitor the level of market orientation especially customer orientation within the organization and the level of customer satisfaction in their target markets or customer segments. Low and very high levels of customer satisfaction should be evaluated cautiously by the firm.

### **Employee Consequences**

A strong market orientation may lead to a variety of employee outcomes. Market orientation can strengthen employee esprit de corps and organizational commitment (Jaworski and Kohli 1993; Jaworski and Kohli 1996). Raju, Lonial, and Gupta (1995) thought that "market orientation facilitates clarity of focus and vision in an organization's strategy . . . it generates pride in belonging to an organization, resulting in higher employee morale and greater organizational commitment" (p.35). A strong market orientation may result in more satisfied employees who are more committed, motivated, and productive (Day 1998). Market orientation also affects the customer orientation, role stress, job satisfaction, and organizational commitment of salespeople (Siguaw, Brown, and Widing II 1994; Jaworski and Kohli 1996) and job turnover (Cohen 1993; Singh, Velbeke, and Rhoads 1996; Tett and Meyer 1993). The number of studies on employee

consequences of market orientation has been quite limited (Jaworski and Kohli 1996). The effect of market orientation on employees should be elaborated more in future studies, giving the special emphasis to the link between “internal marketing” and market orientation.

### **Innovation Consequences**

The research on the effect of market orientation on product and organizational innovativeness has been scarce (Jaworski and Kohli 1996). A limited number of empirical studies on the relationship between customer orientation / the marketing concept and product innovativeness / organizational innovativeness have been conducted. In general, they have revealed inconclusive results (Lukas and Ferrell 2000). Lawton and Parasuraman (1980) found no significant relationship between the implementation of the marketing concept and product innovation (Lukas and Ferrell 2000). Bennet and Cooper (1979) and Hayes and Abernathy (1980) argued that the marketing concept may translate into a surge in the number of incremental and minor modifications. It may suppress the number of radical innovations over time (Bennet and Cooper 1979; Gupta and Rogers 1991; Hayes and Abernathy 1980). Lukas and Ferrell (2000) found that there is a relationship between market orientation and product innovation. It was shown that customer orientation increases the introductions of new-to-the-world products and decreases the number of me-too products (Lukas and Ferrell 2000).

### **Strategic Consequences**

A strong market orientation is likely to strengthen the strategic position of a firm. Deshpande (1999, p. 3-4), in the introduction section of his book titled as “Developing a Market Orientation”, argued that a market orientation has three important roles in the

firm. First, since a market orientation is based on effectively management of market information or knowledge, it functions as a part of a market knowledge management system (Deshpande 1999). A market knowledge management system serves as an important basis for good decision making on the operational and strategic levels of the organization. Second, market orientation is seen as a means of developing a learning organization as a strategic competence (Deshpande 1999). A market orientation is often viewed as a means of developing a competitive advantage since it provides a firm a special capability of understanding customer needs and preferences, and tailoring products that satisfy those needs and preferences (Day 1994; Jaworski and Kohli 1993, p.57; Also see Senge 1990; Slater and Narver 1994a). As a result, a competitive preemption is created. Greatly satisfied (economically and/or psychologically) customers raise switching barriers for competitors to breach (Day 1998). Finally, a firm strategy is based on market orientation of the firm, thus a market orientation functions as a basis for firm strategy (Deshpande 1999; Goebel, Marshall, and Locander 2004). A robust market orientation enhances the firm to develop better market strategies that lead to a greater customer value with a high price premium (Day 1998).

### **Environmental Consequences**

According to the literature review, the past research on market orientation has appeared to ignore the potential environmental consequences of market orientation. The discussions about this issue have mainly focused on possible environmental consequences of the marketing concept (e.g., Holt 1985). Holt (1985) highlighted possible environmental consequences of the marketing concept. The author claimed that too much emphasis on the marketing concept can lead to adverse environmental

consequences such as pollution, waste of energy and other scarce resources. Holt (1985, p.208) argued that firms should focus on developing products that are “technically feasible, economically profitable, and socially acceptable”.

In the next section, the antecedents and consequences of the individual-level customer orientation will be reviewed in greater details. In the end, mutual antecedents and consequences of the organizational-level market orientation and the individual-level customer orientation, if any, will be identified.

## **2.6. Antecedents and Consequences of the Individual-Level Customer Orientation**

In this section of Chapter 2, the studies that explored the antecedents and consequences of the individual-level customer orientation will be reviewed. In these studies, customer orientation had three different roles which were (1) an antecedent role (e.g., Siguaw, Brown and Widing II 1994; O'Hara, Boles and Johnston 1991; Williams and Attaway 1996; Brown, Mowen, Donovan, and Licita 2002; Brady and Cronin 2001, etc. ), and/or (2) a mediating or moderating role (e.g., Boles, Babin, Brashear, and Brooks 2001; McIntyre, Claxton, Anselmi, and Wheatley 2000, etc. ), and/or (3) an outcome role (e.g., Joshi and Randall 2001; Flaherty, Dahlstrom, and Skinner 1999; Kelly 1992; Hoffman and Ingram 1991; Peggei, Riccardo and Patrice Rosental 2001; Howe, Hoffman, and Hardigee 1994; Pettijohn, Pettijohn, and Taylor 2002; Widmier 2002, etc.). These studies will be categorized and reviewed according to their main subject and its relation to customer orientation.

### 2.6.1. Studies Linking Market Orientation to Customer Orientation

The possible link between market orientation and the individual-level customer orientation is a vital research topic. An empirical confirmation of the presence of a significant, positive link between these two constructs may encourage businesses to become more market-oriented if they desire to have customer-oriented employees. In spite of its apparent significance, this link has not been investigated thoroughly. The number of studies on this issue has been limited to a few (e.g., Boles, Babin, Brashear and Brooks 2001; Jones, Busch, and Dacin 2003; Siguaw, Brown and Widing, II 1994, Menguc 1996). The past research investigated the effect of the firm's market orientation (Jones, Busch, and Dacin 2003; Siguaw, Brown and Widing, II 1994, Menguc 1996) and the impact of the organizational-level customer orientation (Boles *et al.* 2001) on the individual-level customer orientation of salespersons and/or sales managers. Siguaw, Brown and Widing, II (1994) targeted the sales force and sales managers of diverse businesses in their survey while Boles *et al.* (2001) surveyed sales people from the retailing environment. On the other hand, Jones, Busch, and Dacin (2003) sampled three different groups including salespeople, sales managers, and customers who were a national manufacturer's sales force and retail trade customers in their study.

Siguaw, Brown and Widing, II (1994) examined the linkages among market orientation, customer orientation, and job attitudes of salespeople in their model (see Figure 2.2.1). The authors proposed that "the market orientation of the firm has a strong influence on the customer orientation of the sales force" (Siguaw, Brown and Widing, II 1994, p.107, e.g., Menguc 1996). They also considered customer orientation of the employees as an antecedent of role conflict, job satisfaction, role ambiguity, and

organizational commitment in their model. They measured all of the model constructs from the employees' perspective. They used the SOCO scale to measure customer orientation. A self-administered mail questionnaire was utilized to collect the data. They derived their sample from the *Association for Information and Image Management* membership roster. The target respondents were both the sales force and sales managers. They mailed 1644 questionnaires and obtained 278 usable responses with a response rate of 16.9%. They used an ordinary least square regression to test their model.

One of the unique aspects of this study is the inclusion of a new variable in the model to distinguish the effects of market orientation and customer orientation in the organization (e.g., Menguc 1996). This new variable was labeled as "DIFF". According to Siguaw, Brown and Widing II (1994), "DIFF" is "the difference, as perceived by the salesperson, between the market orientation of the employing organization and customer orientation of the salespeople." (p.108). Also, DIFF was calculated as "the absolute value of the difference between the standardized market orientation score and the standardized SOCO score" (p.110). DIFF is the most significant and unique part of this study.

Siguaw, Brown and Widing, II (1994)'s study produced two major results: First, the authors concluded that "the market orientation of the firm significantly influences the customer orientation of the salesperson and each of the job attitudes" (p.111). In other words, if the degree of market orientation of the company increases, the degree of customer orientation of the salesperson also increases. Second, the results indicated that "the difference between the market orientation of the firm and customer orientation of the salesperson marginally influences only role conflict" (p.111). As the level of customer

orientation of the salesperson increases, only role conflict, as a job attitude variable, marginally increases (e.g., Menguc 1996).

In this study, customer orientation was considered as an antecedent of job related variables although there were some previous studies which considered customer orientation as an outcome of job attitudes, particularly job satisfaction and organizational commitment (cf. Hoffman and Ingram 1991; O'Hara, Boles, and Johnston 1991).

Another significant aspect of this study is the incorporation of "DIFF" variable into the model. According to the author's best knowledge, this is the first study that investigated the effect of the difference between the levels of the market orientation of the organization and customer orientation of its salespeople on job attitudes of salespeople.

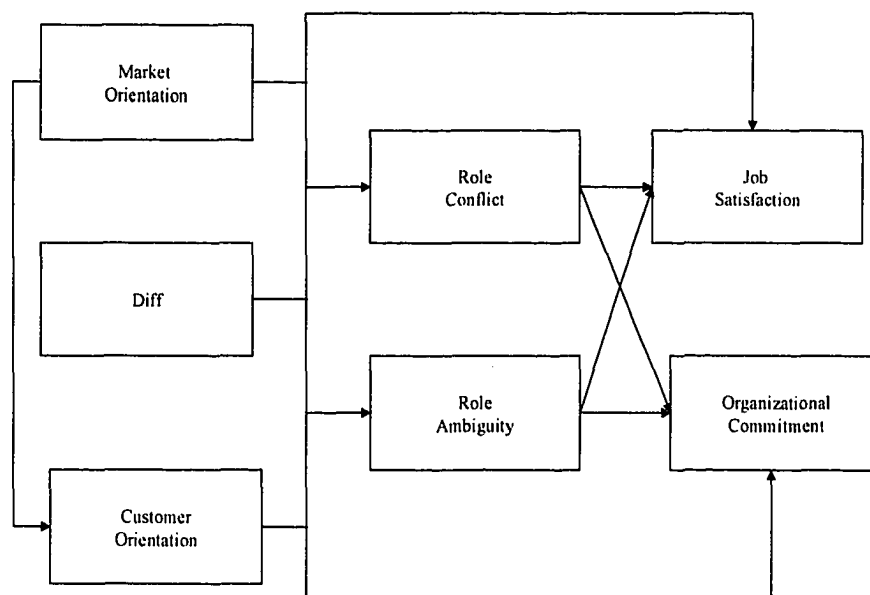


Figure 2.1.1. The Effects Of Orientations And Differences In Organizations On Job Attitudes: Hypothesized Model by Siguaw, Brown, and Widding II, (1994, p.107).

Boles *et al.* (2001) examined the relationships among the organizational-level constructs including the firm's customer orientation, centralization, employee perceptions

of support from individuals, and individual variables of customer orientation, sales orientation or both in an in-store retailing context (see Figure 2.2.2). They defined a firm's customer orientation as "activities and behaviors implemented to reflect the degree to which the needs and desires of the customer are the basis of sales philosophy" (Boles *et al.* 2001, p.4). A sample of 400 people from more than 150 retail organizations, including clothing, furniture, major appliances, and electronics in two large urban areas was surveyed to collect the data. 294 of 400 questionnaires were returned. Confirmatory factor analysis and structural model estimation method were used for the data analysis. The study findings showed that there is a significant, positive relationship between a firm's customer orientation and customer-oriented selling. The study results also suggested a negative relationship between a firm's customer orientation and selling orientation. They also found a positive and significant relationship between supportive work environment and customer-oriented selling while they found no relationship between supportive work environment and selling-oriented practices. This finding suggests that the work environment has a significant role in developing a customer-oriented workforce. The study findings also revealed a negative and significant relationship between centralized decision making and customer-oriented selling. Finally, there was a positive and significant relationship between customer-oriented selling and performance while there was no relationship between sales-oriented selling and performance. The authors concluded that "The use of a customer oriented selling styles appears to be an appropriate approach in retail sales as well as business-to-business selling" (Boles *et al.* 2001, p.9).

This study is an important contribution to the individual-level customer orientation research for three reasons. First, it explored the link between the organizational-level customer orientation and the individual-level customer orientation (e.g., Peggei, Riccardo, and Rosental 2001; Siguaw, Brown, and Widing II 1994; Williams and Attaway 1996). This link has not been investigated thoroughly yet. Second, this study identified a salesperson selling orientation and a salesperson customer orientation as alternative orientations and investigated the individual effect of each on performance in a retail context. Finally, the study findings appear to have significant practical value for businesses.

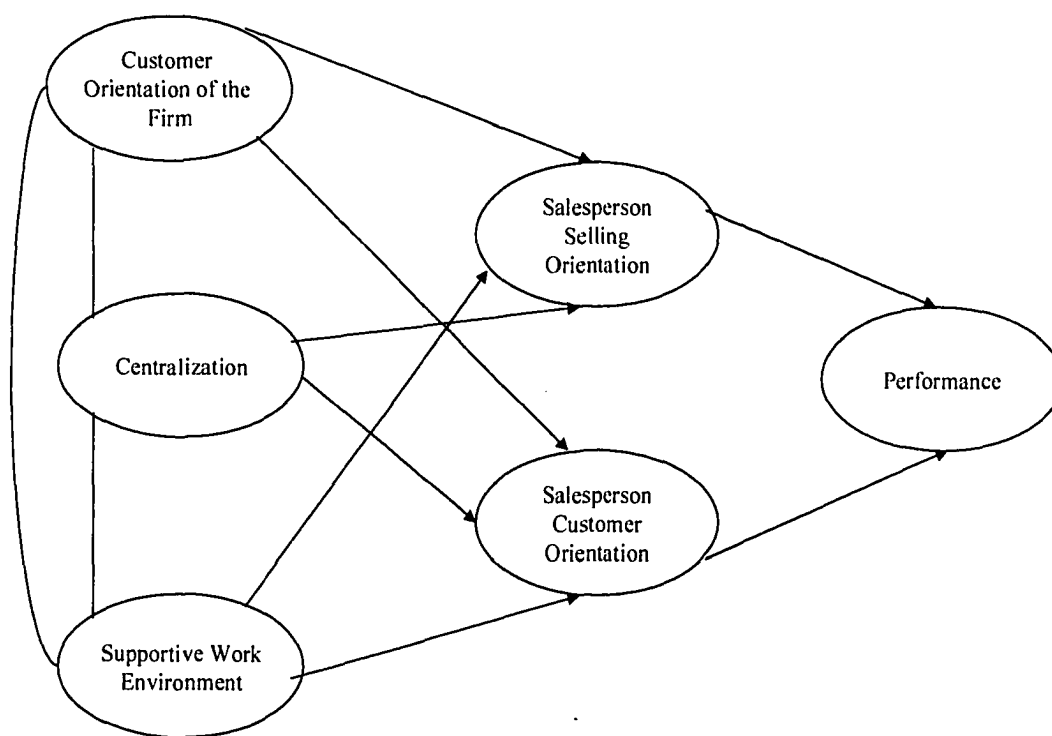


Figure 2.2.2. Proposed Model by Boles, Babin, Brashear, and Brooks (2001, p.4).

Jones, Busch, and Dacin (2003) examined the effects of organization's market orientation and salesperson's customer orientation on the development or improvement of the buyer-seller relationship. They used sales manager's and salesperson's perception of market orientation, and salesperson's customer orientation to measure the customer's perceived service quality, and the customer's propensity to switch suppliers (refer to Figure 2.2.3). The three different samples which contained a national manufacturer's sales force and retail trade customers were used to collect the data. A sample of 544 salespeople was surveyed with a response rate of 52%. Then, a sample of 40 sales managers was surveyed with a response rate of 85%. And finally, a sample of 284 customers was questioned with a response rate of 26%. Factor analysis and structural equation modeling were used to analyze the data gathered.

Their study results can be evaluated from the three different perspectives. First, some of the study results are related to sales managers. The results revealed that there is a positive and significant relationship between the sales manager's organizational commitment and the salesperson's customer orientation. Second, some of the study findings are related to salespeople. The findings indicated that there is no relationship between the firm's market orientation and salesperson's customer orientation. This result is certainly in conflict with the results of the previous research (e.g., Boles *et al.* 2001; Menguc 1996; Siguaw, Brown, and Widing, II 1994). The results have also suggested that there are negative relationships between the salesperson's customer orientation and salesperson's role conflict and role ambiguity. These results are in agreement with the findings of the previous research (cf. Menguc, 1996; Siguaw, Brown, and Widing, II 1994). Lastly, third, some results are pertinent to customers. Based on the findings, it was

suggested that there is a negative relationship between the salesperson's customer orientation and customer's propensity to switch the suppliers.

Although the study by Jones, Busch, and Dacin (2003) seemed to be very comprehensive compared to the previous studies, the biggest pitfall of it is the disproportioned small sizes of the different samples associated with sales managers, salespeople, and customers. This may explain the bias toward the sales managers. A proportioned sample size might give better results and provide a better understanding. The biggest contribution of this study is the comparison of the perceptions of the three different groups (i.e., managers, salespeople, and customers) on sales orientation and customer orientation of salespeople.

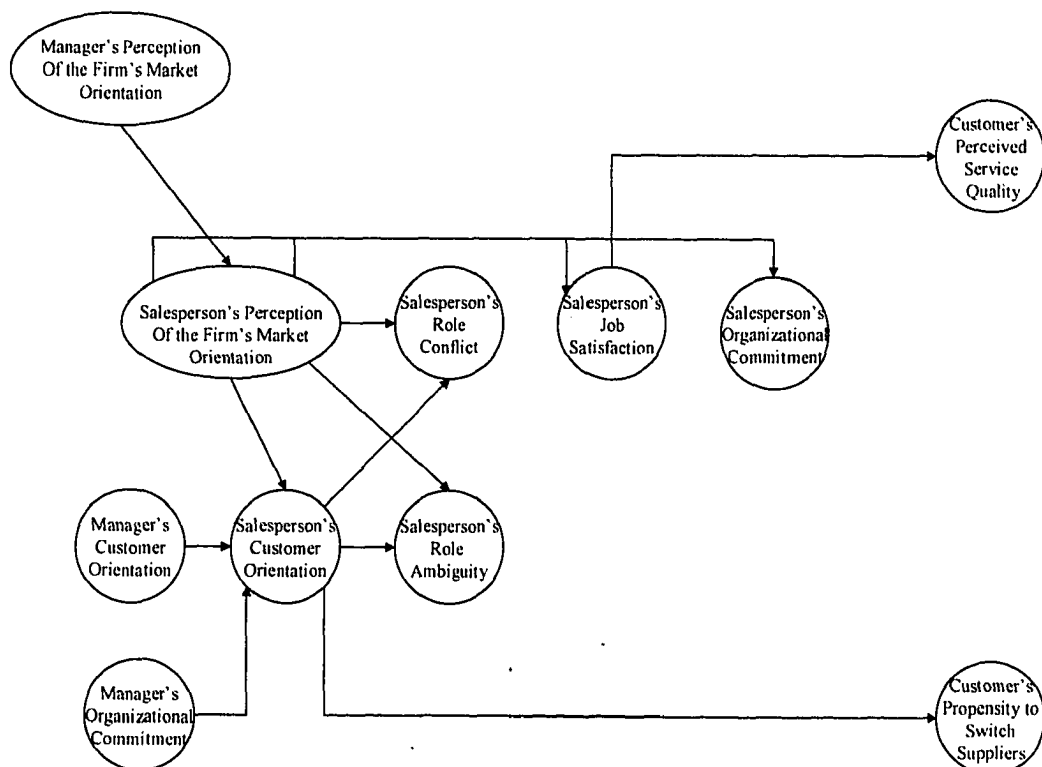


Figure 2.2.3. Firm Market Orientation and Salesperson Customer Orientation: Interpersonal and Intrapersonal Influences on Customer Service and Retention by Jones, Busch, and Dacin, (2003, p.325)

This variety of buyer-seller centers makes it possible to evaluate the relationship between the sales orientation-customer orientation of salespeople or sales managers and the customer's perceived quality, and the customer's propensity to switch within the retailing context.

While Boles *et al.* (2001) explored the effect of the customer orientation dimension of market orientation on the salesperson's customer orientation, Siguaw, Brown and Widing, II (1994) investigated the impact of overall market orientation on the salesperson's or sales manager's customer orientation. These studies produced similar results (e.g., Menguc 1996). According to the results of these studies, the organizational-level market orientation or customer orientation is positively connected to the individual-level customer orientation of the salesperson. On the other hand, Jones, Busch, and Dacin (2003) found no relationship between the firm's market orientation and salesperson's customer orientation.

This line of research can further benefit from the future research studies that focus on the factors that may modify or mediate the effect of the firm's market orientation / customer orientation on the salesperson's customer orientation.

### **2.6.2. Customer Orientation and Gender Differences**

Whether the degree of the employees' customer orientation is contingent upon the gender of the employee has been an interesting research topic. But, until now, only few studies have addressed this issue (e.g., Siguaw and Honeycutt 1995; Dwyer, Richard, and 1998, Busch and Bush 1978, etc.). Most studies have investigated the gender factor as a minor part of their suggested model or framework.

Siguaw and Honeycutt (1995) examined the gender-related differences in job attitude variables (i.e., job satisfaction, organizational commitment, role conflict, role ambiguity, and performance), and simultaneously in perceptions of market orientation, customer-orientation, and adaptive selling behavior for the purpose of confirming the results of the previous studies. The research data were gathered from a sample of 1644 salespeople listed in the membership roster of the *Association for Information and Image Management* via a self-reported mail questionnaire. A response rate of 16.4% was attained. MANOVA was used for the data analysis. The authors did not find any response bias between the early and late responses.

According to the results, there was no difference between male and female salespeople with respect to adaptive selling. Both male and female employees indicated that they practice a high degree of adaptive selling during their interactions with customers. The most significant finding from the customer orientation perspective was that "Saleswomen reported engaging in a significantly higher level of customer oriented selling than men... In other words, women are more likely to serve as problem-solving consultants and to assist their customers in achieving their goals rather than just attempting to make the sale regardless of customer needs" (Siguaw and Honeycutt 1995, p.50). In terms of job attitudes, the authors did find a significant difference between both male and female salespeople with respect to role ambiguity, and a "marginally" significant difference between men and women with regard to role conflict. The authors did not find any significant differences in the self-assessed performance between males and females. Siguaw and Honeycutt (1995) did find significant differences between males and females with regard to market orientation and customer orientation. Female

salespeople perceive their organization as being more market-oriented than their male counterparts do.

Based on the findings of this single research study by Siguaw and Honeycutt (1995), it might be cautiously concluded that there is a significant difference between the degrees of customer orientation of male and female salespeople. This finding should also be confirmed by future studies that will use different selling or marketing contexts. In the current research study, the suggested model includes gender as an antecedent of the salesperson's customer orientation.

Also, O'Hare, Boles, and Johnston (1991) examined the effect of gender on customer orientation. Gender was treated as an independent antecedent variable in their study. According to their results, the male employees demonstrated less customer orientation than their female counterparts. This study will be reviewed in detail later in this chapter.

### **2.6.3. Customer Orientation and Ethics / Ethical Behavior**

The link between ethical behavior and customer orientation of the employee has not been examined to a greater extent. The number of studies on this issue is very limited (e.g., Honeycutt, Siguaw, and Hunt 1995; Howe, Hoffman, and Hardigee 1994). The previous research has examined the link between ethical behavior and customer orientation of a salesperson in the context of the insurance business (Howe, Hoffman, and Hardigee 1994) and in the context of auto dealership business in the US and Taiwan (Honeycutt, Siguaw, and Hunt 1995).

Howe, Hoffman, and Hardigee (1994) examined the relationship between ethical behavior and customer orientation of the sales agent in the various insurance contexts

(e.g., health, life, auto, and property). 1200 insurance sales agents in a Western state in the US were asked to participate in the study. ANOVA and correlation analyses were conducted to analyze the data. According to the findings, there was a positive and significant relationship between ethical behavior and customer-oriented behavior. They found that “customer oriented agents are less likely to participate in unethical activity” (Howe, Hoffman, and Hardigee 1994, p.503). The study results revealed that the ‘life’ and ‘health’ agents engaged more customer-oriented behaviors than the ‘property’ and ‘casualty’ agents. Customer orientation had no significant impact on the sales performance variable. Based on the results of their study, the authors concluded that “Repeat business and long-term satisfactory customer relationships are dependent on ethical and customer-oriented behavior on the part of service provider” (Howe, Hoffman, and Hardigee 1994, p.504).

Honeycutt, Siguaw, and Hunt (1995) examined the relationships among job satisfaction, customer orientation, ethics and ethical training of a car salesman in the US and Taiwan. They did not find any significant relationship between customer orientation and self-perceived ethicalness for both the Taiwanese and US samples. While they did find a significant relationship between the ethical perception of the industry and customer orientation for the US salespeople, they did not find any significant relationship for the Taiwanese salespeople. The authors found a marginally significant relationship between ethical behavior and customer orientation for the Taiwanese salespeople, but they found no relationship for the American salespeople. The study results suggested the presence of a significant relationship between ethical training and customer orientation of the salespeople for both the Taiwanese and American salespeople. Also, the research

findings indicated a significant relationship between the higher levels of ethicalness of the industry and the level of customer orientation of the American car salespeople. Since this is a cross-cultural study, the results might be substantially different across different national cultures. The level of customer orientation of salespeople might be different in different cultures due to the culture-specific factors (e.g., Howe, Hoffman, and Hardigee 1994). This study is one of the few studies that investigated the link between customer orientation and ethical behavior both domestically and internationally.

The previous research has produced mix results about the relationship between ethical behavior and customer orientation of salespeople. Howe, Hoffman, and Hardigee (1994) found that the salespeople who are customer-oriented are less prone to involve in unethical behavior. However, Honeycutt, Siguaw, and Hunt (1995) did not find any significant link between customer orientation and self-perceived ethicalness for the Taiwanese and US samples. On the other hand, they found a significant relationship between the ethical perception of the industry and customer orientation for the US salespeople, but not for the Taiwanese salespeople. Honeycutt, Siguaw, and Hunt (1995) reported a marginal relationship between ethical behavior and customer orientation for the Taiwanese salespeople, but found no relationship for the American salespeople. The overall results on the link between ethical behavior and customer orientation seem to be inconclusive.

#### **2.6.4. Customer Orientation and Personality Factors**

A possible connection between the individual's customer orientation and his/her personality characteristics has been suggested and examined by few studies (e.g., Brown *et al.* 2002; Widmier 2002). Customer orientation was used as a mediator between

personality traits and performance (Brown *et al.* 2002) or as an outcome of personality characteristics (Widmier 2002). No matter which role customer orientation resumes within the context of personality, its link to the individual's personality characteristics is critical and should be investigated. Brown *et al.* (2002) claimed that "None of the prior studies attempted to account for a construct that directly measures a service employee's disposition to be customer oriented" (p.111). Past research has failed to empirically probe the impact of the individual's personality on his/her customer orientation.

Brown *et al.* (2002) examined the mediating effect of customer orientation in a hierarchy model of the impact of personality dimensions on both the self-rated and supervisor-rated performances. Their hierarchy model included basic personality traits (i.e., introversion, emotional stability, conscientiousness, agreeability, openness to experience, and need for activity), customer orientation as a mediator, and performance ratings (refer to Figures 2.2.4. and 2.2.5.). The model was tested with the data gathered from the food industry. Brown *et al.* (2002) tried to investigate the mediating role of customer orientation through the two different models. Each model depicts different types of linkages. The first model, which is displayed in Figure 2.2.4, was adapted from Brown *et al.* (2002, p.115). This model "positions customer orientation in a fully mediational role between the basic personality threats and performance outcomes" (p.114). The second model, which is displayed in Figure 2.2.5, was adapted from Brown *et al.* (2002, p.115). This model shows "both direct and indirect effects (mediated through customer orientation) of the personality traits on the performance outcomes" (p.114). Brown *et al.* (2002) indicated that since the first model is "nested within the second" (p.114), Chi-square difference test was employed to evaluate "whether customer

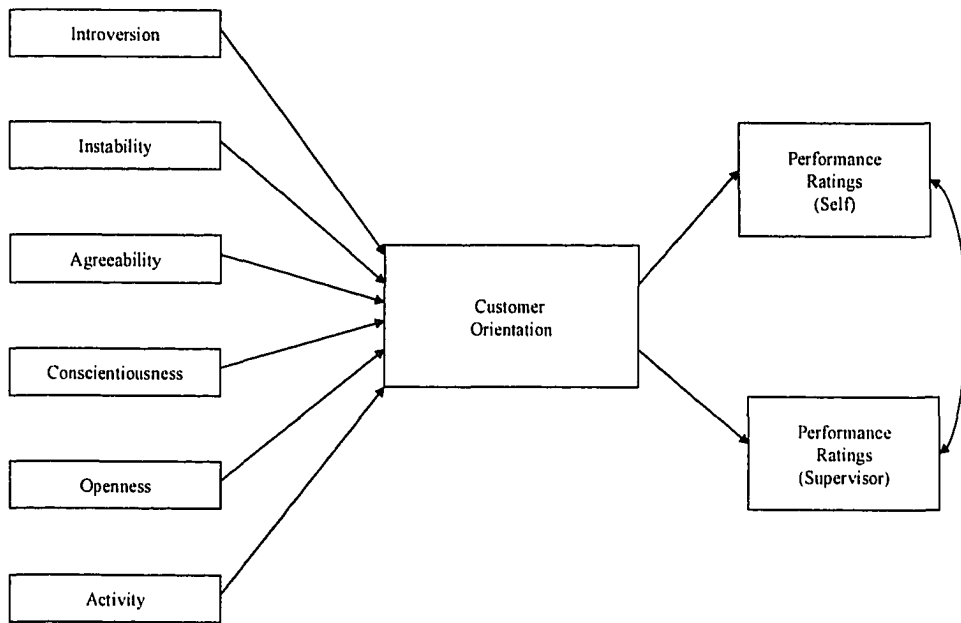


Figure 2.2.4. Full Mediation Model by Brown, Mowen, Donovan, and Licita (2002, p. 115).

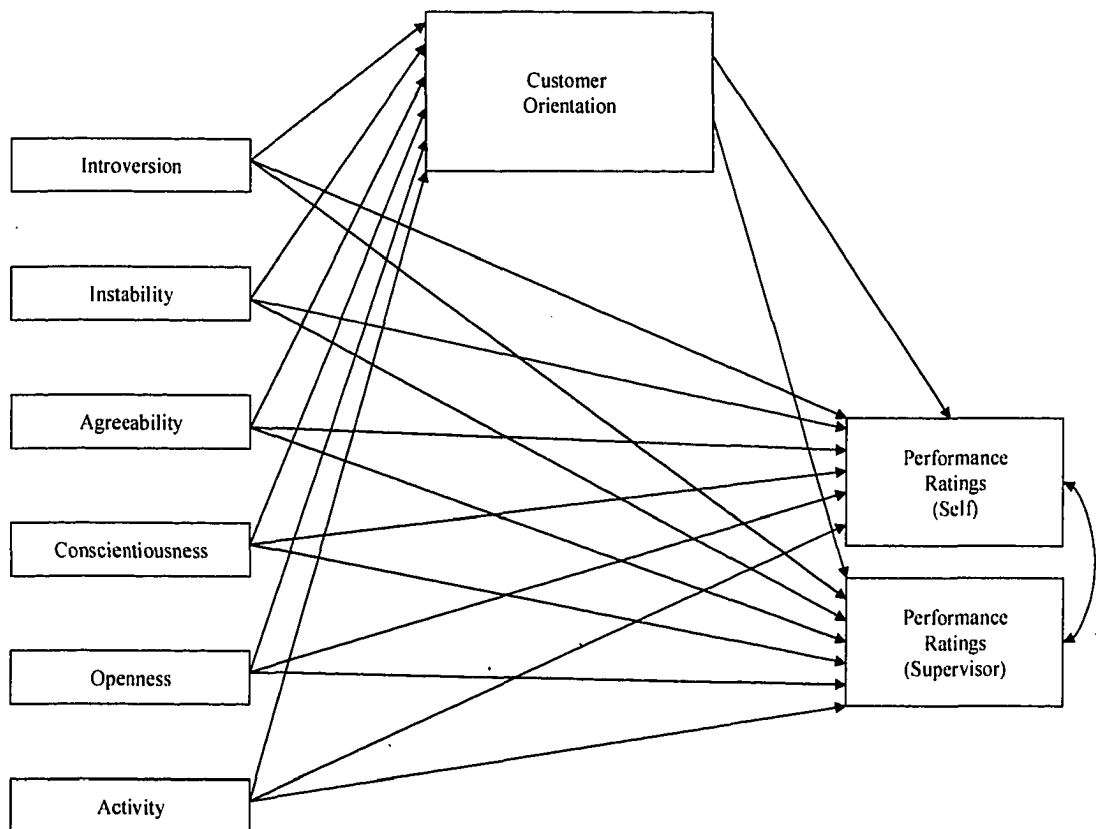


Figure 2.2.5. Partial Mediation Model by Brown, Mowen, Donovan, and Licita (2002, p.115).

orientation fully mediates or only partially mediates the influence of the basic personality traits on self-and supervisor ratings of performance” (p.114).

The study findings revealed that several basic personality traits, not all six of them, affected customer orientation. Also, the hierarchical model improved the predictive power of personality traits on performance ratings, especially for self-rated performance. According to the study results (Brown *et al.* 2002, p.115): (1) *instability* is negatively related to customer orientation, (2) *agreeability* is positively related to customer orientation, and has a negative and direct effect on supervisors’ performance ratings, (3) *conscientiousness* is positively related to both employee ratings and supervisor ratings, but it is not significantly related to customer orientation, and (4) customer orientation affects both self and supervisor ratings on performance. Overall, the study findings shed some light on what type of individuals are more suitable for jobs that require intense employee-customer interactions or communications. The study results give a lot of insights to practitioners about how to recruit the best people for the job.

Widmier (2002) examined the effects of personality characteristics (i.e., self-monitoring, perspective taking, and empathic concerns) and customer-satisfaction based incentives (i.e., percent of sales volume incentives and percent of customer satisfaction incentives) on the degree of customer orientation of employees (see Figure 2.2.6). A sample of 1990 salespeople from 4 large firms that employed combined sales/customer satisfaction incentives in their salespeople’s compensation system was identified. A response rate of 37% was attained. Multiple regression analysis and Chow’s test were used to analyze the data. According to the findings, there were positive and significant linkages between the percent of sales volume incentive, the percent of customer

satisfaction incentive, and customer orientation of the salespeople. Widmier (2002) stated that there were positive and significant relationships between perspective taking, emphatic concerns, and customer orientation of the salespeople. 'Perspective taking' had a negative and significant impact on 'the ability of sales volume incentives' to motivate salespeople to be more customer-oriented. Finally, according to Widmier (2002), while 'emphatic concerns' had a positive and significant effect on 'the ability of customer satisfaction incentives' to motivate salespeople to be more customer-oriented, it had a negative and significant effect on 'the ability of sales volume incentives' to motivate salespeople to be more sales-oriented. This study's unique perspective was the inclusion of both sales incentives and personality variables within the same model. The biggest problem experienced in this study was the use of "perceived variances" in incentives.

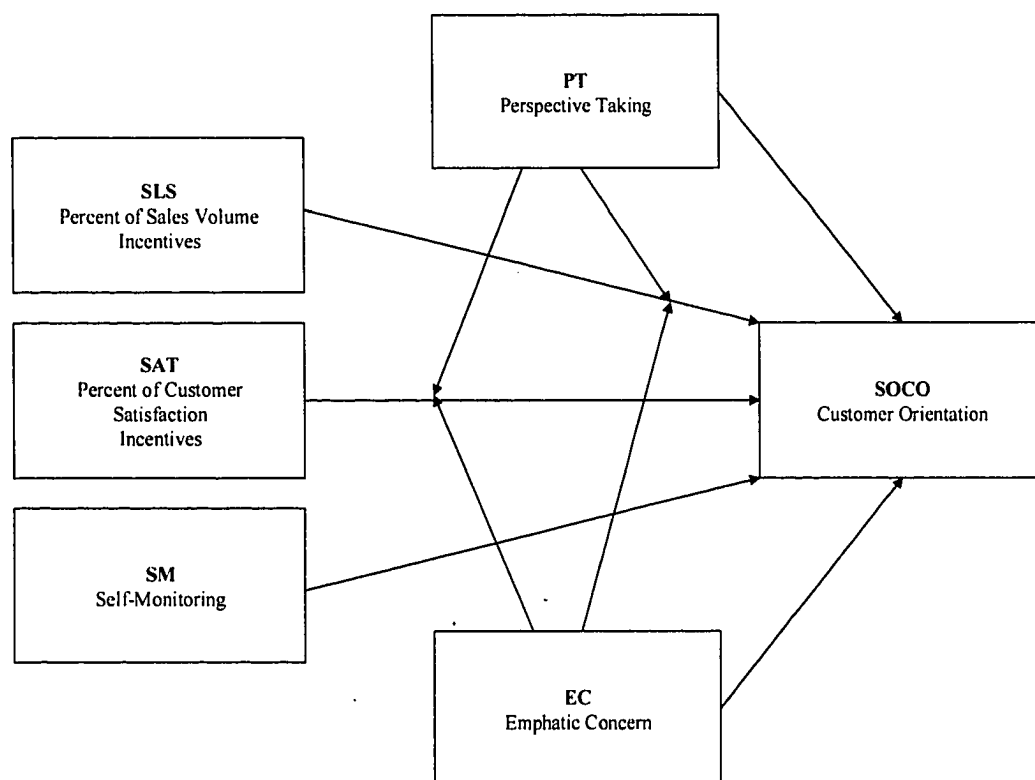


Figure 2.2.6. The Effects of Personality and Compensation on Customer Orientation, it is slightly modified, by Widmier (2002, p. 610)

The previous research has suggested that, in general, there is a significant link between the individual's customer orientation and some of his/her personality characteristics (Brown *et al.* 2002; Widmier 2002). Some personality characteristics including instability (Brown *et al.* 2002), agreeability (Brown *et al.* 2002), perspective taking (Widmier 2002), and emphatic concerns (Widmier 2002), significantly affect customer orientation of the salespeople (Brown *et al.* 2002; Widmier 2002). Yet, in this stream of the customer orientation research, the number of studies has not been sufficiently large enough to be able to reach a conclusion on the link between customer orientation and personality traits. Future research should focus on this issue more closely. In this research study, the customer orientation-personality linkage will be investigated over a sample of marketing managers. It is hoped that the findings of the present study will help scholars as well as practitioners understand this link better.

#### **2.6.5. Organizational Antecedents of Customer Orientation**

A variety of organizational factors has been considered as antecedents of the individual's customer orientation. These factors include organizational climate, motivational directions, motivational effort, and organizational socialization (Kelley 1992), organizational commitment (e.g., Kelley 1992; O'Hara, Boles, and Johnston 1991; Siguaw and Honeycutt 1995; Siguaw, Brown, and Widing II 1994), organizational culture (Williams and Attaway 1996), organizational values and role stress variables (Flaherty, Dahlstrom, and Skinner 1999), organizational control variables (Joshi and Randall 2001), organizational standards for service delivery, and coworker and supervisory support (e.g., Susskind, Kacmar, and Borchgrevink 2003; Boles, Babin, Brashear, and Brooks 2001).

Kelley (1992) developed and tested a conceptual framework that was based on customer orientation of service workers and its linkages with organizational climate, motivational directions, motivational effort, perceived organizational socialization, and perceived organizational commitment (see Figure 2.2.7). In other words, this model simply explored the relationship between organizational variables and customer orientation. This framework was tested with the data collected from a sample of 249 customer-contact employees from four financial institutions located in the Midwestern cities of the U.S. The model was tested in the financial services industry. Structural equation modeling was used to analyze the data. Kelley (1992) reported the presence of

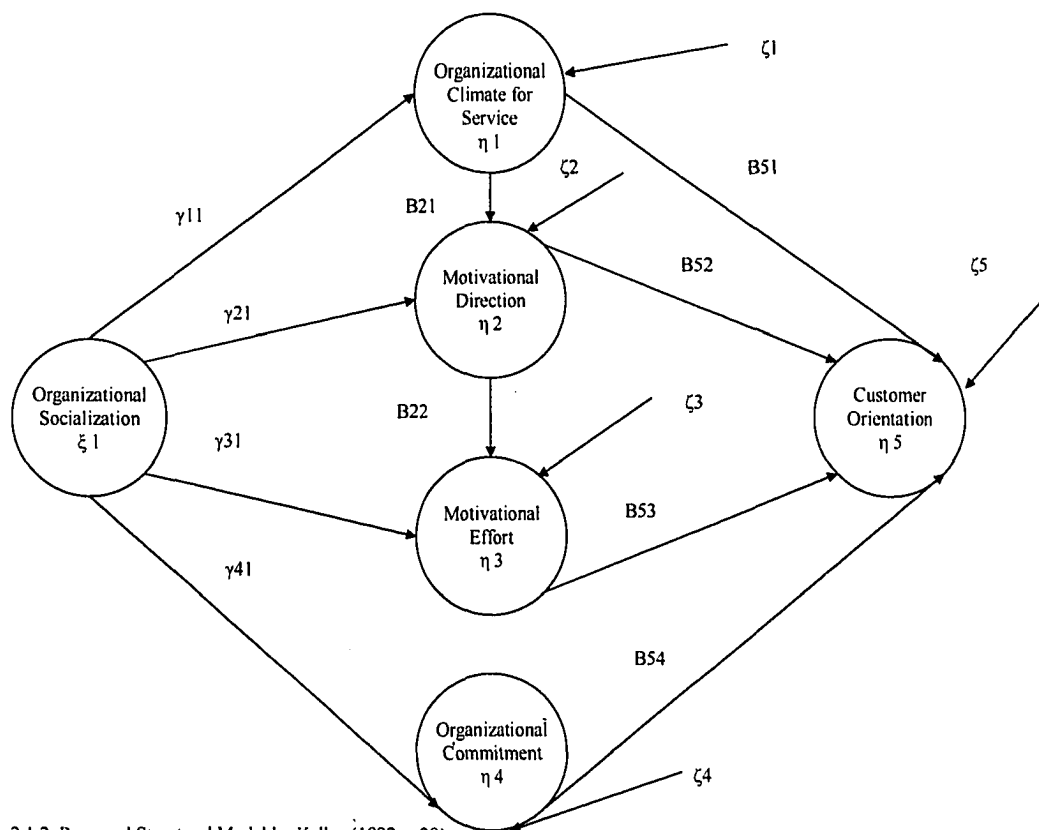


Figure 2.1.2. Proposed Structural Model by Kelley (1992, p.28)

two significant relationships within the model with respect to customer orientation of the service workers. First, there was a positive and significant relationship between perceived organizational climate for service and customer orientation. Second, there was a positive and significant relationship between motivational direction and customer orientation. This study clearly showed that customer orientation is closely linked to some organizational variables.

Williams and Attaway (1996) examined the link between organizational culture, customer orientation, and buyer-seller relationships. The authors examined these three different variables (i.e., organizational culture, customer orientation, and buyer-seller relationship development) from the buyer's perspective. Williams and Attaway (1996) defined relationship development as "the extent to which individual buyers are interested in maintaining and/or increasing their level of interaction with a sales organization's representative as well as their willingness to refer the representative to the others within or outside their firm" (p.35). Customer orientation was considered as a mediator between organizational culture and relationship development (see Figure 2.2.8). They surveyed a convenient sample of 203 business-to-business buyers, response rate was 75.4% or 153 participants, and examined 459 buyer-seller dyads, 3 separate and distinctive buyer-seller dyads for each participants. According to the study results, selling firm's organizational culture has a significant effect on "development of buyer-seller relationship", and is a predictor of "salesperson's customer-oriented behavior." Also, "salesperson's customer-orientated behavior" has a significant impact on "development of buyer-seller relationship." Since they did not find any significant relationship between "buying firm's organizational culture" and "salesperson's customer-oriented behavior", they did not

search the relationship between “salesperson’s customer-oriented behavior” and “development of buyer-seller relationship.” Williams and Attaway (1996) concluded that “In the absence of a customer-oriented sales force, even the most highly supportive culture lacks a contact vehicle through which to impact relationship development” (p.44).

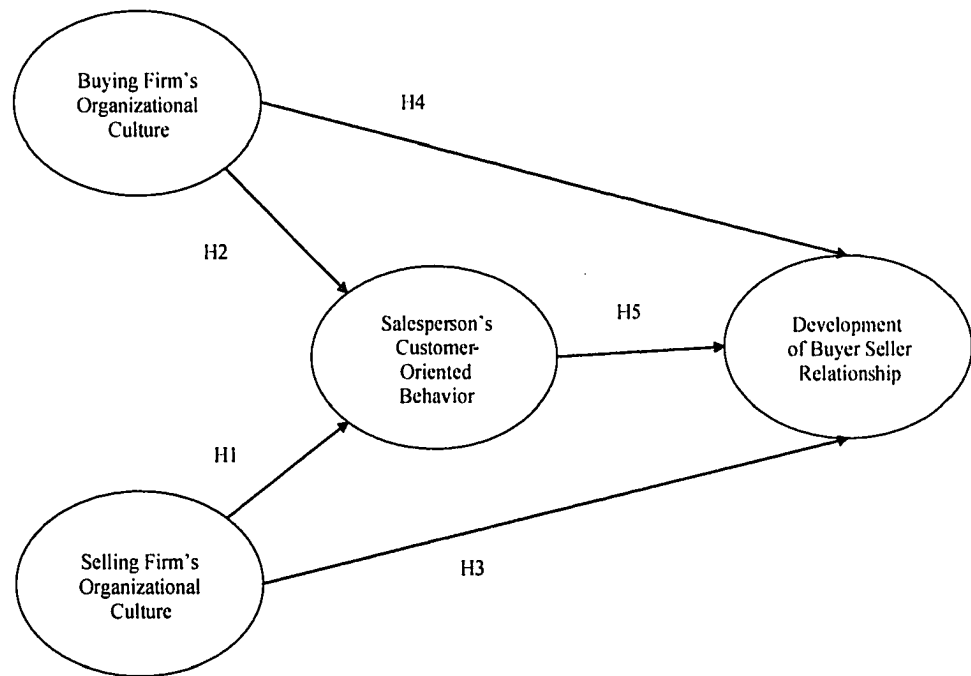


Figure 2.2.7 Determinants of Relationship Development by Williams and Attaway (1996, p. 35)

Williams and Attaway (1996) study provides invaluable insights for buying or selling firms with different organizational cultures about how to develop an intended buyer-seller relationship. However, these findings were based on the organizational buyer’s perspective. In other words, the significance of the selling firm’s organizational culture is assessed by the organizational buyers. This is an important limitation. These assessments may be biased to some degree and might distort the true effects of the selling

firm's organizational culture on "salesperson's customer-oriented behavior" and "development of buyer seller relationship." Therefore, in the interpretation of the study results, some caution should be exercised.

Flaherty, Dahlstrom, and Skinner (1999) examined the effects of organizational values and role stress variables on the customer-oriented selling. They developed a model to examine the relationships among the variables including salesperson's perceived organizational value orientation, desired organizational value orientation, and the level of customer oriented selling performance (refer to Figure 2.2.8). Their model included both financial value orientation and customer value orientation of the salespeople. They contended that *financial value orientation* is not only a characteristic of the sales profession, but also it has effects on salesperson's behaviors and perception of the company. *Customer value orientation*, on the other hand, recognizes the customer as the number one priority. The authors proposed that "the discrepancies in value orientations (i.e., financial and customer orientation), may influence the degree to which salespeople engage in customer-oriented selling behaviors" (Flaherty, Dahlstrom, and Skinner 1999, p.3). *Perceived value orientation* is defined as the perception of customer and value orientations of the firm, and it is "transmitted down through the organization from the top management as priorities" (Beatty 1988; Flaherty, Dahlstrom, and Skinner 1999, p.5). The sales person evaluates and understands these values and generate his/her own perceived value orientation. *Desired value orientation* is described as "the salesperson's aspiration for 'what they would like to see in the organization'" (The parentheses were converted to the apostrophes, Flaherty, Dahlstrom, and Skinner 1999, p.5). When the

salesperson perceives his/her firm does everything possible to retain its business, the salesperson might develop more customer-oriented selling behaviors.

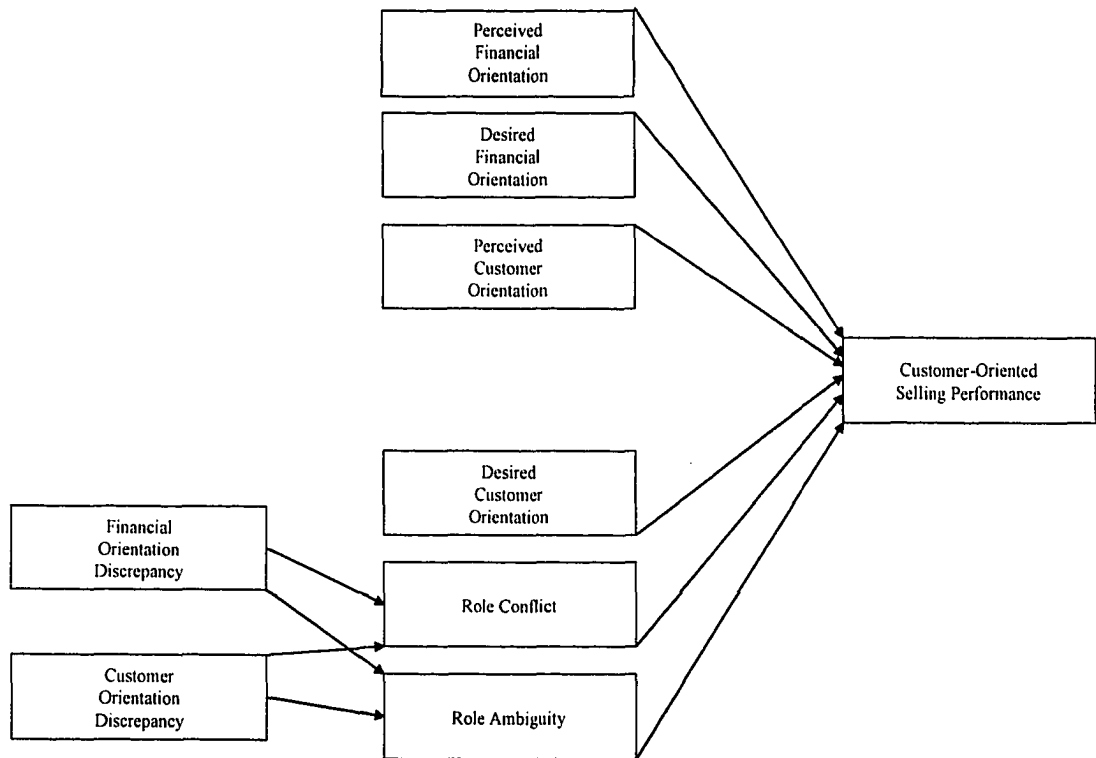


Figure 2.2.8. Antecedents to Customer -Oriented Selling by Flaherty, Dahlstrom, and Skinner (1999, p.4).

A sample of 1000 salespeople from various businesses including animal pharmaceutical products, cosmetics, real estate, financial/insurance services, heavy construction equipment, advertising services, chemicals, business forms and wax products was sent questionnaires. Only 420 of those returned were usable. Based on their findings, Flaherty, Dahlstrom, and Skinner (1999) stated that there is a significant relationship between the perceived value orientation and the customer oriented selling. In other words, “employees perceiving a highly customer-oriented organization are likely to engage in those same types of customer-oriented behaviors themselves” (Flaherty, Dahlstrom, and Skinner 1999, p.11; Kohli and Jaworski 1990; Marshall 1985). They did

not find any significant relationships between salesperson's desired customer value orientation and customer-orientated selling performance. In that extent, they concluded that "the salesperson's desire for his or her organization to adopt customer-oriented values is not a factor that influences customer-oriented selling performance" (p.11). According to the study findings, there is no significant relationship between perceived financial value orientation and customer-oriented selling.

This study indicates that employees should be well-informed about the firm's strong desire to become and/or stay customer-oriented. The employee's perception of his/her company as being 'highly customer-oriented' encourages the employee to behave in a customer-oriented manner. This finding certainly has a high practical value for businesses. This study surveyed a large number of salespeople from a very diverse group of companies. This feature of the sample increases the reliability and applicability of the study findings.

Joshi and Randall (2001) developed a conceptual model which examined the indirect effects of organizational controls variables (i.e., output control, process control, and professional control) on sales performance and customer orientation variables using 'task clarity' and 'affective commitment' as mediating variables (refer to Figure 2.2.9). They surveyed a sample of independent salespeople who represented a large and reputable direct-selling firm in the cosmetic industry. The authors defined beauty consultants as "independent salespeople" (Joshi and Randall 2001, p.4). According to the results of the study, task clarity did not have any significant effect on customer orientation. The research results revealed that there is a significant relationship between

affective commitment and customer orientation. Thus, Joshi and Randall (2001) partially validated their model with respect to customer orientation.

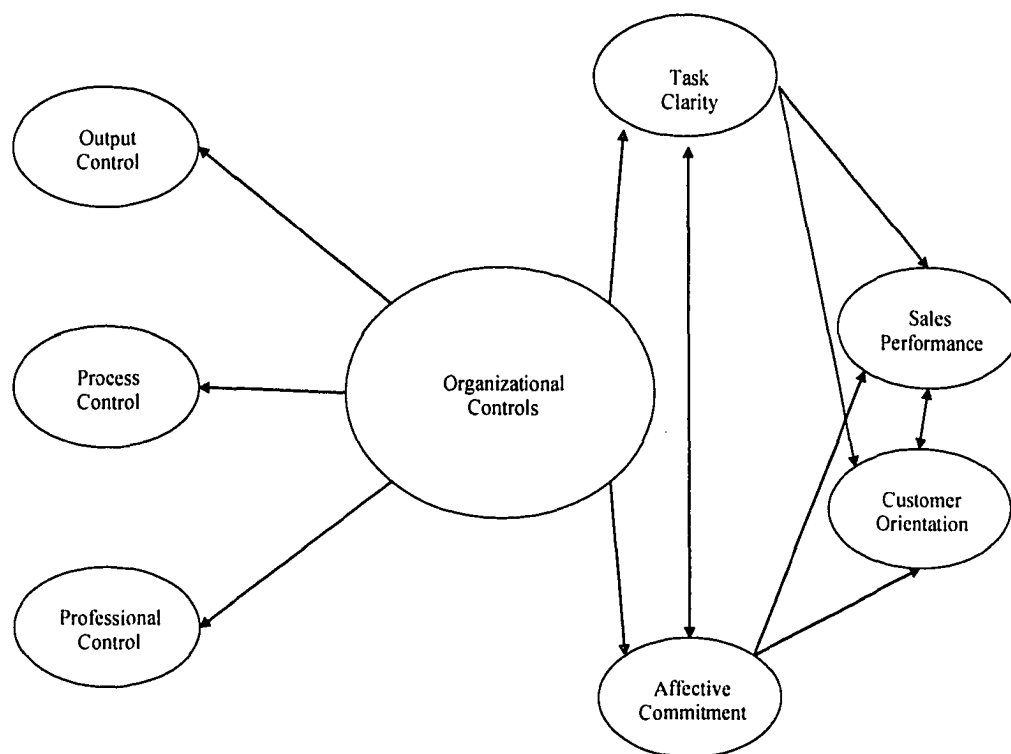


Figure: 2.2.9 Conceptual Model by Joshi and Randall (2001, p.2).

Susskind, Kacmar, and Borchgrevink (2003) examined the relationships among a number of variables including employees' perceptions of organizational standards for service delivery, employees' perception of coworker and supervisory support, customer-orientation, and customer satisfaction. A total of 390 line-level service workers in the Midwest were sampled for this investigation, usable response rate was 269. In addition to this, a pilot study was conducted over a sample of 400 MBA students. One way ANOVA, confirmatory factor analysis, and structural equation modeling were employed for the data analysis. The authors observed that there is a positive and significant relationship

between employees' perception of coworker support and customer orientation. On the other hand, employees' perception of supervisor support does not have any significant impact on the customer-orientation. Also, they indicated that there is a positive and significant relationship between customer-orientation of employees' and customer satisfaction. Although this study was mainly related to the organizational concept of customer orientation, it is included in this review because of its valuable contribution to the customer orientation research at the individual level.

Overall, the cumulative research findings in this research line indicate that the level of the individual's customer orientation is affected by the organizational variables that are inherent within the individual's working environment (Flaherty, Dahlstrom, and Skinner 1999; Kelley 1992; Susskind, Kacmar, and Borchgrevink 2003; Williams and Attaway 1996). The past research results suggested that perceived organizational climate for service (Kelley 1992), motivational direction (Kelley 1992), the selling firm's organizational culture (Williams and Attaway 1996), perceived customer orientation of the firm (Flaherty, Dahlstrom, and Skinner 1999), and employees' perception of coworker support (Susskind, Kacmar, and Borchgrevink 2003) have significant positive impacts on the degree of the salesperson's customer orientation or customer-oriented behavior.

#### **2.6.6. Linkage between Customer Orientation and Job-Related Factors**

The effects of several job-related factors on the individual's customer orientation have been investigated by past research. These factors include role ambiguity, role conflict (Hoffman and Ingram 1991; Siguaw, Brown, and Widing, II 1994), job satisfaction (Hoffman and Ingram 1991; Pettijohn, Pettijohn, and Taylor 2002; Siguaw,

Brown, and Widing, II 1994), job involvement (O'Hare, Boles, and Johnston 1991), internalization of service excellence, job competence, job autonomy (Peggei, Riccardo, and Rosental 2001), organizational commitment (O'Hare, Boles, and Johnston 1991; Pettijohn, Pettijohn, and Taylor 2002; Siguaw, Brown, and Widing, II 1994), sales training, sales skills (Pettijohn, Pettijohn, and Taylor 2002), and job tenure (O'Hare, Boles, and Johnston 1991).

As mentioned earlier, Siguaw, Brown, and Widing, II (1994) examined the links among market orientation, customer orientation, and job attitudes of salespeople in their model (refer to Figure 2.2.1). Customer orientation of the salespeople functioned as an antecedent of role conflict, job satisfaction, role ambiguity, and organizational commitment in their model. But, the previous studies have considered customer orientation as an outcome of job attitudes, particularly job satisfaction and organizational commitment (cf. Hoffman and Ingram 1991; O'Hara, Boles, and Johnston 1991).

Hoffman and Ingram (1991) examined the effects of role ambiguity, role conflict, and job satisfaction on customer orientation of health care service representatives including aids, nurses, therapists, social workers, and agency directors. A sample of 250 health care service representatives from the home health care market was sent survey packets. A response rate of 46% was achieved. A causal path analysis was used for the data analysis. The study results revealed that job satisfaction has positive and significant direct and indirect effects on customer orientation. Additionally, the research results showed that while role ambiguity negatively impacted customer orientation of the service workers, role conflict had a positive, insignificant, direct effect on customer orientation of the service workers.

O'Hare, Boles, and Johnston (1991) examined the effects of situational and organizational factors on the development of the customer-oriented selling approach. They examined the salesperson's customer orientation by using two different samples of salespeople. The first sample consisted of the sales force of a medium-sized advertising firm. The second sample consisted of industrial salespeople who attended a trade show held in a midsized Southwest city as exhibitors (missionary salespeople). The independent variables that influenced customer orientation were job tenure, supervisor / employee relations, job involvement, organizational commitment, and gender. The study findings revealed positive relationships between sales / customer orientation and supervisor / employee relations, job involvement, and organizational commitment. However, according to the study findings, job tenure and gender did not have significant impacts on customer orientation for the both samples. The only significant relationship between "advertising sales sample" and "industrial sales sample" was related to organizational commitment. Although the relationships between supervisor / employee relations and job tenure were found to be significant for the "*industrial sample*", the effect of gender was found to be significant for the "*advertising sample*". Since the results were different for the both samples, industrial and advertising, it can be concluded that the selling environment can make a lot of differences. This study can be considered as one of the most significant studies in the literature for two reasons: First, this is one of the first studies that tried to relate customer orientation to the other situational and organizational factors. Second, the suggested model was tested over the two different samples.

Peggei, Riccardo, and Rosental (2001) examined and tested the antecedents and consequences of the individuals' perceptions of their work role in the context of psychological view of empowerment. They tried to measure the factors which affect customer-oriented behavior (COBEH). Customer-oriented behavior (COBEH) was referred to "as the extent to which employees engage in continues improvement and exert effort on the job on behalf of customers" (Peccei and Rosental 2001, p.837). COBEH was affected by two sets of antecedents which were "the level of psychological empowerment experienced by employees on the job" and "perceived management behaviors and HR practices in the organization" (p.837). A large sample of 2100 staff worked for 7 Shopco stores was surveyed. A response rate of 35% was obtained. The responses came from 54 supervisors and 663 general staff. A hierarchical regression analysis (i.e., full mediation, partial mediation, and simple additive) and a factor analysis were used for data analysis. The study results showed that even though management behavior and HR practices variables have no significant direct effects on COBEH, empowerment variables had positive, significant indirect effects on COBEH. These empowerment variables included internalization of SE (service excellence), job competence, and job autonomy.

Pettijohn, Pettijohn, and Taylor (2002) examined the links between the practice of customer-oriented selling and four independent variables comprehending job satisfaction, organizational commitment, sales training, and sales skills. The study was conducted over a sample of 25 retail businesses, 220 salespeople, and only 109 of the responses received were usable. A multiple regression analysis was used. The findings of the study indicated that a salesperson's job satisfaction, organizational commitment, selling skills, the interaction between selling skills and salesperson's motivation, and the level of the

salesperson's ongoing training were all significantly related to the level of customer-oriented selling of the salesperson. On the other hand, the results showed that beginning sales training, the first two levels of ongoing sales training, and the length of the employment with the firm were not significantly related to the level of customer-oriented selling of the salesperson. Based on the study results, the links between the psychological dimensions of the salesperson (job satisfaction and organizational commitment) and the practice of customer-oriented selling by the salesperson were significantly related.

Although the research results suggested the existence of the significant links between customer-oriented selling and job satisfaction, organizational commitment, sales training, and sales skills, these results were not readily applicable to some other contexts and/or situations due to the limitations of the study. The most important limitation is that the study results were based on exclusively the data obtained from the retail selling context. This means that the suggested links may not be as direct or strong in the some other sales situations. These other situations are as follows (Pettijohn, Pettijohn, and Taylor 2002, p.754): (1) Salespeople can offer their customers a range of alternatives, (2) Customers are engaged in complex buying tasks, (3) Cooperative relationships exist between the buyer and seller, and (4) Repeat sales and referrals are important sources of business. These situations are described as being very conducive by Saxe and Weitz (1982), and the results understate the relationships that might be founded by this research.

#### **2.6.7. Customer Orientation and Customer Connections**

In this area of research, a diverse set of subjects pertaining to customer connections has been investigated within the models of the individual-level customer orientation. The past research has investigated issues like the use of different

communication styles by salespeople (Williams and Spiro 1985), relationship trust and relationship satisfaction (Wray, Palmer, and Bejou 1994), and adaptive selling behavior (McIntyre, Claxton, Anselmi, and Wheatley 2000).

Williams and Spiro (1985) examined the use of communication styles in creating and/or developing relationships between salespeople and their customers. The communication styles between customers and salespeople are classified into the three groups, which are (1) *the task-oriented*, (2) *the interaction-oriented*, and (3) *the self-oriented*. These different communication styles were described by the authors in the following statement:

*“The task oriented style is highly goal oriented and purposeful. The salesperson (customer) using this style is concerned with efficiency and minimizing time, cost, and effort. The interaction-oriented salesperson (customer) is more personal and social even to the extent of ignoring the task at hand. The self-oriented salesperson (customer) is preoccupied with himself in an interaction, and thus more concerned about his own welfare and less emphatic toward the other person”* (Italics were added; Williams and Spiro 1985, p.436).

Williams and Spiro (1985) noted that if the salesperson and the customer have different communication styles, this difference may affect the amount of sales made to the customer (s). In terms of customer orientation, “the salesperson’s perception of the customer will be related to ability to influence the customer’s decision” (Weitz 1978, p.503). All salespeople should be able to recognize different communication styles exercised by their customers and they need to treat them differently for the sake of a better customer orientation. In order to influence the decisions of his/her customer(s), a salesperson needs to develop trust between his/her customer(s) and himself. Brashear, Boles, Bellenger, and Brooks (2003) indicated that the trust that develop between the salesperson and the customer(s) will create ‘relationalism’ which is defined as “the

expectations that exchange partners or individuals have, such as long-term interactions, a sharing of benefits, and an expectation that the relationship is more important than any one encounter or exchange" (p.192). Thus, salespeople' trust and 'relationalism' will have an effective role in creating and/or developing relationships between salespeople and their customers.

Wray, Palmer, and Bejou (1994) examined the antecedents of relationship quality. Relationship quality was represented by two variables which are relationship trust and relationship satisfaction. The five possible antecedents of relationship quality were selling-orientation of the salespeople, customer-orientation of the salespeople, ethical behavior of the salespeople, experience of the salespeople, and duration of the relationships. A neural network analysis was used to evaluate the buyer-seller relationships. A sample of 1944 individuals was surveyed via phone. The resulting response rate was 29%. A stepwise regression analysis was used for the analysis. The results showed that each of the five antecedents had a significant impact on the level of the perceived relationship quality. The salesperson's customer orientation had the most positive and significant impact on relationship satisfaction. Additionally, there was a positive and significant link between the salesperson's customer orientation and relationship trust. This study used a very comprehensive technique, a neural network analysis, to analyze 'relationship quality' and its antecedents. However, there are several pitfalls associated with this study: First, the study findings were based on the data obtained from the financial services. Therefore, the study results might not be readily applicable to the other business areas. This is the weakest point of the study. Second, the

technique that was used for data collection in this study was somewhat questionable since, in a phone interview, the limited amount of information is retained for analysis.

McIntyre *et al.* (2000) examined the links among cognitive style, adaptive selling behavior, sales orientation – customer orientation, and self-perceived selling performance (see Figure 2.2.10). They used adaptive selling behavior as an antecedent of sales orientation – customer orientation. Spiro and Weitz (1990, p.62) defined ‘adaptiveness’ in selling as follows: “the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of selling situations” (McIntyre *et al.* 2000, p.180; Spiro and Weitz 1990, p.62). The authors found that there is a strong relationship between adaptiveness in selling and sales orientation - customer orientation of salespeople. More and more salespeople use adaptive selling techniques to satisfy their customers. Also, the study findings suggested that

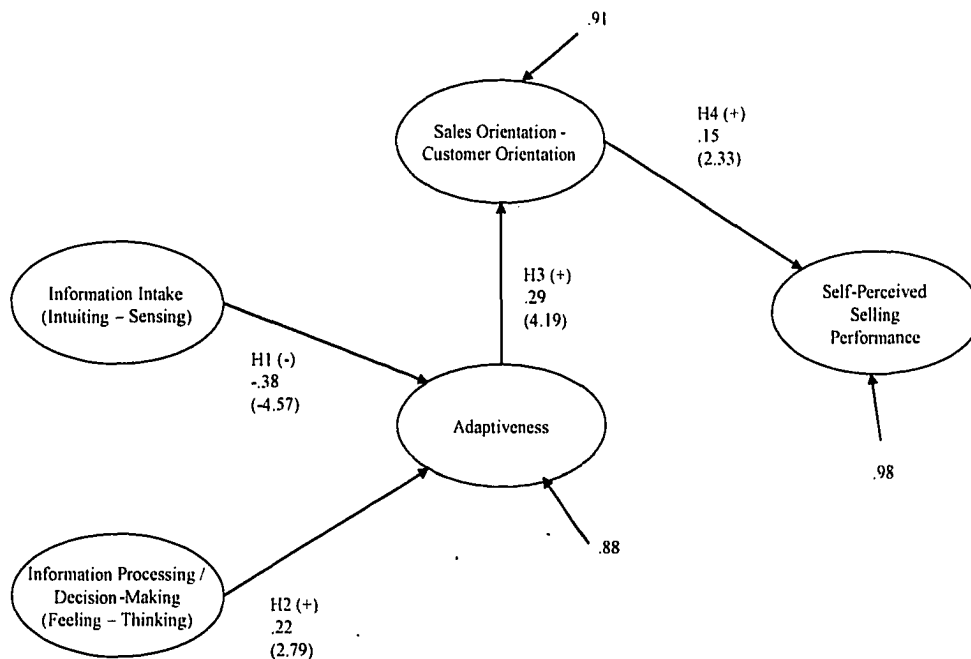


Figure 2.1.10 Standardized Estimates of the Structural Model by McIntyre, Claxton, Anselmi, and Wheatley (2000, p. 189).

there is a strong relationship between sales orientation - customer orientation and self-perceived selling performance. In other words, the greater the level of customer orientation, the lesser the level of sales orientation, the better the level of selling performance will be.

#### **2.6.8. Other Studies of Customer Orientation**

Keillor, Parker, and Pettijohn (1999) examined the effects of four aspects of relational selling, which are (1) selling / customer orientation, (2) adaptability, (3) service orientation, and (4) professionalism, on the salesperson's satisfaction with performance. A sample of 366 salespeople from a nation-wide professional sales organization which had a total of more than 100,000 members was surveyed. A response rate of 34.4% was obtained. A multiple regression analysis was performed. The results showed that the effects of selling orientation / customer orientation and service orientation constructs were statistically significant. There were no significant relationships between the importance of individual salesperson's adaptability and professionalism and the salesperson's satisfaction with performance. These unexpected results might be different if the study focused on the long term interaction between buyers and sellers. Since the long-term customer satisfaction is one of the most important perspectives of the salesperson's satisfaction with performance, this aspect must be investigated separately in future studies.

#### **2.7. A Comparison of Antecedents and Consequences of Organizational Market Orientation and Individual Customer Orientation**

Based on the review of the customer orientation research above, it can be concluded that, in general, the organizational- and individual-level customer/market

orientations have not shared any mutual antecedents with few exceptions. For example, centralization has been used as an antecedent in the both lines of research. It was found that the degree of centralization of decision-making power is negatively related to the level of market orientation at the organizational level (Jaworski and Kohli 1993). Boles *et al.* (2001) characterized centralization as an antecedent of salesperson customer orientation in their model. Their findings revealed a negative and significant relationship between centralized decision making and customer-oriented selling. This finding clearly supports that of Jaworski and Kohli (1993). Centralized decision making adversely affects both organizational market orientation and individual customer orientation.

Clearly, past research has failed to investigate the direct and/or indirect effects of possible antecedents of organizational customer or market orientation (i.e., market and technological turbulence, competitive intensity, formalization, and so on) on the degree of individual customer orientation. Some of these external and internal antecedents presented above may have significant effects on the degree of customer orientation of firm employees. For example, the level of formalization of an organization might indirectly affect the degree of customer orientation of salespeople through the reduced role conflict and role ambiguity. Also, both formalization and centralization might have moderating effects on the possible relationship between organizational market orientation and individual customer orientation. In this study, possible moderating effects of internal factors on the link between organizational market orientation and individual customer orientation will deliberately be ignored for the sake of research clarity.

In terms of outcomes, organizational market orientation and individual customer orientation share common financial outcomes. Organizational market orientation or

customer orientation leads to better organizational performance (e.g., Deshpande, Farley, and Webster 1993; Jaworski and Kohli 1993; Narver and Slater 1990; Narver, Jacobson, and Slater 1993; Ruekert 1992). According to Boles *et al.* (2001), there is a positive and significant relationship between customer-oriented selling and performance at the individual level. Brown *et al.* (2002) found that individual customer orientation affects both self and supervisor ratings on performance. Moreover, McIntyre *et al.* (2000) suggested a strong positive relationship between customer orientation and self-perceived selling performance. In brief, organizational market orientation and individual customer orientation result in better organizational and/or individual performance.

## **2.8. Characteristics of the Individual-Level Customer Orientation Research**

First, the majority of the studies on the individual-level customer orientation have used a sample of salespeople and/or sales managers and/or customers (e.g., Joshi and Randall 2001; O'Hara, Boles and Johnston 1991; Saxe and Weitz 1982; Siguaw and Honeycutt 1995; Thomas, Soutar and Ryan 2001). The research that focuses on marketers as potential target respondents in the investigation of the effects of the individual-level customer orientation has been almost nonexistent. This study attempts to fill this void in the relevant literature by using a random sample of marketers in the investigation of the antecedents and consequences of the individual-level customer orientation.

Second, many studies in the literature have used the SOCO scale to assess the level of customer orientation (e.g., Brady and Cronin 2001; Brown, Widing and Coulter 1991; Michaels and Day 1985; Tadepalli 1995). This scale seems to be widely accepted as a reliable measurement tool of customer orientation. In this study, the customer

orientation part of the SOCO scale will be used to measure the customer orientation construct.

Third, the research on the individual-level customer orientation appears to be quite fragmented. Most studies are not the extensions of any earlier studies. In general, they are not built upon each other. Obviously, more integrated research effort is needed in this area of research.

In the next chapter, Chapter 3, the suggested model will be defined and the research hypotheses and associated supporting arguments will be presented.

## CHAPTER THREE

### MODEL DEVELOPMENT AND RESEARCH HYPOTHESES

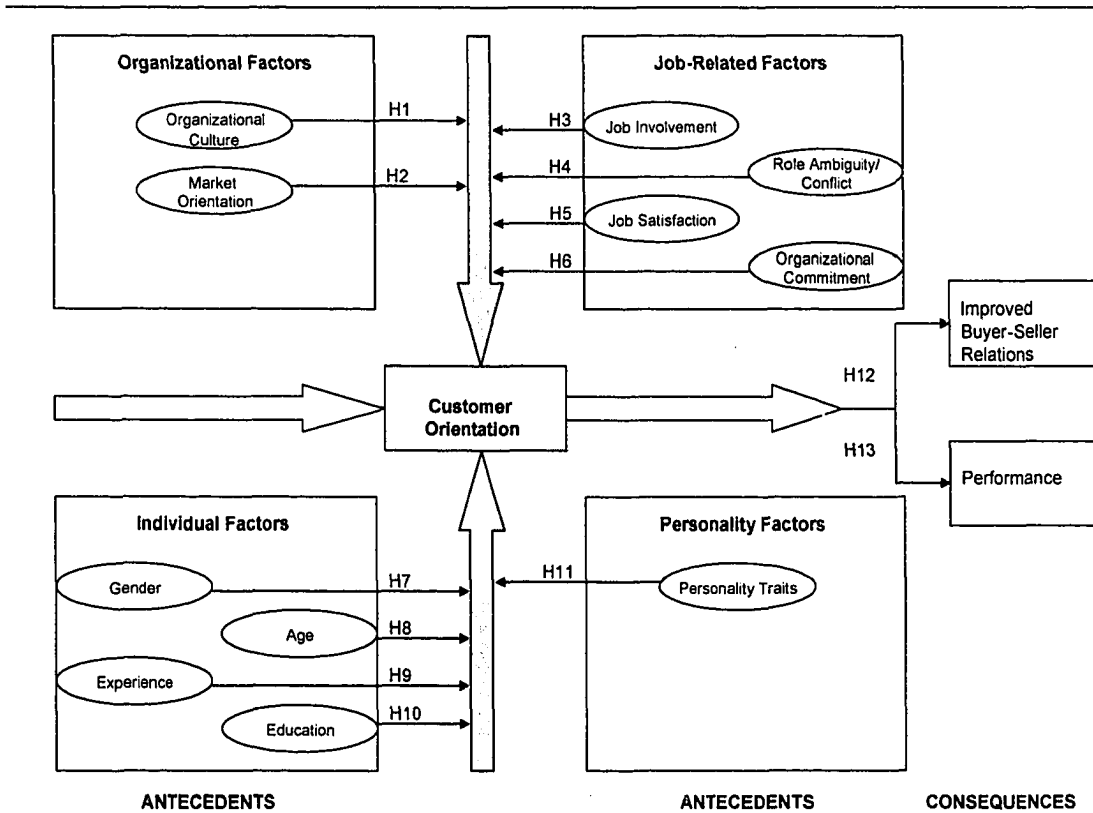
In this chapter of the study, the research model and research hypotheses along with the supporting evidence will be presented.

#### 3.1. Model Development

Overall, the objective of this study is to investigate the potential antecedents and consequences of customer orientation in the marketing context by exclusively focusing on the concept of individual customer orientation. The suggested model tries to find out answers to the following research questions: (1) Are the organizational factors including organizational culture and market orientation one of the possible determinants of the individual-level customer orientation, (2) What type of job related factors affect the individual-level customer orientation, (3) What type of physiological and psychological individual factors affect the individual-level customer orientation, and (4) What are the possible individual performance outcomes of the individual-level customer orientation? The suggested model (see Figure 3.1) consists of the four distinct parts based on these four research questions: (1) organizational-level antecedents of customer orientation, (2) individual-level antecedents of customer orientation, (3) customer orientation, and (4) individual performance outcomes as consequences. The antecedents and consequences of customer orientation include a number of organizational- or individual-level factors. These factors include (a) *organizational factors* (i.e., organizational culture and market orientation), (b) *job-related factors* (i.e., job involvement, role ambiguity/conflict, job satisfaction, and organizational commitment), (c) *individual factors* (i.e., gender, age, experience, and education), (d) *personality factors* (i.e., personality traits), and (e)

*performance factors* (i.e., improved buyer-seller relations, performance). The research hypotheses pertinent to each class of variables of the model will be presented along with their supporting evidence in the next section.

FIGURE 3.1. THE ANTECEDENTS AND CONSEQUENCES OF CUSTOMER ORIENTATION



### 3.2. Research Hypotheses

In the remainder of Chapter 3, the research hypotheses pertaining to the empirical links suggested in the model will be presented. A total of 13 major hypotheses were developed for testing.

#### 3.2.1. Effects of Organizational Factors on Individual-Level Customer Orientation

Some scholars have invited other researchers to examine closely the effects of organizational factors on customer orientation. For example, Boles *et al.* (2001)

addressed that “future SOCO research needs to examine the relationship between organizational level constructs and salesperson’s SOCO” (p.9). The organizational factors that are investigated in this research study include *organizational culture* and *market orientation*.

### **Organizational Culture and Customer Orientation**

*Organizational culture* is deemed to be a very crucial subject in the context of marketing management. However, in spite of its criticality, there has been relatively little research effort directed at the relationships between organizational culture and marketing-related concepts/constructs (Deshpande and Webster 1989, Strong and Harris 2004). Based on the review of the relevant literature, there has been no clear consensus about the definition and measurement of organizational culture among researchers and practitioners (Deshpande and Webster 1989). Deshpande and Webster (1989) defined it as “*the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them norms for behavior in the organization*” (Deshpande and Webster 1989, p.4). Under the marketing concept, organizational culture is defined as “a fundamental shared set of beliefs and values that put the customer in the center of the firm’s thinking about strategy and operations” (Deshpande and Webster 1989, p.3). Recently, the increasing efforts to develop a customer-oriented work environment within organizations have raised the scholarly interest in organizational culture as a critical organizational variable (Deshpande and Webster 1989). It is suggested that organizational models that fail to include culture as an organizational variable are not considered to be complete (Deshpande and Webster 1989; Also see Ouchi and Wilkins 1985).

Williams and Attaway (1996, p.36) noted that “The theoretical explanation of organizational culture stems from Lewinian field theory, in which individual behavior is posited to be a function of the interaction of the person and his or her immediate psychological environment” (Lewine 1938). Based on this argument, it is possible to suggest that the customer-oriented behaviors of an employee can be partly a product of organizational culture of the organization in which he/she works. Indeed, some credible empirical work supports this argument. Kelly (1992) found that the higher levels of customer orientation result from favorable perceptions of the organizational climate for service. Recently, Boles *et al.* (2001) found a positive and significant relationship between supportive work environment and customer-oriented selling and no relationship between supportive work environment and selling-oriented practices. Williams and Attaway (1996) investigated possible empirical links among organizational culture, customer orientation, and buyer-seller relationship development. In their study, they used customer-oriented behavior as a mediating variable between buyer’s / seller’s organizational cultures and buyer-seller relationships. According to Williams and Attaway (1996), there is a positive and significant relationship between selling firm’s organizational culture and salesperson’s customer orientation. Their conceptualization of organizational culture was based on a very simple classification scheme of organizational cultures. Williams and Attaway (1996) reported that there are two types of dominant organizational culture that affect the salesperson’s customer orientation from both the seller’s and the buyer’s perspectives. These are (1) *bureaucratic* cultures and (2) *supportive* cultures. *Bureaucratic cultures* are characterized as “rule intensive, non innovative, non-cooperative, and slow change” cultures. *Supportive cultures* are

identified as “being empowered, innovative, cooperative, and adaptive” (Williams and Attaway 1996, p.36). This is a very simple classification of organizational cultures.

Deshpande, Farley, and Webster (1993) used a more comprehensive typology of organizational cultures. They identified four classes of organizational cultures (refer to Deshpande, Farley, and Webster [1993, p.24-26] for detailed explanations for each class). These are *market*, *adhocracy*, *clan*, and *hierarchical* cultures. This study will adopt Deshpande, Farley, and Webster (1993)’s classification of organizational cultures.

The *market* culture strategically emphasizes “competitive advantage” and “market superiority” (Deshpande, Farley, and Webster 1993, p.25). It has mechanistic processes such as control, order, and stability. This is the best performing culture. It is characterized by a strong external positioning such as focusing on competition and differentiation (Deshpande, Farley, and Webster 1993). Especially, a strong external orientation of a market culture makes it compatible with the customer-oriented values. Employees in a market culture are likely to be customer-oriented in their interactions with customers. Better customer service, better customer satisfaction, and a high customer retention rate will be some of the keys to successfully beating the competition.

A *hierarchical* culture emphasizes stability, predictability, and smooth operations, and follows rules, policies, and procedures strictly (Deshpande, Farley, and Webster 1993). Due to its internal orientation, this type of culture is likely to produce the worst business performance (Deshpande, Farley, and Webster 1993). The levels of formalization and centralization might be high in this type of culture. Boles *et al.* (2001) reported a negative and significant relationship between centralized decision making and customer-oriented selling. Also, Jaworski and Kohli (1993) showed empirically that

centralization of decision making within an organization serves as a barrier to market orientation. According to Jaworski and Kohli (1993), formalization does not affect market orientation. A strong internal orientation makes it more difficult for a hierarchical culture to develop customer orientation at both organizational and individual levels.

The *clan* culture relies on loyalty, tradition, and interrelationships among organizational members (Deshpande, Farley, and Webster 1993). It has a strong internal orientation such as integration and smoothing activities. This type of culture can be expected to be more formalized and centralized to keep organizational traditions / practices / relationships unchanged. This type of culture is likely to perform better than the hierarchical culture (Deshpande, Farley, and Webster 1993). But, due to its strong internal focus, a clan culture is less likely to encourage customer-oriented thinking and behaving in its employees. Also, a high level of centralization in this culture serves as an impediment to customer orientation (Boles *et al.* 2001; Jaworski and Kohli 1993).

Finally, the *adhocracy* culture embraces innovation, growth, and new resources. Flexibility, adaptability, creativity, risk taking, spontaneity, and entrepreneurship are highly valued by this culture (Deshpande, Farley, and Webster 1993). It performs better than the clan culture. It has a strong external positioning (i.e., competition and differentiation). This culture has less centralization and formalization. Employees in an adhocracy culture are more likely to be customer-oriented. Moreover, Kelly (1992) reported that the higher degree of customer orientation is a result of a favorable perception of the organizational climate. Employees in an adhocracy culture are likely to perceive their organizational climate more favorably, and therefore, they are more prone to be customer-oriented.

On the basis of the arguments presented above about each culture type, the following hypotheses can be suggested to express the link between organizational culture and customer orientation:

- H1:   (a) *A market culture will lead to a high level of customer orientation,*  
          (b) *An adhocracy culture will lead to a high level of customer orientation,*  
          (c) *A clan culture will result in a low level of customer orientation,*  
          (d) *A hierarchical culture will result in a low level of customer orientation of the marketer.*

### **Market Orientation and Customer Orientation**

The limited number of studies has explored the effect of organizational market orientation on individual customer orientation (e.g., Boles *et al.* 2001; Jones, Busch, and Dacin 2003; Siguaw, Brown and Widing II 1994). *Market orientation* was conceptualized by both Kohli and Jaworski (1990) and Narver and Slater (1990). Their conceptualizations are well-known and acknowledged by researchers. Both conceptualizations include an element which requires all of the firm's employees to focus on needs, wants, and preferences of their customers. These sub-dimensions are customer orientation (Narver and Slater 1990) and market intelligence generation (Kohli and Jaworski 1990). Either of these alternative dimensions is the key to a strong market orientation in an organization.

A strong market orientation leads to more satisfied employees who are more committed, motivated, and productive (Day 1998). A market-oriented organization requires its employees to be close to its customers and responsive to their needs and wants. Since employees of a market-oriented organization are generally highly motivated and committed (Day 1998), they are expected to implement the requirements of their employer completely. Thus, they are likely to become more customer-oriented or

customer-focused. Also, Flaherty, Dahlstrom, and Skinner (1999) found that “employees perceiving a highly customer-oriented organization are likely to engage in those same types of customer-oriented behaviors themselves” (Flaherty, Dahlstrom, and Skinner 1999, p.11; Kohli and Jaworski 1990; Marshall 1985).

Siguaw, Brown, and Widing II (1994) argued that “the firm possesses the means of influencing the customer orientation of its sales force and is rational in expecting the sales force to behave and respond to customer needs in manner that is congruent with the firm’s market orientation. Therefore, it is reasonable to expect that the market orientation of the firm has a strong influence on the customer orientation of the sales force” (p.107). From the empirical aspect, Siguaw, Brown, and Widing II (1994) showed that there is a positive and significant relationship between market orientation and customer orientation. Organizational market orientation serves as an antecedent of individual customer orientation (Siguaw, Brown, and Widing II 1994). Also, Boles *et al.* (2001) reported the existence of a significant, positive relationship between a firm’s customer orientation and customer-oriented selling. However, Jones, Busch, and Dacin (2003)’s study revealed that there is no relationship between the firm’s market orientation and salesperson’s customer orientation. In brief, the findings of the past research on the nature of this relationship contradict.

On the basis of the evidence presented above, the following hypothesis is suggested to define the nature of the relationship between market orientation of the firm and customer orientation of marketers.

*H2: The greater the level of market orientation of the firm, the greater the level of customer orientation of its marketers.*

### 3.2.2. Effects of Job-Related Factors on Individual-Level Customer Orientation

This research study will explore the direct, independent effects of a number of job-related variables on customer orientation. These variables include *job involvement*, *role ambiguity / conflict*, *job satisfaction*, and *organizational commitment*.

#### Job Involvement and Customer Orientation

The number of studies on the effect of job involvement on customer orientation of employees has been very limited (e.g., O'Hare, Boles and Johnston 1991). *Job involvement* is defined by Darden *et al.* (1993) as "the extent to which individuals identify psychologically with their work" (p.6). Brown *et al.* (1998) argued that "The more people identify psychologically with their jobs, the more challenging their personal goals are likely to be" (p.91). As employees have more job involvement, they are expected to set higher goals and standards for themselves to accomplish. The establishment of higher goals and standards creates more challenges for employees. This makes them more eager to succeed. They try to become and stay competitive over time. In order to achieve and maintain a higher level of long-term success, they need to focus on not only short-term financial goals but also long-term financial goals. The accomplishment of future short-term financial goals may depend on the establishment and attainment of long-term financial goals. For example, creating a strong customer base is a long-term goal for a marketer. The attainment of this goal (having a strong customer base) may provide or even guarantee a planned level of annual sales for the marketer. Achieving a planned level of annual sales is a short-term financial goal. Thus, behaving in a more customer-oriented manner can be one of the higher goals of the employee with

high job involvement. Adopting a strong customer orientation will help him/her succeed by building a strong customer base that will provide current and future sales for the firm.

Past research has produced surprising, inconclusive results on the effect of job involvement on customer orientation. O'Hare, Boles and Johnston (1991) found a negative and insignificant relationship between job involvement and customer orientation for the advertising sales sample, and a positive and insignificant relationship between job involvement and customer orientation for the industrial sales sample. In their study, job involvement was an antecedent to customer orientation. Based on the anecdotal evidence on the link between job involvement and customer orientation, the following hypothesis is suggested for testing.

*H3: The higher the job involvement of the marketer, the greater the customer orientation of the marketer.*

### **Role Ambiguity/Conflict and Customer Orientation**

Role ambiguity / conflict are undesirable aspects of a work environment.

*"Perceived role conflict* occurs when a salesman believes that the expectations and demands of two or more of his role partners are incompatible and that he can not simultaneously satisfy all the demands being made of him" (Churchill *et al.* 1976, p.326).

*"Perceived role ambiguity* occurs when the salesman feels he does not have the information necessary to perform his job adequately. He may be uncertain about what some or all of his role partners expect of him in certain situations, how he should go about satisfying those expectations, or how his performance will be evaluated and rewarded" (Walker *et al.* 1977, p.159). According to Rhoads *et al.* (1994), role ambiguity occurs "when a focal person feels he/she is uncertain about the salient information

necessary to enact his or her role” (p.2). Misinformation and/or lack of information lead to role ambiguity. According to Singh and Rhoads (1991), “the lack of *salient* information needed to perform a role efficiently” is to blame for role ambiguity (p.330). Especially, “the nature of salesman’s job makes some conflict and ambiguity inevitable” (Walker *et al.* 1975, p.33). Role conflict and ambiguity may be unavoidable within the selling context.

There are only few studies investigating the link between role ambiguity / conflict and customer-oriented behavior of salespeople (e.g., Flaherty, Dahlstrom, and Skinner 1999; Hoffman and Ingram 1991; Jones *et al.* 2002; Siguaw, Brown, and Widing II 1994). Past research suggests that both role ambiguity and conflict may have direct consequences for the organization. Brown and Peterson (1994) indicated role conflict/role ambiguity is likely to affect salesperson effort negatively (p.72). According to Floyd and Lane (2000), individual interactions are more predictable if the roles are well-defined, and interactions are less predictable if the roles are not well-defined. Well-defined roles will lead to more predictable and consistent behavior patterns in employees (Floyd and Lane 2000). Employees with considerable degrees of role ambiguity / conflict may not perform their jobs effectively. Employees with ill-defined roles are likely to be less committed to becoming customer-oriented. Since he/she is unsure of his/her duties and responsibilities, he/she is likely to be inconsistent in his/her behaviors and interactions with customers. On the other hand, well-informed employees are aware of their duties and responsibilities, and they are likely to perform their jobs more efficiently and effectively (Floyd and Lane 2000). They will be more committed to customer orientation. In this study, role ambiguity and role conflict are considered as

antecedents of customer orientation of marketers (Flaherty, Dahlstrom, and Skinner 1999; Hoffman and Ingram 1991) based on the evidence presented above. In the light of the anecdotal evidence presented above, the following hypothesis is suggested to be tested.

*H4a: The lower the role ambiguity of the marketer, the greater the customer orientation of the marketer.*

*H4b: The lower the role conflict of the marketer, the greater the customer orientation of the marketer.*

### **Job Satisfaction and Customer Orientation**

It is obvious that employees who are satisfied with their job are more prone to perform better. *Job satisfaction* is explained by “one’s affective attachment to the job viewed either in its entirety (global satisfaction) or with regard to particular aspect (facet satisfaction; e.g., supervision)” (Tett and Meyer 1993, p.261). More specifically, job satisfaction is formally defined as “the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values” (Locke 1969, p.316). Employees who are dissatisfied with their job are more inclined to quit and change workplaces (Churchill *et al.* 1976).

Employees who are satisfied with their jobs are expected to be more willing to adopt more customer-oriented behaviors and put extra effort to satisfy his/her customers. The previous research on the issue of the job satisfaction and customer orientation link is quite limited (e.g., Hoffman and Ingram 1991; Pettijohn, Pettijohn, and Taylor 2002; Siguaw, Brown, and Widing II 1994). Hoffman and Ingram (1991) found out that job satisfaction has positive and significant direct and indirect effects on customer orientation. Pettijohn, Pettijohn, and Taylor (2002) noted that there is a positive and significant link between job satisfaction and customer orientation. They further claimed

that “organizational commitment and job satisfaction are necessary requisites for customer orientation” (p.752). Siguaw, Brown, and Widing II (1994) viewed job satisfaction as a consequence of the “DIFF” variable (the difference between market orientation of the firm and customer orientation of the salesperson). But, Siguaw, Brown, and Widing II (1994) found an insignificant relationship between the DIFF variable and job satisfaction. Most of the customer orientation literature treats job satisfaction as an antecedent of customer orientation (e.g., Hoffman and Ingram 1991; Pettijohn, Pettijohn, and Taylor 2002). This antecedent role of job satisfaction was supported by the previous empirical research (e.g., Hoffman and Ingram 1991; Pettijohn, Pettijohn, and Taylor 2002) as well. By following Hoffman and Ingram (1991)’s and Pettijohn, Pettijohn, and Taylor (2002)’s perspectives and findings pertinent to the job satisfaction and customer orientation link, the following hypothesis is suggested to be tested.

*H5: The greater the job satisfaction experienced by the marketer, the greater the customer orientation of the marketer.*

### **Organizational Commitment and Customer Orientation**

Babakus *et al.* (1999) noted that *organizational commitment* can be considered as “the strength of the salesperson’s involvement and loyalty to the organization” (p.61). Steers (1977) defined organizational commitment as “the relative strength of an individual’s identification with and involvement in a particular organization” (p.46). According to Sager and Johnston (1989), organizational commitment is characterized by “an individual’s identifying with the organization’s goals and values, a willingness to put forth effort for the organization, and a desire to remain in the employ of the organization”

(p.31). Hunt and Morgan (1994) think that the effort put for providing a clear definition of organizational commitment has not been over yet.

The link between organizational commitment and customer orientation is expected to be positive (Kelly 1992; O'Hare, Boles and Johnston 1991; Pettijohn, Pettijohn, and Taylor 2002; Siguaw, Brown and Widing II 1994; Rozell, Pettijohn, and Parker 2004). The establishment and sustenance of good, long-term relations with customers is one of the keys to the long-term survival of virtually every organization. An employee with a strong organizational commitment identifies with his/her organization's goals and values and wants to be a part of his/her organization for a long time. Since the survival of his/her organization will partly depend on having a large number of satisfied long-term customers, he/she will likely to become more customer-oriented to satisfy the organization's customers. If he/she is in a position which requires a regular customer contact, he/she is expected to be more responsive to customer needs, wants, and preferences even though his/her organization does not require him/her to be customer-oriented. O'Hare, Boles and Johnston (1991) argued that "it would seem likely that salespeople who identify with the organization, that is organizational commitment, will work harder to satisfy their customers" (p.62). Kelly (1992)'s study revealed a positive and significant relationship between organizational commitment and customer orientation. O'Hare, Boles and Johnston (1991) considered organizational commitment as an antecedent of customer orientation and reported that organizational commitment positively affects customer orientation of both the industrial and advertising sales samples. Pettijohn, Pettijohn, and Taylor (2002) showed the presence of a positive and significant connection between organizational commitment and customer orientation.

They viewed organizational commitment as one of the keys to customer orientation.

Clearly, the findings of the past research have been consistent. Based on the evidence presented above, the nature of the relationship between organizational commitment and customer orientation is hypothesized as follows:

*H6: The greater the organizational commitment of the marketer, the greater the customer orientation of the marketer.*

It is possible that the suggested positive relationship between organizational commitment and customer orientation might be modified by the type of organizational culture. But, for the sake of research clarity, this possible modifying effect of the type of organizational culture on this relationship will not be investigated in this research study. It will be the subject of a future research study.

### **3.2.3. Effects of Individual Factors on Individual-Level Customer Orientation**

Individual or personal variables are referred to as “intra-individual factors that might be related to salespeople’s performance but which are not part of the aptitude, skill level, motivation, and role perceptions components” (Churchill *et al.* 1985, p.109). The previous studies introduced a variety of these factors, including the salesperson’s age, height, sex, weight, race, appearance, education, marital status, number of dependents, club membership, and other similar characteristics (Churchill *et al.* 1985, p.109).

Dwyer *et al.* (1998) contended that “the demographic makeup of groups, including gender, age, race, and education, has been found to influence a number of interpersonal and organizational process, including cooperation, communication, satisfaction, performance, cohesion, and integration” (p.56). Since customer orientation requires the salesperson to engage in interpersonal processes such as communication,

cooperation, and interaction with customers and other employees of the firm, possible effects of individual or personal variables on customer orientation of the salesperson are viable research subjects that should be investigated. In this study, the effects of four major, the most relevant, individual variables, will be investigated. These are *gender*, *age*, *experience*, and *education*.

### **Gender and Customer Orientation**

O'Hare, Boles, and Johnston (1991) pointed out the lack of the research studies that focus on the factors which may differentiate between male and female counterparts in the work environment. Babin and Boles (1998) reported that gender-related differences were observed in some organizational constructs. There are few studies that investigated the possible effects of gender differences on the degree of the salesperson's customer orientation (e.g., O'Hare, Boles, and Johnston 1991; Siguaw and Honeycutt 1995). More alarmingly, Siguaw and Honeycutt (1995) urged that "No substantive research on gender differences concerning market orientation, customer orientation, or adaptive selling perceptions has been reported" (p.47). Nowadays, women constitute to "a large and important segment of the sales force" in organizations (Schul and Wren 1992, p.39). Therefore, the question of whether there are significant differences between male and female salespeople in their levels of customer orientation is a crucial research issue that should be examined closely.

According to the past research, some differences may be observed between male and female salespeople on the degree of their customer orientation. O'Hare, Boles, and Johnston (1991) contended that "In the sales environment, it has been demonstrated that women, when compared to their male counterparts, place greater value on their

relationships with customers” (p.62). Female salespeople demonstrate greater customer orientated behavior than male salespeople (O’Hare, Boles, and Johnston 1991). Similarly, Siguaw and Honeycutt (1995) showed that the levels of saleswomen’s customer orientation were significantly greater than their male counterparts. They commented that “women are more likely to serve as problem-solving consultants and to assist their customers in achieving their goals rather than just attempting to make the sale regardless of customer needs” (p.50). On the basis of the evidence presented above, the following hypothesis was constructed to be tested.

*H7: Female marketers are more customer-oriented than their male counterparts.*

### **Age and Customer Orientation**

Although there are not many empirical studies focusing on the effects of age differences between employees (young versus old employees), it is assumed that younger employees have more potential to be trained effectively and to absorb/apply the current body of knowledge about customer orientation better. The rationale behind this presumption is quite simple and straightforward: Since old employees would have their own customer databases/networks and already established customer relations, they would just need to maintain their already existing contacts or relations. They might not feel much pressure on generating new customer contacts. Therefore, old employees might not need to be customer-oriented to a greater extent compared to their young counterparts. They might actually have a choice to be less customer-oriented compared to young employees. Unlike their old counterparts, young employees do not have their own databases or already established customer relationships to bank on. They not only have to

maintain their newly established relationships with customers but also have to regularly create new contacts. Therefore, they may not have a choice to be less customer-oriented. Young employees need to be customer-oriented to a greater extent compared to their older counterparts. As a result, they have to make more phone calls and establish more contacts to develop their own customer base(s). To accomplish that, they have to adopt customer-oriented selling behavior. They have to be in contact with more customers and more institutions. They have to sharpen their customer-oriented selling skills.

Furthermore, according to Lambert *et al.* (1990), a person's age has a significant impact on the decline of his/her certain information-processing capabilities. Even, Cron (1984) constructed a career development framework that was based on the changes a salesperson experiences as he/she gets older. The old person's physical limitations might serve as impediments to their being customer-oriented to a greater extent. His/her social and communication skills may decline as the person gets older. Clearly, a salesperson's age may be an important predictor of his/her level of customer orientation.

Based on the rationale and evidence introduced above, the following hypothesis is proposed for testing:

*H8: Younger marketers are likely to be more customer-oriented than older marketers.*

### **Experience and Customer Orientation**

Past research suggests the possibility of a positive connection between the employee's job experience and his/her degree of customer orientation. Experienced employees evaluate and analyze both internal and external factors more easily. Weeks and Kahle (1990) argued that time allocation reflects the effort of the salesperson in a

sales situation. More experience means more effort. An experienced person, old or young, may put more effort into a job-related task. His/her concept of a successful completion of a job-related task may be more advanced than that of an inexperienced person. Bartkus *et al.* (1989) suggested that “a salesperson becomes more experienced in the routine and complexities of the particular sales position .... As salespersons become more experienced, they gain a better understanding of the boundaries of the job rewards and may adjust their work accordingly” (p.13). If being customer-oriented is rewarded by the organization and/or has positive outcomes for the employee, an experienced employee will know for sure that if he/she becomes more customer-oriented, he/she will be rewarded by the organization and/or get positive results. O’Hare, Boles, and Johnston (1991) suggested that “experienced salespeople, familiar with the customer’s needs over a long period of time, would likely display higher levels of a customer oriented behavior than their less experienced counterparts” (p.62). Experienced employees would have more opportunities to see positive results and/or implications of being customer-oriented over time. An inexperienced employee, regardless of being his/her old or young, may not know favorable long-term implications of his/her being customer-oriented. As he/she gets more experienced on the job, he/she will learn advantages of being customer-oriented and will choose to be more customer-oriented. On the other hand, one can argue that non-tenured employees may be more concerned about their job security than tenured employees. This may give non-tenured employees an extra incentive to be more customer-oriented. Overall, the conceptual evidence that suggests a positive relationship between experience and customer orientation appears to be more convincing.

Empirically, O'Hare, Boles, and Johnston (1991) reported a positive and significant relationship between job tenure and customer orientation for the industrial sales sample, but a positive and insignificant relationship between job tenure and customer orientation for the advertising sales sample. The findings related to the effect of the salesperson's job tenure on his/her customer orientation are inconclusive in O'Hare, Boles and Johnston (1991)'s study.

The arguments presented above suggest the construction of the following hypothesis about the relationship between job experience and customer orientation.

*H9: Experienced marketers are more customer-oriented than their inexperienced counterparts.*

### **Education and Customer Orientation**

To my best knowledge, the past research has failed to investigate the possible link between the salesperson's formal training or education level and his/her degree of customer-orientation. It has been argued that better educated salespeople are able to interact with their customers more effectively (Lambert *et al.* 1990), and they are more inclined to learn more and develop new selling skills. Lambert *et al.* (1990) argued that "better educated salespeople should be more adept at formulating questions and interpreting their customers' responses" (p.5). Well-designed training programs would help salespeople comprehend and apply the requirements of customer-oriented philosophy of the firm better, and develop their customer information processing skills. On this issue, Sujana *et al.* (1988) argued that "It is possible to help salespeople develop links between strategies and sales situations through training programs that focus on the utilization of information rather than simply on supplying information" (p.14).

Furthermore, it can be assumed that better educated people are more likely to be learning-oriented. Kohli *et al.* (1998) argued that “salespeople with a learning orientation have a strong desire to improve and master their selling skills and abilities continually and view achievement situations as opportunities to improve and master their competence” (p.263). On the basis of the anecdotal evidence presented above, the following hypothesis can be developed to address the potential link between the salesperson’s level of education and his/her degree of customer orientation.

*H10: Educated marketers are more customer-oriented than less educated marketers.*

#### **3.2.4. Effects of Personality Factors on Individual-Level Customer Orientation**

Whether employers can identify prospective employees who are more likely to be customer-oriented by using their personality traits as a tool is a vital research issue that has been largely ignored by scholars. Surprisingly, despite the unarguable importance of the issue, only a few studies have focused on the role of the individual’s personality traits on his/her level of customer orientation (e.g., Brown *et al.* 2002). Brown *et al.* (2002) investigated the independent direct effects of six personality traits (i.e., instability, agreeability, activity, introversion, conscientiousness, and openness) on customer orientation empirically. Brown *et al.* (2002) claimed that they are the first researchers to investigate the relationships between basic personality traits and customer orientation. Jolson and Comer (1997) urged researchers about the fact that “Little empirical work has examined the usefulness of personality traits and individual characteristics in evaluating marketing employees, especially in selling jobs” (p.30).

In fact, the nature of an employee's character and behavior can be a crucial determinant of his/her contribution to the firm's success. Williams and Attaway (1996) argued that "an understanding of the nature of salesperson behaviors with respect to buyers is vital to the success of a firm" (p.34). Some researchers have suggested more openly that the level of the salesperson's customer orientation may be associated with his/her personality characteristics (e.g., O'Hare, Boles and Johnston 1991). O'Hare, Boles and Johnston (1991) said that "the development of a customer oriented approach to selling is influenced by personal characteristics" (p.65). O'Hare, Boles and Johnston (1991) suggested that personal characteristics of a salesperson might actually determine his/her customer oriented selling. They believed that understanding and defining the personal characteristics of the salesperson is very important because "identifying personal characteristics affecting customer oriented selling can help sales managers in the selection and training of new salespeople" (O'Hare, Boles and Johnston 1991, p.62). Actually, confirming the existence of a significant relationship between customer orientation and personality characteristics empirically can provide sales managers a better understanding of the roots of customer oriented selling and a better managerial tool for recruiting the best salespeople possible for the job.

In this research study, the CAD dimensions (i.e., *compliant*, *aggressive*, and *detached*), which is an old typology of personality traits, will be used to measure personality traits of survey participants. As it is highlighted in earlier section, the CAD dimensions are used in this study for several reasons. First, to the author's best knowledge, the CAD dimensions have not been tested in the marketing and business contexts previously. In this study, these dimensions will be tested for the first time

through a comprehensive model in the marketing context. Second, the CAD dimensions include 16 personality factors which are considered to be the origins of the “Big Five” personality dimensions. The CAD dimensions may be as valid and reliable as the “Big Five” personality dimensions since they are connected. Thus, this study will test the reliability and validity of this original scale in the marketing context. Third, the number of items in this personality scale is much smaller than that in more comprehensive scales with more dimensions. For example, while the CAD has 19 items, the “Big Five” has 60 items. There is a significant gap between the numbers of items in the two scales. Since there is a space limitation in the survey questionnaire, using a shorter scale may be more advantageous and convenient. Finally, the personality dimensions of CAD are more appropriate to marketers than those of any other scales.

### **Personality Traits and Customer Orientation**

The CAD instrument was first constructed by Cohen (1967) for the purpose of examining consumer behavior in a personality-related context (Noerager 1979, p.53). The aim of this instrument was to assess an individual’s interpersonal orientation on the basis of Horney (1945)’s tripartite model (Noerager 1979, p.53). The CAD instrument is characterized by three dimensions which are (1) a person’s *compliance* with other people, (2) *aggression* against other people, and (3) *detachment* from other people (Noerager 1979, p.53). This instrument was originally measured by a total of 35 items. Later, Noerager (1979) reduced the number of items from 35 to 16. In this study, Noerager (1979)’s version of the CAD instrument will be utilized (see Table 3.1 for a detailed explanation of each personality dimension).

Table 3.1 CAD Dimensions

### CAD DIMENSIONS

#### *Compliant*

Compliant-oriented people want to be part of the activities of others. They wish to be loved, wanted, appreciated, and needed. They see in other people a solution for many problems of life. Because of the importance given to the companionship and love of others, compliant people become oversensitive to others' needs, overgenerous, overgrateful, and overconsiderate. Among the most important attributes associated with a compliant tendency are goodness, sympathy, love, unselfishness, and humility.

#### *Aggressive*

Aggressive-oriented people want to excel, to achieve success, prestige, and admiration. They see other people as competitors. Aggressive people strive to be superior strategists, to control their emotions, and to bring their fears under control. They consider strength, power, and emotional realism to be necessary qualities. People are valued if useful to one's goals. The aggressive person seeks to manipulate others by achieving power over them.

#### *Detached*

Detached-oriented people want to put emotional "distance" between themselves and others. Freedom from obligations, independence, and self-sufficiency are highly valued. Conformity is repellent; intelligence and reasoning are valued instead of feelings. The detached type is distrustful of others, but does not wish to "stay and fight." Horney suggested that people frustrated in their compliant or aggressive tendencies, or both, may well adopt this response trait. If one is uncertain as to how to interact effectively with people, and receives negative reinforcement from early social interaction, this mode may be a solution.

The informational content was borrowed from Noerager (1979, p.58).

*Compliant-oriented* people emphasize other people. They are socially-oriented, like to interact with each other, and like to be needed (Noerager 1979). They are unselfish, considerate, and sensitive to wants and needs of others (Noerager 1979). Employees with these characteristics or qualities are likely to value opinions and interests of their customers, and establish good long-term relations with them. These employees

are likely to have a strong interpersonal orientation. It can be posited that “the higher the person’s interpersonal orientation, the higher the level of the person’s customer-oriented behavior”. In their empirical work, Brown *et al.* (2002) observed a positive and significant relationship between customer orientation and agreeability. Compliant-oriented people are agreeable. Therefore, it could be argued that a positive relationship may exist between compliant orientation and customer orientation.

*Aggressive-oriented* people emphasize competition and achievement more (Noerager 1979). They are likely to be ambitious. They have high levels of self-control. They value other people as long as those people serve their interests (Noerager 1979). Aggressive-oriented employees are more likely to be sales-oriented since they are highly task-oriented. These people emphasize short-term sales gains.

Finally, *detached-oriented* people do not like to interact with others. They like to be independent and self-sufficient (Noerager 1979). They do not trust others. Their interactions with other people are not effective; therefore, they feel uncomfortable in social situations (Noerager 1979). Obviously, a detached-oriented person is not a good candidate for a sales or marketing job which requires a great deal of interactions with customers and other employees. They are unlikely to establish and maintain long-term relationships with customers. Empirically, Brown *et al.* (2002) found no relationship between introversion and customer orientation. Detached-oriented people are likely to be introvert, and therefore, they are less likely to be customer-oriented.

In the light of the discussions made above, the following hypotheses are suggested for testing:

*H11: (a) A more compliant-oriented marketer is more likely to be customer-oriented than a less compliant-oriented marketer.*

*(b) A more aggressive-oriented marketer is less likely to be customer-oriented than a less aggressive-oriented marketer.*

*(c) A more detached-oriented marketer is less likely to be customer-oriented than a less detached-oriented marketer.*

### **3.2.5. Consequences of Individual-Level Customer Orientation**

A high degree of customer orientation in an employee may generate a number of favorable outcomes/consequences both for the employee and the firm that he/she works for. In this study, only two major potential outcomes of customer orientation will be included. These outcomes are *improved buyer-seller relations or relationship development, and performance.*

#### **Customer Orientation and Improved Buyer-Seller Relations**

A possible link between customer orientation and relationship development has been explored by only a few studies (e.g., Williams and Attaway 1996). Williams and Attaway (1996) argued that "individual sales representatives can positively affect the organization's performance by utilizing a customer-oriented approach in establishing and maintaining relationships with customers" (p.39). Williams and Attaway (1996)'s argument suggests the existence of a positive connection between a customer-oriented approach and the establishment and maintenance of good relationships with customers. Moreover, Rush, Zahorik, and Keiningham (1996) indicated that "personal interaction component of services is often a primary determinant of the customer's overall satisfaction" (p.391). If the employee's interaction with customers is characterized as being customer-oriented or customer-focused, overall customer satisfaction may be achieved. In turn, better customer satisfaction may lead to better long-term relations with

customers. Empirically, Williams and Attaway (1996) found out that there is a positive and significant relationship between the salesperson's customer orientation and the development of buyer-seller relationship. In their study, they considered the salesperson's customer orientation as an antecedent of development of buyer-seller relationship.

Macintosh *et al.* (1992) claimed that "empirical evidence of the antecedents and process of relationship development is practically non-existent" (p.23). Therefore, it is believed that the investigation of customer orientation as a potential antecedent of relationship development would be a significant contribution to this line of research. On the basis of the empirical and conceptual evidence explained above, the following hypothesis is suggested:

*H12: The higher the level of the marketer's customer-orientated behavior, the higher the level of relationship development.*

### **Customer Orientation and Performance**

MacKenzie (1993) thinks that performance is a representation of "a salesperson's overall contribution to the success of an organization" (p.70). According to Churchill *et al.* (1985), "salespeople's performance would be related to their ability to perform or to the skills they bring to the job, or to their motivational levels, and so on" (p.110). In other words, performance can be viewed as a product of the salesperson's abilities or aptitudes, skills (Churchill *et al.* 1985; Plank and Reid 1994), personality (Plank and Reid 1994), motivational state (Churchill *et al.* 1985), and the other factors. All these factors affect the salesperson's behaviors (Plank and Reid 1994). The "quantity" and "quality" of these behaviors impact overall sales performance (Plank and Reid 1994).

The number of studies that have investigated the link between customer orientation and performance is relatively large. In general, the past research found a positive and significant relationship between customer orientation and sales performance (Boles *et al.* 2001; Brown *et al.* 2002; McIntyre *et al.* 2000). According to Williams and Spiro (1985), "Successful selling depends on successful interpersonal communication" (p.434). Salespeople who are able to communicate and interact with their customers better are more likely to score high on sales performance. Customer-oriented salespeople better understand and satisfy needs and wants of their customers. High customer satisfaction may result in customer loyalty, a high customer retention rate, or repeated sales. In sum, the past research suggests the existence of a positive connection between customer orientation and performance. Therefore, the following hypothesis appears to be appropriate to suggest in defining the customer orientation-performance link.

*H13: The higher the level of the marketer's customer-orientated behavior, the higher the level of his/her performance.*

## CHAPTER FOUR

### RESEARCH METHODOLOGY AND DATA ANALYSIS

In this chapter of the study, the research methodology used in the data collection process and the statistical methods used in the data analysis section are explained in detail. First, the measurement instruments that were used to measure the model constructs and/or variables are presented. Second, the scopes of preliminary field research and pretests are explained. Then, the sample selection process, that includes the selection of the appropriate sampling frame for the study and the selection of the sample from the sampling frame, is discussed. Third, the statistical techniques that were used for data analysis (i.e., assessment of nonresponse bias, assessments of unidimensionality, reliability and validity of each model construct, model specification, and hypothesis testing) are explained and the results of the study are discussed.

#### 4.1. Description of Measurement Instruments

The study includes six groups of variables and/or constructs: (1) *customer orientation*, (2) *organizational factors* (i.e., organizational culture and market orientation), (3) *job-related factors* (i.e., job involvement, role conflict / ambiguity, job satisfaction, and organizational commitment), (4) *individual factors* (i.e., gender, age, experience, and education), (5) *personality factors* (i.e., personality traits), and (6) *outcome variables* (i.e., improved buyer-seller relations and performance).

All variables included in this study were measured by the multiple-item scales borrowed from previous studies, except for the demographical questions. A detailed list of the measurement scales that were used for the construct measurement is displayed below in Table 4.1.

*Customer orientation* was assessed using the customer orientation part of the SOCO (sales orientation- customer orientation) scale. It is a 24-item scale. This scale was developed by Saxe and Weitz (1982) for measuring the customer orientation of salespeople. Therefore, the wording of its items was slightly modified to fit them to marketers. *Organizational culture* was measured using the organizational culture scale developed by Deshpande, Farley, and Webster (1993). The scale consists of 16 items. The format of the scale was changed while its wording remained the same. *Market orientation* was measured by the MARKOR scale developed by Kohli, Jaworski and Kumar (1993). The scale includes 20 items. In order to increase the sensitivity of the scale, a 5-point scale was transformed to a 7-point scale. *Job involvement* was assessed by using Lodahl and Kejner (1965)'s scale. The scale is made of 4 items. *Role conflict / ambiguity* were measured using the scale developed by Rizzo, House, and Lirtzman (1970). It consists of 14 items. *Job satisfaction* was measured using the 2-item scale suggested by Hackman and Oldham (1975). *Organizational commitment* was evaluated using the 7-item scale developed by Kohli and Jaworski (1990). *Individual factors* including gender, age, experience, and education were measured by single-item measures or questions. Thus, a total of 4 items were utilized to assess individual factors.

*Personality traits* were measured using Noerager (1979)'s 19-item scale. The items or adjectives of this scale were adapted to the marketing context. In terms of outcome measures, *performance* was evaluated on a 3-item scale designed by Rich (1977). The wording of this scale was adapted to marketers. Finally, the *improved buyer-seller relations* construct was measured by a 4-item composite scale adapted from Williams and Attaway (1996) and Crosby, Evans, and Cowles (1990).

**Table 4.1**  
**Original Measurement Scales**

**Customer Orientation**

Saxe and Weitz (1982, p.345-346)

9-point Likert scale, ranging from 1 (*never*) to 9 (*always*).

*Stem-Positively Stated Items*

- (1) I try to help customers achieve their goals
- (2) I try to achieve my goals by satisfying customers.
- (3) A good salesperson has to have the customer's best interest in mind.
- (4) I try to get customers to discuss their needs with me.
- (5) I try to influence a customer by information rather than by pressure.
- (6) I offer the product of mine that is best suited to the customer's problem.
- (7) I try to find out what kind of product would be most helpful to a customer.
- (8) I answer a customer's questions about products as correctly as I can.
- (9) I try to bring a customer with a problem together with a product that helps him solve that problem.
- (10) I am willing to disagree with a customer in order to help him make a better decision.
- (11) I try to give customers an accurate expectation of what the product will do for them.
- (12) I try to figure out what a customer's needs are.

*Stem-Negatively Stated Items*

- (13) I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer would buy.
- (14) I try to sell as much as I can rather than to satisfy a customer.
- (15) I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy.
- (16) If I am not sure a product is right for a customer, I will still apply pressure on him to buy.
- (17) I decide what products to offer on the basis of what I can convince customers to buy, not on the basis of what will satisfy them in the long run.
- (18) I paint too rosy a picture of my products, to make them sound as good as possible.
- (19) I spend more time trying to persuade a customer to buy than I do trying to discover his needs.
- (20) It is necessary to stretch the truth in describing a product to a customer.
- (21) I pretend to agree with customers to please them.
- (22) I imply to a customer that something is beyond my control when it is not.
- (23) I begin the sales talk for a product before exploring a customer's needs with him.
- (24) I treat a customer as a rival.

## Organizational Culture

Deshpande, Farley and Webster (1993,p.34)

100 points distributed among 4 items of each dimension.

### *Kind of Organization*

- (1) My organization is very **personal** place. It is like extended family. People seem to share a lot of themselves.
- (2) My organization is very **dynamic** and entrepreneurial place. People are willing to stick their necks out and take risks.
- (3) My organization is very **formalized and structural** place. Established procedures generally govern what people do.
- (4) My organization is very **product oriented**. A major concern is with getting the job done without much personal involvement.

### *Leadership*

- (5) The head of my organization is generally considered to be a **mentor, sage**, or a **father or mother figure**.
- (6) The head of my organization is generally considered to be an **entrepreneur**, an **innovator**, or a **risk taker**.
- (7) The head of my organization is generally considered to be a **coordinator**, an **organizer**, or an **administrator**.
- (8) The head of my organization is generally considered to be a **producer**, a **technician**, or a **hard-driver**.

### *What Holds the Organization Together*

- (9) The glue that holds my organization together is **loyalty and tradition**. Commitment to this firm runs high.
- (10) The glue that holds my organization together is **commitment to innovation and development**. There is an emphasis on being first.
- (11) The glue that holds my organization together is **formal rules and policies**. Maintaining a smooth-running institution is important here.
- (12) The glue that holds my organization together is the emphasis on **task and goal accomplishment**. A production orientation is commonly shared.

### *What is Important*

- (13) My organization emphasizes **human resources**. High cohesion and morale in the firm are important.
- (14) My organization emphasizes **growth and acquiring new resources**. Readiness to meet new challenges is important.
- (15) My organization emphasizes permanence and stability. Efficient, smooth operations are important.
- (16) My organization emphasizes **competitive actions and achievement**. Measurable goals are important.

**Market Orientation**

Kohli, Jaworski, and Kumar (1993, p.476)

*Intelligence Generation*

- (1) In this business unit, we meet customers at least once a year to find out what products or services they will need in the future.
- (2) In this business unit, we do a lot of in-house market research.
- (3) We are slow to detect changes in our customers' product preferences. (R)
- (4) We poll end-users at least once a year to assess the quality of our products and services.
- (5) We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation). (R)
- (6) We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers.

*Intelligence Dissemination*

- (7) We have interdepartmental meetings at least once a quarter to discuss market trends and developments.
- (8) Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.
- (9) When something important happens to a major customer and market, the whole business unit knows about it in a short period.
- (10) Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.
- (11) When one department finds out something important about our competitors, it is slow to alert other departments. (R)

*Responsiveness*

- (11) It takes us forever to decide how to respond to our competitors' price changes. (R)
- (13) For one reason or another, we tend to ignore changes in our customers' product or service needs. (R)
- (14) We periodically review our product development efforts to ensure that they are in line with what customers want.
- (15) Several departments get together periodically to plan a response to changes taking place in our business environment.
- (16) If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.
- (17) The activities of the different departments in this business unit are well coordinated.
- (18) Customer complaints fall on deaf ears in this business unit. (R)
- (19) Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion. (R)
- (20) When we find that customers would like us to modify a product or service, the departments involved make concerted efforts to do so.

**Job Involvement**

Lorence and Mortimer (1985, p.633-634)

- (1) The major satisfaction in my life comes from my job.
- (2) The most important things that happen to me involve my work.
- (3) I live, eat, and breath my job.
- (4) I am very much involved personally in my work.

**Role Ambiguity / Conflict**

Rizzo, House, and Lirtzman (1970, p.156)

7-point Likert scale, ranging from 1 (*very false*) to 7 (*very true*).

- (1) I have enough time to complete my work.
- (2) I feel certain about how much authority I have.
- (3) I perform tasks that are too easy or boring.
- (4) Clear, planned goals and objectives for my job.
- (5) I have to do things that should be done differently.
- (6) Lack of policies and guidelines to help me.
- (7) I am able to act the same regardless of the group I am with.
- (8) I am corrected or rewarded when I really don't expect it.
- (9) I work under incompatible policies and guidelines.
- (10) I know that I have divided my time properly.
- (11) I receive an assignment without the manpower to complete it.
- (12) I know what my responsibilities are.
- (13) I have to buck a rule or policy in order to carry out an assignment.
- (14) I have to "feel my way" in performing my duties.
- (15) I receive assignments that are within my training and capability.
- (16) I feel certain how I will be evaluated for a raise or promotion.
- (17) I have just the right amount of work to do.
- (18) I know that I have divided my time properly.
- (19) I work with two or more groups who operate quite differently.
- (20) I know exactly what is expected of me.
- (21) I receive incompatible requests from two or more people.
- (22) I am uncertain as to how my job is linked.
- (23) I do things that are apt to be accepted by one person and not accepted by another.
- (24) I am told how well I am doing my job.
- (25) I receive an assignment without adequate resources and materials to execute it.
- (26) Explanation is clear of what has to be done.
- (27) I work on unnecessary things.
- (28) I have to work under vague directives or orders.
- (29) I perform work that suits my values.
- (30) I do not know if my work will be acceptable to my boss.

**Job Satisfaction**

Hackman and Oldham (1975, p. 165)

- (1) Generally speaking I am very satisfied with my job.
- (2) I am generally satisfied with the kind of work I do on this job.

**Organizational Commitment**

Kohli and Jaworski (1990, p.117)

- (1) I feel as though my future is intimately linked to that of this organization.
- (2) I would be happy to make personal sacrifices if it were important for the business unit's well-being.
- (3) The bond between this organization and me is weak.
- (4) In general, I am proud to work for this business unit.
- (5) I often go above and beyond the call of duty to ensure this business unit's well being.
- (6) I have little or no commitment to this business unit.
- (7) I am fond of this business unit.

**Personality Traits**

Cohen (1967), Noerager (1979, p.58-59)

- (1) Reserved ..... Outgoing
- (2) Less intelligent / concrete thinking ..... More intelligent / abstract thinking
- (3) Emotional / low ego strength ..... Stable / high ego strength
- (4) Humble / submissiveness ..... Assertive / dominance
- (5) Sober / desurgency ..... Happy-go-lucky / surgency
- (6) Expedient / low superego ..... Proper / high superego
- (7) Shy ..... Venturesome
- (8) Tough-minded ..... Tender-minded
- (9) Trusting ..... Suspicious
- (10) Practical ..... Imaginative
- (11) Forthright / artlessness ..... Shrewd / shrewdness
- (12) Placid / assurance ..... Apprehensive / guilt proneness
- (13) Conservative / conservatism ..... Experimenting / radicalism
- (14) Group-tied / group adherence ..... Self-sufficient / self-sufficiency
- (15) Casual / low integration ..... Controlled / high self-concept
- (16) Relaxed / low ergic tension ..... Tense / ergic tension
- (17) Introversion ..... Extraversion
- (18) Adjustment or anxiety ..... High anxiety
- (19) Responsive / emotionality ..... Alert / poise

**Improved Buyer-Seller Relations**

Williams and Attaway (1996, p.43,51)

Crosby, Evans and Cowles (1990, p.78)

- (1) My customers would recommend me to their friends. (Trust)
- (2) My customers intend to continue doing business with me. (Desire to increase the relationship)
- (3) I please my customers with my service. (Satisfaction with the relationship)
- (4) I stay in touch with my customers to better serve their needs. (An anticipation of future interaction)

**Performance**

Rich (1977, p.47)

- (1) I perform my job the way the top management like to see it performed.
- (2) I am one of the company's most valuable marketers.
- (3) All things considered, I am outstanding.

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NOTE: (R) denotes items that are reverse scored.

**4.2. Data Collection**

In this section, the purpose and results of the preliminary field research and pretest are discussed. Then, the sampling process is explained along with the characteristics of the sampling frame. Next, the contents of the survey package are described.

**4.2.1. Preliminary Field Research**

Face-to-face interviews were conducted over a small sample of marketers (i.e., marketing managers) and academicians. The purpose of the fieldwork was to (1) verify the existence of the model constructs in practice and refine the model if necessary, (2) refine the measurement scales, and (3) to improve the survey questionnaire. Based on the results of these interviews, some minor modifications in the questionnaire were made. The length of the questionnaire appeared to be a concern for some of the potential respondents. Therefore, some of the model constructs were measured by other measurement devices with fewer items. None of the model constructs was eliminated in order to reduce the total number of measurement items in the questionnaire. Some scale items were modified based on the fieldwork results.

**4.2.2. Pretest**

The first pretest or pilot test of the survey questionnaire was conducted over a convenience sample of 10 M.B.A. students at New York Institute of Technology. The objective of the pretest was to improve the questionnaire in terms of its format and

content and to refine the measurement / scale items of the model constructs. Based on the results of the pretest, some modifications or revisions in the questionnaire were done. Some items were reworded. Some of the questionnaire instructions were made clearer. The forms of some questions were changed.

The second pretest was also conducted over another convenience sample of 10 M.B.A. students at New York Institute of Technology immediately after the dissertation committee's revisions and approval of the survey questionnaire. Based on the results of the second pretest, the questionnaire reorganized / refined for the last time before sending it out nationally.

#### **4.2.3. Sample Selection**

A mail survey was conducted over a random sample of 2,000 companies operating within the U.S. The sample included a broad range of manufacturing and non-manufacturing businesses (i.e., service sector). This characteristic of the sample increases the applicability and generalizability of the study results to a large number of businesses. The target respondent is the marketer(s) from each company.

#### **Sampling Frame**

*D & B Million Dollar Database Premier* was utilized as the company information source for this research study for several reasons: First, this database is current and accurate. The company information in the database is periodically updated. Information is collected by business analysts via face-to-face and/or telephone interviews. Second, it is a comprehensive database. It provides the profiles of 160,000 U.S. businesses from a broad range of public and private industries and businesses. This database includes companies with 'sales' greater than \$1 million and 'employees total' greater than 20. It

provides satisfactory contact information about each company. Third, it gives the full address and telephone number of each company and the names and titles of key decision makers (i.e., company officers and directors) including CEO, marketing vice presidents and/or marketing/sales managers. Furthermore, it provides information about total employment size and sales volume of each company. Fourth, it is very easy to use. It is a readily accessible database with clear operational instructions. Fifth, this database is well-known and frequently-used by the today's business community as well as academics (e.g., Jaworski and Kohli 1993) as a dependable information source. Finally, a web-based form of *D & B Million Dollar Database Premier* was available as free of charge in the Science Industry Business Library (S.I.B.L.) of the New York Public Library system. Using this database significantly reduced the total estimated research cost associated with the study.

### **Sample Selection**

The three search criteria was used to determine the sampling frame from which the sample was drawn: First, headquarters and branches of corporations and companies with a single location were included in the sampling frame. Second, the sampling frame included the companies that have "sales" greater than \$1 million and "employees total" greater than 20. Lastly, the key words "marketing", "sales", and "advertising" were used to determine those companies that reveal contact information related to their marketing or sales staff/ managers/ directors/ executives in their company record in the database. Some companies do not disclose their key decision makers' departmental associations in their company record.

There were a total of 90,000 companies in the database that satisfied these three search criteria. A total of 2,000 companies were randomly selected among those 90,000 companies. A systematic random sampling method was used to select a sample of 2,000 companies. Since the database search generated a pool of 90,000 companies and the sample size was 2,000, the value of the sampling fraction ( $f$ ) was equal to  $1/45$ . The sampling fraction was calculated using the formula  $f=n/N$ , where  $n$  demonstrates the sample size and  $N$  demonstrates the population size from which the sample elements were drawn. The value of the sampling fraction was calculated as follows:

$$f= n/N$$

$$f= 2000 / 90000$$

$$f= 1/45$$

In order to calculate the sampling interval ( $i$ ), the formula  $i=1/f$  was utilized. The necessary calculations are shown below:

$$i= 1/f$$

$$i= 1/ (1/45)$$

$$i= 45$$

The sampling interval means that every 45<sup>th</sup> company in the sampling frame is chosen to be included in the sample. A random start number is determined using a random-number table. A random start number can be any number from 1 through 45. For convenience, the random start number was selected as 45. Accordingly, 45<sup>th</sup>, 90<sup>th</sup>, 135<sup>th</sup>, 180<sup>th</sup>, ... and etc. companies in the company output list were selected to be included in the sample. After selecting each of 2,000 companies from the database, the company records associated with those selected companies were saved in the Microsoft Excel form

in the two diskettes in the library. Each company record comprehended contact information including the name, address and phone number of each company, and the names and titles of its key officers (i.e., marketing and/or sales staff/ managers /directors /executives). The target respondent was identified from the company record of each company. The name of the target respondent and his/her company address were transmitted to the address labels.

#### **4.2.4. Survey Package**

A mail survey package which consisted of a cover letter, an eight-page questionnaire booklet, and a postage-paid reply envelope was sent to each of the selected marketers. The cover letter explained the purpose and importance of the research study, mentioned the rewards that were offered for full participation, and asked the respondent to participate in the survey. The cover letters were printed out on a New York Institute of Technology letterhead. The questionnaire booklets were professionally printed in a printing house. In order to protect the anonymity of the respondent, no coding or serial number was used on the questionnaire booklets. New York Institute of Technology's envelopes (size: 9 in. x 12 in.) were used to send out questionnaires to the respondents. The standard-sized (# 9), postage-paid return envelopes were sent to the respondents to be used for reply mail. The postal specifications (i.e., the postage-paid statement and all necessary postal barcodes) on the envelopes were printed by the printing house. The standard-sized mailing labels were used for all survey mailings. All completed survey questionnaires were directed to a mail box that was rented in a local post office in New Jersey. A Permit Imprint account was established at the same post office. The Permit

Imprint account number is 35. The return address on the return envelopes was written as follows:

The Academic Research Survey  
P.O. Box. 2013  
Teaneck, New Jersey, 07666-9976

The target respondent of the survey was the selected marketer(s) (i.e., marketing manager / staff, sales manager / staff, or advertising manager / staff) from each company. In general, only one person from each company received the survey package. But, there were a number of exceptions to this. Multiple respondents (2 or 3 marketers) from each of 30 companies received the survey packages. The purpose of using the multiple respondents was to reduce the respondent's bias. The reminder postcards were sent to those companies that did not return the completed questionnaires within three weeks of the initial mailing.

#### **4.2.5. Response Rates**

In order to improve response rate, quality and speed, the following measures were taken:

- (1) A professionally-looking questionnaire booklet that was printed by a printing house was used.
- (2) A cover letter printed on a New York Institute of Technology letterhead was sent to each respondent.
- (3) A promise of anonymity was made.
- (4) A brief summary of the study results was offered to those who would complete the questionnaire.
- (5) Monetary incentives (i.e., a random lottery drawing and cash award) were

offered to those who would respond to the questionnaire (see the cover letter).

The response rate was calculated by dividing the number of usable surveys by the number of the letters submitted minus the number of returned envelopes. The number of usable surveys was defined the difference between the number of total responses received minus the number of unusable surveys. The following calculations were made:

$$\begin{aligned}\text{Usable Responses} &= \text{the number of total responses received} - \text{the number of unusable surveys} \\ &= 196 - 7 \\ &= 189\end{aligned}$$

$$\begin{aligned}\text{Response Rate} &= \text{the number of usable surveys} / (\text{the number of the surveys submitted} \\ &\quad - \text{returned envelopes}) \\ &= 189 / (2000 - 87) = 189 / 1913 \\ &= 9.78\%\end{aligned}$$

After the calculations above, the response rate was calculated as 9.78% for this study. This response rate is acceptable compared to those of the major studies in this field.

### **4.3. Data Analysis**

#### **4.3.1. Assessment of Nonresponse Bias**

To estimate the effect of non-response bias, a procedure recommended by Armstrong and Overton (1977) was used. The responses from the first quartile were compared with the responses from the fourth quartile. To test non-response bias or error, the sample was divided into four quartiles based on the timing of the responses received (Armstrong and Overton 1977). The mean responses of the first and the last quartile on the three dependent variables, which are customer orientation, improved buyer-seller relations and performance, were compared (see Table 4.2). Customer orientation

(CUST.ORI), improved buyer-seller relations (IMP.RELA), and performance (PERFORMA) represent the responses received within the first quartile, and customer orientation (COS.LAST), improved buyer-seller relations (IMP.LAST), and performance (PER.LAST) represent the responses received within the last quartile. The first and fourth quartiles show no significant mean differences on the selected latent variables. Since there were no differences between the mean responses of the first and the last quartile, it was concluded that there was no nonresponse bias (Keillor *et al.* 1999).

**Table 4.2**  
**Test for Nonresponse Bias**  
**Paired Samples Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	CUST.ORI	55.98	47	5.80	.85
	COS.LAST	54.91	47	8.22	1.20
Pair 2	IMP.RELA	24.81	47	2.74	.40
	IMP.LAST	24.70	47	2.59	.38
Pair 3	PERFORMA	17.66	47	2.57	.38
	PER.LAST	17.89	47	1.97	.29

#### 4.3.2. Analysis of Data

In this section, the main characteristics of the sample are highlighted. Next, the statistical techniques and/or procedures that were used are explained. Then, the results related to model fitting and hypothesis testing are discussed. Principal component analysis via SPSS and confirmatory factor analysis (SEM) via LISREL 8.5 were used for data analysis.

#### Characteristics of the Sample

The characteristics of the sample were displayed in Table 4.3. The sample includes female and male respondents in very close proportions (43.4% female versus

56.6% male respondents). Marketing managers were the largest group within the sample with 41.8 percent and followed by VP marketing (24.9%), sales manager (13.8%), marketing staff (13.8%), sales staff (3.7%), VP sales (1.1%), and other (1.1%). In terms of educational level, no respondent had a high school degree or less. The percentage of the respondents with a college degree is the largest group (43.9%) within sample. It was followed by the groups of respondents with a master's degree (27.0%), some college education (13.8%), some graduate school education (10.6%), and a doctorate degree (4.8%). In terms of salary, none of the respondents earned less than \$30,000 annually. 39.7 percent of the survey respondents earned \$90,000 and more annually. The respondents in the lowest earning group (\$30,001 to \$ 60,000 annually) were attributed to the 28.0 percent of the sample. The respondents had an average of about 11 years of job experience and an average of about 22 years of work experience. The range of job experience changes between 1 year to 37 years. The average age of the survey participants was about 45. While the minimum age was 25 and the maximum age was 66.

In terms of the company characteristics, 65.6 percent of the respondents come from the companies that produce services. 39.2 percent of the sample work for the companies that manufacture industrial products. Only 34.4 percent of the respondents are associated the companies which produce consumer products. Some of the respondents are from the companies that engage in the production of more than one.

**Table 4.3.**  
**Characteristics of the Sample**

n=189

	<u>Percentage</u>
<u>Sex</u>	
Female	43.4 %
Male	56.6 %

<u>Job Title</u>	
VP Marketing	24.9 %
VP Sales	1.1 %
Marketing Manager	41.8 %
Sales Manager	13.8 %
Marketing Staff	13.8 %
Sales Staff	3.7 %
Other	1.1 %

<u>Education</u>	
High School or Less	0.0 %
Some College	13.8 %
College Degree	43.9 %
Some Graduate School	10.6 %
Master's Degree	27.0 %
Doctorate	4.8 %

<u>Salary</u>	
Under \$30,000	0.0 %
\$ 30,001 to \$ 60,000	28.0 %
\$ 60,001 to \$ 90,000	32.3 %
\$ 90,001 and over	39.7 %

<u>Business Type</u>	
Consumer Products	34.4 %
Industrial Products	39.2 %
Services	65.6 %

	<u>Mean</u>	<u>Median</u>	<u>Mode</u>	<u>Std.Dev.</u>	<u>Range</u>
Age	44.88	45	39	9.94	25-66
Job Experience (yrs)	11.34	8	5	8.21	1-37
Work Experience (yrs)	22.34	21	20	9.63	3-47
Employee Size	217.08	60	30	525.48	2-5200

product category. In terms of the employee size, the average size of the sample companies is approximately 217 employees. The employee size changes between 2 and 5200 employees. In other words, the sample is quite diverse. It includes small, medium, and large companies in term of employee size. This characteristic of the sample enhances the generalizability and applicability of the study findings to a variety of businesses in any size.

### **Discussion of Analyses**

Before starting to test the model, it is necessary to examine the unidimensionality of all constructs in the suggested model. This assessment should be done before evaluating the reliabilities of the model constructs (Gerbing and Anderson 1988).

Principal component analysis with varimax rotation and Eigen value of 1 was conducted on each construct of the model to verify a single factor structure. For each construct, only one factor structure was extracted. This indicates the evidence of unidimensionality of the model constructs. Table 4.4 exhibits the summary results of principal component analysis performed on each construct. This table demonstrates number of items, number of factors extracted, percentage of variance extracted via principal component analysis. Multidimensional constructs such as organizational culture and personality traits were analyzed at the component level. More detailed results of factor analyses are included in Appendix 1.

Reliability of each construct was evaluated using the coefficient alpha or Cronbach Alpha ( $\alpha$ ). The coefficient alphas of the model constructs are displayed in Table 4.4. The coefficient alpha of each construct was compared to the cutoff value of

**Table 4.4**  
**Summary of Principal Component Analysis of Construct Items**

<b>Construct</b>	<b>Number of Items</b>	<b>Number of Factors Extracted</b>	<b>Percentage of Variance Extracted</b>
Organizational Culture			
Market	4	1	57.1
Adhocracy	4	1	52.8
Clan	4	1	49.1
Hierarchical	4	1	50.0
Market Orientation			
Intelligence Generation	5	1	46.9
Intelligence Dissemination	5	1	46.6
Responsiveness	7	1	46.5
Job Involvement	4	1	70.1
Role Ambiguity	3	1	64.4
Role Conflict	3	1	62.8
Job Satisfaction	2	1	82.4
Organizational Commitment	7	1	55.9
Customer Orientation	7	1	68.5
Personality Traits			
Compliant	4	1	36.6
Aggressive	5	1	38.0
Detached	3	1	36.7
Improved Buyer-Seller Relations	4	1	65.9
Performance	3	1	59.3
Gender	1	1	
Age	1	1	
Experience	1	1	
Education	1	1	

---

**Table 4.5**  
**Reliability Estimates of Constructs**

---

<b>Construct</b>	<b>Coefficient Alpha (Cronbach Alpha)</b>
Market Culture	0.99
Clan Culture	0.99
Adhocracy Culture	0.99
Hierarchical Culture	0.99
Market Orientation	0.99
Job Involvement	0.78
Role Conflict	0.85
Compliant-Oriented	0.99
Aggressive-Oriented	0.99
Detached-Oriented	0.97
Job Satisfaction	0.90
Organizational Commitment	0.99
Customer Orientation	0.98
Improved Buyer-Seller Relations	0.99
Performance	0.99
Role Ambiguity	0.93

---

<b><u>Label</u></b>	<b><u>Observed Variables</u></b>
macu	Market Culture
clcu	Clan Culture
adcu	Adhocracy Culture
hicu	Hierarchical Culture
maor	Market Orientation
joinv	Job Involvement
rocon	Role Conflict
comp	Compliant-Oriented
aggo	Aggressive-Oriented
deto	Detached-Oriented
gend	Gender
age	Age
exp	Experience
edu	Education
josa	Job Satisfaction
orco	Organizational Commitment
cuso	Customer Orientation
imr	Improved Buyer-Seller Relations
perf	Performance
roam	Role Ambiguity

0.70 recommended by Nunnally (1978). The reliability of each construct is higher than the cutoff value (see Table 4.5).

After the assessments of unidimensionality and reliability of the model constructs, the item scores of each construct were added together to obtain a single score for each construct of the model. This is a method that is often utilized for models that have a large number of constructs and indicators (Babin and Boles 1998). For example, in this study, the number of the model constructs is 16 and the total number of the scale items is more than 90. Therefore, the summated scales method was used to obtain a single score for each construct. After the summation of the item scores of the model constructs, a table of bivariate correlations of the observed variables was obtained. A close examination of bivariate correlations of the observed variables provides evidence of discriminant validity. If the confidence interval of the correlation coefficient between two constructs does not include 1, this provides evidence of discriminant validity between those two constructs (Shankarmahesh 1999). In the current model, discriminant validity should be established for the two major constructs. These constructs are customer orientation (CUSTOR) and market orientation (MARKOR). The correlation coefficient between the observed variables of these two constructs is 0.385 (s.d.=0.05). The confidence interval of the correlation coefficient between these constructs is 0.285 ( $0.385 - 2 \times 0.05$ ) to 0.485 ( $0.385 + 2 \times 0.05$ ). This interval does not include 1. This suggests that customer orientation and market orientation are distinct constructs. Overall, all of the model constructs are distinct constructs since the confidence intervals of their correlations coefficients do not include 1. The highest correlation is between organizational commitment (ORGACOM) and job satisfaction (JOBSAT). It is 0.754.

The confidence interval of their correlation is 0.654 to 0.854. It does not include 1. This indicates that these two constructs are distinct.

#### **4.3.3. Evaluation of Model Fit**

A confirmatory factor analysis via LISREL 8.5 (Joreskog and Sorbom 1993) was used to estimate the model parameters, to assess the model fit, and to test the suggested hypotheses. A moment covariance matrix of the observed variables was used for the analysis. During the confirmatory factor analysis, a number of other competing models were obtained by freeing and fixing the model parameters (Sharma 1996) or applying different estimation methods (i.e., unweighted least squares and generalized least squares) to the sample data. Maximum Likelihood (ML) estimation was utilized to estimate the model parameters. The fit between the suggested model and the sample data was found to be very good. Goodness-of-Fit Index (GFI) is 0.94 (greater than 0.90); CFI is 0.95 (greater than 0.90); and NFI is 0.95 (greater than 0.90). The LISREL output was provided in Appendix 2. The path diagram of the model that includes the suggested hypothesized links and appropriate parameter notations is depicted in Figure 4.1. During the analysis, the variables gender, age, job experience, and education were excluded from the model in order to provide a better fit of the model to the data. After the exclusion of these variables from the analysis, the model fit significantly improved. The relationships between these variables and customer orientation were later tested via a regression analysis.

#### **4.3.4. Hypothesis Testing**

Table 4.6 presents information related the suggested hypotheses, parameter estimates and their associated t-values. A total of 27 hypotheses were suggested to be

tested. Each of these hypotheses will be tested and their results will be evaluated. These hypotheses will be evaluated on the basis of the critical t-values of 2.3, 1.6, and 1.3 at the significance levels of, respectively, 0.01, 0.05, and 0.10 (e.g., Babin and Boles 1998; Shankarmahesh 1999).

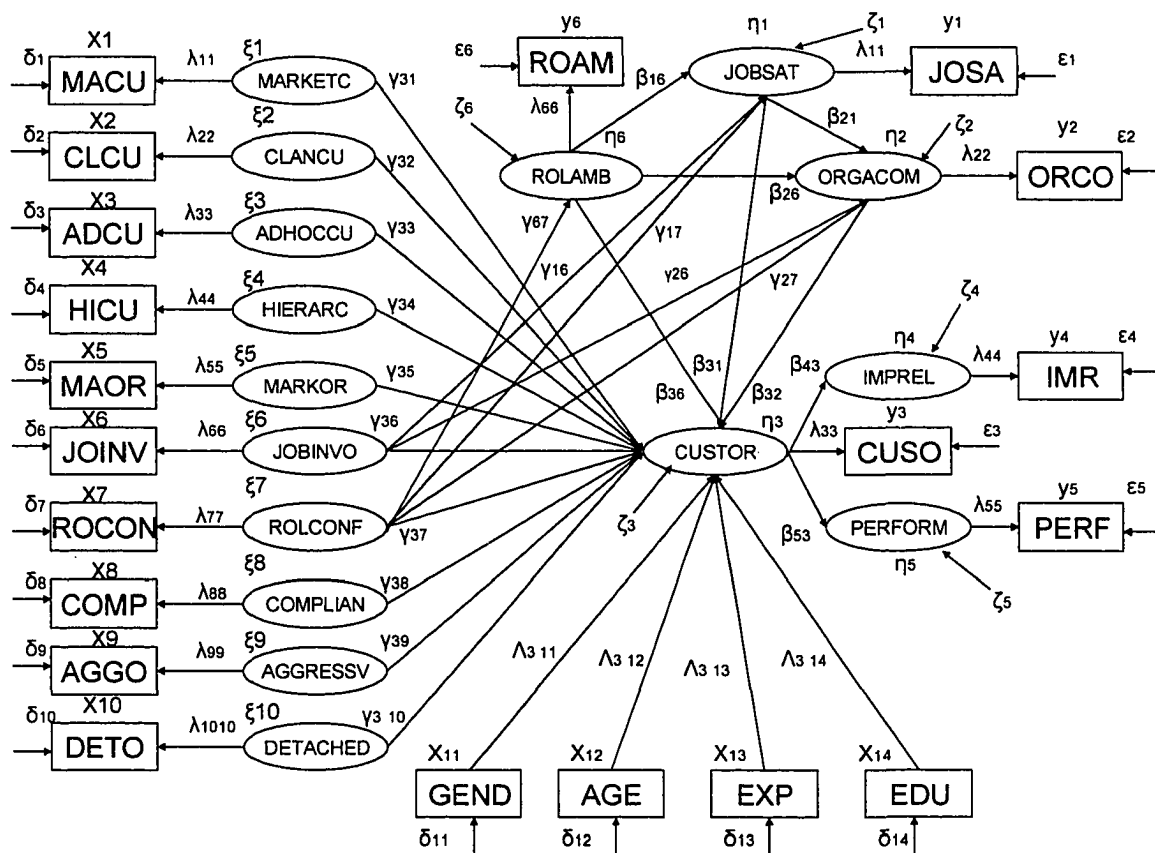
*Hypotheses H1a, H1b, H1c, and H1d* are not supported (see Table 4.6). The t-values of their parameters are not greater than the critical t-values. Therefore, these hypothesized relationships are statistically insignificant. The presence of negative relationships between clan culture and customer orientation, and hierarchical culture and customer orientation was suggested. The results indicate that clan and hierarchical cultures are negatively linked to customer orientation as hypothesized, but these links are not statistically significant.

*Hypothesis H2* suggests a positive relationship between market orientation and customer orientation. This hypothesis is supported at the 0.01 significance level. It can be concluded that market orientation positively affects customer orientation. The estimated parameter for this link is 0.20.

*Hypothesis H3* suggests a positive effect of job involvement on customer orientation. This hypothesis is not supported since the analysis results suggests a significant negative relationship between these two constructs. The results are significant but, they are not in the hypothesized direction. The estimated coefficient is -0.66. It is significant at the 0.01 level (see Table 4.6).

*Hypotheses H4a and H 4b* negatively connect role ambiguity and role conflict to customer orientation. Only the suggested negative link between role conflict and

**Figure 4.1**  
**Structural Model with Parameter Notations**



<b><u>Construct</u></b>	<b><u>Latent Variables</u></b>	<b><u>Observed Variables</u></b>
Market Culture	MARKETC	MACU
Clan Culture	CLANCU	CLCU
Adhocracy Culture	ADHOCCU	ADCU
Hierarchical Culture	HIERARC	HICU
Market Orientation	MARKOR	MAOR
Job Involvement	JOBINVO	JOINV
Role Conflict	ROLCONF	ROCON
Compliant-Oriented	COMPLIAN	COMP
Aggressive-Oriented	AGGRESSV	AGGO
Detached-Oriented	DETACHED	DETO
Gender	-----	GEND
Age	-----	AGE
Experience	-----	EXP
Education	-----	EDU
Job Satisfaction	JOBSAT	JOSA
Organizational Commitment	ORGACOM	ORCO
Customer Orientation	CUSTOR	CUSO
Improved Buyer-Seller Relations	IMPREL	IMR
Performance	PERFORM	PERF
Role Ambiguity	ROLAMB	ROAM

**Table 4.6**  
**Parameter Estimates for the Hypothesized Links of the Model**

<b>Hypothesized Link</b>	<b>Hypothesis</b>	<b>Estimate</b>	<b>t-value</b>
(+) market culture to customer orientation	H1a	-0.0104	-0.287
(+) adhocracy culture to customer orientation	H1b	-0.0128	-0.364
(-) clan culture to customer orientation	H1c	-0.0251	-0.731
(-) hierarchical to customer orientation	H1d	-0.0242	-0.716
(+) market orientation to customer orientation	H2*	0.2050*	3.105*
(+) job involvement to customer orientation	H3	-0.6630	-7.260
(-) role ambiguity to customer orientation	H4a*	-0.2480*	-2.933*
(-) role conflict to customer orientation	H4b	0.3560	4.156
(+) job satisfaction to customer orientation	H5	0.0588	0.783
(+) organizational commitment to customer orientation	H6*	0.4740*	7.041*
(+) compliant-oriented to customer orientation	H11a	0.0165	0.214
(-) aggressive-oriented to customer orientation	H11b	0.1060	1.428
(-) detached-oriented to customer orientation	H11c	0.3420	4.477
(+) customer orientation to relationship development	H12*	0.4920*	7.269*
(+) customer orientation to performance	H13*	0.3160*	4.311*

(\*) Significant in hypothesized direction, two-tailed test.

<b>Regression Results for Demographic Variables:</b>	<b>Hypothesis</b>	<b>Coefficient</b>	<b>t-value</b>
customer orientation: female > male	H7	0.0880	1.418
customer orientation: younger > older (less than 45 yrs > 45 yrs. or more)	H8*	-0.1330*	-1.955*
customer orientation: experienced > inexperienced (10 yrs. or more > less than 10 yrs.)	H9	-0.1180	-1.805
customer orientation: educated > less educated (grad. school or higher > less than grad. school)	H10*	0.2850*	4.178*

(\*) Significant in hypothesized direction, one-tailed test.

customer orientation is statistically meaningful at the 0.01 significance level (see Table 4.6). The hypothesized relationship between customer orientation and role conflict is significant but, it is not in the hypothesized direction.

*Hypothesis H5* states that the greater the job satisfaction experienced by the marketer, the greater the customer orientation of the marketer. This hypothesis is not supported (see Table 4.6). The results suggest an insignificant positive relationship between the two constructs.

*Hypothesis H6* states that the greater the organizational commitment of the marketer, the greater the customer orientation of the marketer. The hypothesis is supported at the 0.01 level (see Table 4.6). The estimated relationship parameter is 0.47.

*Hypothesis H7* states that female marketers are more customer-oriented than their male counterparts. This hypothesis is not supported (see Table 4.6).

*Hypothesis H8* suggests that older marketers are likely to be less customer-oriented than their younger counterparts. This hypothesis is supported at the 0.10 significance level. According to the results, older marketers (45 years and over) appear to be less market-oriented.

*Hypothesis H9* states that experienced marketers are more customer-oriented than their inexperienced counterparts. This hypothesis is not supported. The study results show that experienced marketers are less customer-oriented than their inexperienced counterparts.

*Hypothesis H10* suggests that educated marketers are more customer-oriented than less educated marketers. This hypothesis is supported (see Table 4.6).

*Hypotheses H11a, H11b, and H11c* connect personality to customer orientation.

None of these hypotheses are supported (see Table 4.6). The results suggest that compliant-, aggressive-, and detached-oriented, all three are positively related to customer orientation. The relationship between the compliant-oriented and customer orientation is positive, as hypothesized but, not significant. The relationship between aggressive-oriented and customer orientation, and the relationship between detached-oriented and customer orientation are significant, respectively, at the 0.10 and 0.01 significance levels.

*Hypothesis H12* suggests a positive link between relationship development and customer orientation. This hypothesis is strongly supported at the 0.01 level (see Table 4.6). The estimated relationship parameter is 0.49.

Similarly, *Hypothesis H13* suggests a positive relationship between performance and customer orientation (see Table 4.6). This hypothesis is also supported at the 0.01 significance level. The relationship parameter is estimated to be 0.31.

## CHAPTER FIVE

### CONCLUSIONS AND IMPLICATIONS

In this chapter, the study results and their ramifications are discussed. First, the findings of the study are presented and discussed along with their managerial or practical implications. Second, the possible shortcomings of the study are listed, and future research suggestions are provided accordingly.

#### **5.1. Research Findings and Managerial Implications**

The objective of this study was to investigate potential antecedents and consequences of the individual-level customer orientation in the marketing context through a holistic model. Seven of 13 model hypotheses were supported by the empirical data. In this section of the chapter, the study results related to each construct or variable of the suggested model are presented and discussed along with their possible managerial implications. Since the study was conducted over a sample canvassing a wide spectrum of businesses, the study results may be generalizable and applicable to a wide range of companies. The study results provide valuable insights and practical implications for company managers. They provide prescriptive guidelines for top management to follow in increasing their employees' customer orientation (i.e., marketing / sales manager or staff).

First, the results pertaining to the antecedents of the model are presented; then, the results associated with the consequences of the model are covered. In terms of the antecedents of the model, the results related to *organizational factors* are first discussed followed by *job-related factors*, *individual factors*, and *personality factors*.

### 5.1.1. Organizational Factors

In this part, the research results related to the effects of organizational culture and market orientation on customer orientation are discussed. The research findings indicate that the type of organizational culture may not determine the manager's level of customer orientation. Previously, it was suggested that market and adhocracy cultures encourage their marketing personnel to be more customer-oriented. It was argued that these organizational cultures generate a work environment which instills and promotes customer-oriented values in all employees within the organization. The study results did not support these arguments. The results were not meaningful. According to the empirical findings, clan and hierarchical cultures do not seem to promote high levels of customer orientation in their employees. The relationships of clan and hierarchical cultures with customer orientation are negative as hypothesized, but these results are not statistically significant. These unexpected results may partly be explained by the fact that some respondents might have had difficulty in understanding the organizational culture scale and answered it incorrectly. Thus, response error resulting from the difficulty of the scale might have contaminated the study results related to organizational culture.

In terms of the effect of market orientation on individual customer orientation, the study results suggest a positive relationship between perceived market orientation of the organization and customer orientation of marketers. In other words, high levels of organizational market orientation result in high levels of individual customer orientation. In fact, an organization with a high degree of market orientation is expected to actively encourage its employees to adopt the customer-oriented thinking and behavior. Market-oriented organizations meet their current and future customers on a regular basis to find

out what product or services they will need in the future. These organizations emphasize in-house market research and intermittently assess the potential effects of changes in their business environments on customers (Kohli, Jaworski, and Kumar 1993). They arrange interdepartmental meetings regularly to discuss market trends and developments and customers' future needs and wants. Information on customer satisfaction is disseminated at all levels within the organization on a regular basis (Kohli, Jaworski, and Kumar 1993). Apparently, constant information sharing is a "must" in market-oriented organizations. Thus, employees at all levels within the organization are encouraged to be always sensitive and responsive to customers' needs and wants, and have a strong customer focus or orientation.

In the light of this finding, it is suggested that top management should focus on developing a strong market orientation within the organization. This effort can benefit the organization by increasing its marketers' customer orientation. Customer-oriented marketing force plays a crucial role in the success of the organization. Marketing personnel has a profound role in connecting the organization to its customers (Ruekert and Walker 1987). Marketers need to continuously gather and evaluate current information on customer satisfaction, customer complaints, market trends, and so on. They try to make accurate assessments and predictions on customers' future needs, wants and preferences. The degree of marketers' sensitivity and responsiveness toward customer demands may significantly influence the company's business performance. Their attitude toward customers may affect customers' perceptions of the organization and its products and services. Marketing personnel with a strong customer orientation are likely to create favorable perceptions of the organization in the minds of customers. This

may lead to higher levels of customer satisfaction, customer loyalty, and customer retention.

### **5.1.2. Job-Related Factors**

In this part, the results related to the antecedent effects of the job-related factors are discussed. These factors include job involvement, role ambiguity/conflict, job satisfaction, and organizational commitment. The research results related to the job-related factors are four-folded. *First*, the research results show that job involvement negatively affects customer orientation of marketing personnel. This result is somewhat surprising because originally it was hypothesized that this relationship was positive.

*Second*, according to the study results, there is a significant negative relationship between role ambiguity and customer orientation. Both role ambiguity and conflict may lead to adverse consequences for the organization (Brown and Peterson 1994). When employees are well-informed about their job-related duties and responsibilities, they are likely to become more efficient and effective on the job (Floyd and Lane 2000). Consequently, they may be more willing to increase their level of customer orientation. On the other hand, it is true that when the roles are not well-defined, interactions and behavior patterns of employees will be less predictable and consistent (Floyd and Lane 2000). Moreover, high degrees of role conflict may be frustrating and unpleasant for employees and may lead to lower levels of job satisfaction in employees (MacKenzie, Podsakoff, and Ahearne 1998). It may be also argued that since high levels of role ambiguity and role conflict may prevent employees from bonding with their organization and create many misconceptions in their minds about their work environment, employees will be less committed to their organization and less willing to be customer-oriented.

Thus, our results support the remark that “the conflicting role expectations of the firm, manager, and customers can increase employees’ uncertainty about the best way to perform their jobs and the importance of job activities” (Hartline and Ferrell 1996, p.56).

*Third*, according to the results of the study, high levels of job satisfaction lead to high levels of customer orientation. There is a positive, insignificant relationship between job satisfaction and customer orientation. This finding is consistent with the results of earlier studies (e.g., Hoffman and Ingram 1991; Pettijohn, Pettijohn, and Taylor 2002). This finding suggests that when employees are satisfied with their jobs, they are expected to adopt high levels of customer orientation to be successful and stay on the job for a long time. They will be more willing to satisfy their customers by emphasizing on establishing and maintaining good long-term relationships with them. Employees who are highly satisfied with their jobs are likely to perceive their organization as a better place to work for. Thus, they may identify themselves with their organization to a greater extent. They see themselves as an important part of the organization. Consequently, they will be more loyal to and involved with their organization. They will be more committed to their organization compared to those employees who are less satisfied with their jobs. Employees who are more committed to their organizations are likely to be more customer-oriented (e.g., Kelly 1992; O’Hare, Boles, and Johnston 1991; Pettijohn, Pettijohn, and Taylor 2002).

*Fourth*, the study found a significant positive link between organizational commitment and customer orientation. This finding is consistent with those of earlier studies (e.g., Kelly 1992; O’Hare, Boles, and Johnston 1991; Pettijohn, Pettijohn, and Taylor 2002). Employees who have a strong commitment to their organization closely

identify themselves with and become loyal to their organization. They enjoy being a part of the organization and intend to stay with that organization for a long time. Because the survival of their organization will mainly be dependent on having a large number of satisfied long-term customers, committed employees may become more customer-oriented to satisfy the organization's customers. Also, a strong focus on customers may contribute to their individual success / performance on the job. As a result, it can be concluded that a strong customer orientation is partly a product of a strong commitment to the organization.

In terms of the effects of the job-related factors on customer orientation of employees, this study provides valuable insights for managers. The preceding findings have very critical implications for managers: First, senior management should make sure that the roles, duties, and responsibilities of each employee are well-defined, and each employee is well-informed about his roles, duties, and responsibilities. Job descriptions of each position from bottom to top must be clearly stated and not be in conflict with each other. Given the negative consequences of high levels of role ambiguity and conflict at the individual level, the company's management should be willing to get very creative and very involved in finding ways to reduce role ambiguity and conflict within their organization. Second, the study reveals that job satisfaction has a positive effect on customer orientation. The effect of job satisfaction on customer orientation is not significant, but it is positive. The company's management should be aware of the fact that the employees with high job satisfaction levels will benefit the organization more. They will be more sensitive and responsive to needs and wants of the company's customers. They will identify closely with and be loyal to the organization. They are

likely to be more committed to the organization. The company management should make every effort to make sure that its employees are satisfied with their jobs. Developing a strong internal marketing orientation within the organization may help the company management satisfy its employees at every level. Offering good salaries and benefits, establishing effective reward programs, and providing adequate job training for employees will help the organization accomplish its goals with regard to its employees' job satisfaction. Third, the study results unveiled that employees with high organizational commitment tend to be more customer-oriented. In order to increase their employees' organizational commitment, organizations should help their employees bond and identify with the organization. Establishing and maintaining a friendly, supportive work environment for all employees may enhance the chances that each employee will feel himself as an important part of the organization. Given these complex links among the job-related variables and customer orientation, it would be wise for the organization to invest heavily on increasing its employees' job satisfaction and organizational commitment. This would provide multiple benefits to the organization.

### **5.1.3. Individual Factors**

In this section, the findings associated with the antecedent effects of the individual factors on customer orientation are discussed. The individual factors include gender, age, experience, and education. The study results do not support the hypothesis that women marketers are more customer-oriented than their male counterparts. This finding is not parallel to those of the earlier studies by Siguaw and Honeycutt (1995) and O'Hare, Boles, and Johnston (1991). The study findings do not support the notion that "women are more likely to serve as problem-solving consultants and to assist their

customers in achieving their goals rather than just attempting to make the sale regardless of customer needs” (Siguaw and Honeycutt 1995, p.50). However, the study finding has a significant value since there are only a few studies that have investigated the question of whether there are significant differences between male and female salespeople in terms of their level of customer orientation.

The study reveals that younger marketers (less than 45 years old) place more value on customers than older marketers (45 years and older). This result can be explained by the following three arguments: First, younger marketers might be trained more effectively about customer orientation since they are likely to acquire and apply new knowledge more easily. Second, younger marketers may not have a strong customer base to rely upon in the beginning. They may need to establish new customer contacts / connections almost on a daily basis while maintaining the newly established relationships with their current customers. They need to be customer-oriented to a greater extent compared to their older counterparts. This may not be the case for older marketers who are likely to have already well-established customer networks. They just need to maintain their already existing contacts or relations. Therefore, for older marketers, being more customer-oriented may be a matter of choice rather than a requirement. Third, with their gradually diminishing mental (i.e., information processing and memory) and physical capabilities (Cron 1984; Lambert *et al.* 1990), older people might have a hard time in socializing with and communicating to their customers compared to younger people.

The study results showed that inexperienced marketers (less than 10 years of experience on the job) care more about their customers than experienced ones (at least 10 years of experience on the job). The results do not support the following arguments that

were presented earlier: It was argued that an experienced person may set higher job performance standards for himself to achieve. They put more effort into job-related tasks (Weeks and Kahle 1990). An experienced person may perceive being customer-oriented as an important part of higher job performance standards. An experienced marketer will be certain that if he becomes more customer-oriented, he may be rewarded by the organization and/or will get positive results. Experienced employees would have more opportunities to see positive outcomes and/or implications of being customer-oriented over time. On the contrary, the results showed that actually inexperienced marketers emphasize customer orientation more, probably due to their tenure-related concerns. They would want to successfully complete their tenure period on the job. In doing so, they have to be more sensitive and responsive to customer demands.

Finally, according to the study results related to education, educated marketers (having attended graduate school or higher) have more customer orientation than less educated marketers. This expected result supports the following argument: Educated people indeed interact with their customers better (Lambert *et al.* 1990), desire to learn more, and are eager to develop new social skills. They are also good at gathering information from customers and analyzing /interpreting customers' responses (Lambert *et al.* 1990).

The overall study results associated with the individual factors (i.e., age, experience and education) have crucial implications for companies: First, the results of the study suggest that younger marketers are likely to be more customer-oriented. Without committing to ageism, companies may place younger employees to the positions that require excellent communicational / social skills and continuous contact with

customers. Older employees may be given extra incentives to be more customer-oriented. They may be placed to the positions that require less customer contact. Second, according to the results of the study, inexperienced marketers place more value on customers possibly due to their tenure concerns. Based on this result, inexperienced employees may be given an on-the-job customer orientation training to help them achieve their customer orientation goals. Also, they may be given constant feedback about how they are doing in terms of customer orientation. Finally, third, the results of the study indicated that the highly educated marketers care about their customers more than the less educated ones. Having the highly-educated marketing personnel with a strong customer orientation is beneficial to the organization. Such personnel communicate to and interact with customers better and are good at gathering and analyzing information about customers (Lambert *et al.* 1990). Companies should aim to provide financial assistance for those marketing/sales employees who want to advance their educational levels. In order to motivate their employees to advance their educational levels, companies should offer some additional incentives (i.e., job promotions and salary increases) as well.

#### **5.1.4. Personality Factors**

In this part, the results of the study pertinent to the effects of personality characteristics on the level of customer orientation are discussed. The three dimensions of personality characteristics that were examined in the study include *compliant-oriented*, *aggressive-oriented*, and *detached-oriented*. Therefore, the study results with respect to the effects of personality characteristics on customer orientation are threefold. First, the results showed that the marketers who are more *compliant-oriented* exhibit higher levels

of customer orientation as hypothesized. But, this finding is not statistically significant. This finding is partially consistent with the results of Brown *et al.* (2002)'s study. Brown *et al.* (2002) found a positive and significant relationship between customer orientation and agreeability which is also one of the personality characteristics of a compliant-oriented person. The compliant-oriented marketers are socially-oriented and emphasize other people (Noerager 1979). The study results suggest that, the compliant-oriented people, as marketers, want to know their customers' needs and wants, value their customers' opinions and interests, and establish good, long-term relations with their customers. They have high levels of interpersonal orientation. Second, the study results revealed that the marketers who are more *aggressive-oriented* are likely to have high degrees of customer orientation as well. This finding does not support the previous argument that marketers who have more aggressive orientation may be sales-oriented and emphasize short-term sales gains. Lastly, third, based on the study results, the marketers who are more *detached-oriented* display high levels of customer orientation. This finding is not consistent with the arguments that detached-oriented people do not want to interact with others and their interactions with other people are not effective (Noerager 1979) and since detached-oriented people tend to be introvert, they have low levels of customer orientation. The study results do not support Brown *et al.* (2002)'s finding that there is no relationship between introversion and customer orientation.

#### **5.1.5. Consequences of Customer Orientation**

In this part, the two major consequences / outcomes of customer orientation are discussed. These outcomes include *improved buyer-seller relations* or *relationship development*, and *performance*. These outcomes may be beneficial to both the employee

and his organization. The study results suggest that higher levels of customer orientation result in higher levels of relationship development. This result is in agreement with Williams and Attaway (1996)'s finding that there is a positive and significant relationship between the salesperson's customer orientation and the development of buyer-seller relationship. Based on this finding, it is possible to argue that a strong customer orientation (i.e., personal interaction with customers) leads to better overall customer satisfaction (Rush, Zahorik, and Keiningham 1996) which, in turn, results in improved buyer-seller relationship.

It was found that there is a significant positive relationship between customer orientation and performance. This finding is consistent with the past research that found a positive and significant relationship between customer orientation and sales performance (Boles *et al.* 2001; Brown *et al.* 2002; McIntyre *et al.* 2000). This finding indicates that marketers who are able to communicate and interact with their customers better will have higher performance scores (Williams and Spiro 1985). Marketers who have a strong customer orientation emphasize and better identify needs and wants of their customers. Their efforts translate into higher customer satisfaction, which, in turn, leads to more customer loyalty, higher customer retention rate, or more repeated sales.

In sum, having customer-oriented marketing force is beneficial for organizations. Customer-oriented marketers perform better and contribute to the firm's efforts in developing excellent buyer-seller relationships. Therefore, firms should emphasize on promoting customer-oriented values and behaviors among their employees at all levels. They should periodically assess the level of their employees' customer orientation. They should design training programs and establish reward systems to promote the levels of

customer orientation of their employees. By adopting a strong market orientation at the organizational level, firms may be able to develop a workforce with a strong customer orientation.

## **5.2. Limitations and Future Research Suggestions**

This study has some limitations that should be taken into consideration in future research studies. In this section, the three main limitations are stated and their future research implications are discussed. Also, some additional future research suggestions are provided.

*First*, cross-sectional data was employed in the investigation of the suggested links in the model. This type of data has its own limitations. Cross-sectional data shows the links among the model variables at one point in time (Siguaw, Simpson, and Baker 1998). In other words, it gives a snapshot of the suggested links. In fact, some of these suggested links might be dynamic. Directions or signs of these links might change over time. Cross-sectional data does not reflect upon these dynamic links. Also, cross-sectional data does not provide information about the lagged effects of some variables in the model. For example, there is a lagged effect between organizational market orientation and individual customer orientation. The study sample might include some firms that only recently adopted a market orientation. For such firms, it can be too early to evaluate the impact of market orientation on customer orientation of marketers (Sargeant and Mohamad 1999). No matter how high the level of market orientation in these firms is, the actual impact of market orientation on individual customer orientation might be seen years later. Causal relationships, or dynamic links, or lagged effects among the model variables can be investigated via longitudinal studies. Future research

studies should test the proposed model over the same group of respondents by using longitudinal data.

*Second*, a wide spectrum of businesses were represented in the sample. This was opted for two purposes: (1) to generalize the research results to a larger set of businesses, and (2) to reduce industry-specific biases of the research results (Olson, Walker, and Ruekert 1995). However, the representation of a wide range of businesses in the sample may create a lot of noise and variation in the data. Some hypotheses may not have been supported because of a high level of noise in the data. Future studies may test the suggested model in the specific industry or business contexts by taking into consideration industry-specific differences or variations. For example, the suggested model may be tested over a sample of government employees (i.e., IRS or INS employees) from service sector.

*Third*, lastly, one respondent was surveyed from each company in this study. This method may be questionable (Matsuno and Mentzer 2000). Different departmental groups might perceive the level of market orientation and the nature of organizational culture differently within the same organization. Measuring these constructs through the perception of a single respondent from each company may lead to an uncertain level of informant bias. Also, gathering data from a single respondent may involve common method bias or variance. Common method bias may be in effect when all model constructs (i.e., market orientation, organizational culture, job satisfaction, and so on) are assessed by the same respondent (Matsuno and Mentzer 2000). Common method bias may occur in this study because all of the measurements used for market orientation and organizational culture are subjective and assessed by the same respondent in each

company. This study specifically focused on marketers as target respondents. Surveying multiple respondents from other functional units in each company would not serve to the purpose of this study. In other words, the specific nature of the target respondent in this study significantly restricted the use of a multiple-respondent approach. However, in this study, a small number of questionnaires (around 100 questionnaires) were sent to multiple respondents (2 or 3 marketing professionals) in the same company. But, this effort probably was not big enough to offset any potential bias or common method bias occurring in the study. It is strongly recommended that future research should examine the suggested links in the model by using a multiple-respondent approach. The same model should be tested over a sample consisting of pairs of marketing and non-marketing professionals from each participating company in order to offset individual response bias and reduce measurement error resulting from surveying a single respondent from each participating company.

Additionally, the following research avenues should be examined by future research studies to extend the current study. First, future research studies can integrate potential moderators of the market orientation-customer orientation relationship and the organizational culture-customer orientation relationship to the suggested model. For example, organizational structure variables including centralization and formalization within the organization might significantly moderate these relationships. Their moderating effects on these suggested relationships should be investigated closely in future research studies. Second, future research studies can incorporate additional possible outcomes or consequences of customer orientation into the suggested model. For example, job tension, job turnover rate and customer retention rate can be taken into

consideration as possible outcomes of the individual-level customer orientation. Finally, the possible link between customer orientation and ethical behavior toward customers can be investigated by future research.

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# APPENDIX.1

## A BRIEF REVIEW OF MAIN STUDIES ON CUSTOMER ORIENTATION

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
<b>Measurement of customer orientation and replication studies</b>						
Saxe and Weitz (1982)	To develop a measure to examine the relationship between the selling behavior and selling effectiveness.	Preliminary research.  <i>Sample I:</i> A survey of 208 salespeople. RRate: 44%.  <i>Sample II:</i> A survey of 133 salespeople. RRate: 71%.	Sales situations (18 items). <i>Resulting factors:</i> relations, ability to help.	Customer-oriented selling, measured by the SOCO scale.	Multiple regression analysis, factor analysis.	The concept of customer orientation is defined.  A 24-item scale was developed to measure the degree to which salespeople engage in customer-oriented selling.
Michaels and Day (1985)	To replicate the SOCO scale with the buyer's assessment of the customer orientation of salespeople.	A national sample of 3216 purchasing professionals from <i>NAPM</i> . RRate: 31.25%.	----	Customer orientation, measured by the 24-item scale.	Factor analysis, Item-to-item correlation analysis.	The results are almost identical to those obtained when salespeople assessed their own degree of customer orientation, with the exception that the buyer's mean ratings are substantially lower than the salesperson's mean ratings.
Tadepalli (1995)	To modify the Michaels and Day (1985)'s version of the SOCO scale.	Pilot interviews with industrial buyers.  A sample of 345 purchasing professionals from <i>NAPM</i> . RRate: 52.2%.	The similarity between the buyer and the salesperson, the risk to the buyer from the purchase, the information requirements of the buyer.	Customer orientation, assessed by the 24-item scale.	Confirmatory factor analysis.	Similarity between the buyer and the salesperson is likely to enhance the buyer's evaluation of the salesperson's customer orientation to a greater extent than the other two situational factors.
Brown, Widing and Coulter (1991)	To replicate the SOCO scale by having consumers evaluate customer orientation of retail salespeople.	A sample of 348 consumers. RRate: 87%.  The local phone directory as a sampling frame.  A telephone survey.	Customer orientation, measured by the 24-item modified SOCO scale.	----	Factor analysis.	The SOCO scale works as good with buyers as with the sellers.  The SOCO scale items were slightly modified to fit the consumer sample and retail focus of the study.
Dunlap, Datson and Chambers (1988)	To evaluate the extent to which real-estate brokers adhere to the marketing concept by engaging in customer-oriented selling.	425 real-estate consumers. RRate: 88%.  Personal interviews with 190 real-estate brokers. RRate: 93%.	Customer orientation, measured by the 24-item SOCO scale with slightly altered wording of some items. Demographics.	----	Factor analysis, ANOVA.	Consumers (buyers) of real estate do not perceive real-estate brokers to be as customer-oriented as they (the brokers) perceive themselves to be.

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
Thomas, Soutar and Ryan (2001)	To determine if the number of items in the SOCO scale could be reduced while still maintaining the scale's dimensionality and consistency.	250 salespeople, 157 of their managers, 376 of their customers. An Australian context.	Customer orientation, evaluated via a 10-item scale.	----	Principle component and confirmatory factor analyses. A correlation analysis.	The SOCO scale suggested by Saxe and Weitz (1982) can be measured by the 10 items with a little information loss.

### Studies linking market orientation to customer orientation

Siguaw, Brown, and Widing II (1994)	To investigate the effects of market orientation on the salesperson's customer orientation and job attitudes.	Random samples of 585 sales personnel and 353 sales / marketing managers from the <i>AIM's</i> roster. RRate: 16.9%. An industry-specific study. A mail survey.	Market orientation, diff.	Customer orientation, role conflict, role ambiguity, job satisfaction, organizational commitment.	A regression analysis (OLS and WLS regressions).	Market orientation significantly influences customer orientation of the salesperson and each of the job attitudes in the hypothesized directions.
Boles <i>et al.</i> (2001)	To examine the links among a firm's customer orientation, centralization and supportive work environment, and the salesperson's selling / customer orientation.	A sample of 150 retail firms, including clothing, furniture, major appliances, and electronics, in 2 large urban areas. RRate: 294/400.	Firm's customer orientation, centralization and employee perceptions of support from individuals, the salesperson's selling / customer orientations as <i>mediators</i> .	Performance.	Confirmatory factor analysis, structural model estimation.	There is a positive and significant relationship between a firm's customer orientation and customer-oriented selling.  There is a negative relationship between a firm's customer orientation and selling-oriented practices.
Jones, Busch and Dacin (2003)	To examine the effects of organization's market orientation and salesperson's customer orientation on the development of the buyer-seller relationship	Samples of a national manufacturer's sales force and retail trade customers. <i>Sample I</i> : 544 salespeople. RRate: 52%. <i>Sample II</i> : 40 sales managers. RRate: 85%. <i>Sample III</i> : 284 customers. RRate: 26%.	Manager's customer orientation and organizational commitment, and perception of the firm's market orientation. Salesperson's customer orientation, perception of the firm's market orientation, and attitudes as <i>mediators</i> .	Customer's perceived service quality, customer's propensity to switch suppliers.	A factor analysis, structural equation modeling.	There is a positive and significant relationship between the sales manager's organizational commitment and the salesperson's customer orientation. There is no relationship between the firm's market orientation and salesperson's customer orientation.

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
<b>Studies linking customer orientation to gender differences</b>						
Siguaw and Honeycutt (1995)	To examine the gender-related differences in job attitude variables, perceptions of market orientation, customer orientation, and adaptive selling.	A sample of 1644 salespersons from firms of <i>Association for International and Image Management</i> . RRate: 16.4%.  A mail survey.	Gender	Job satisfaction, organizational commitment, role conflict, role ambiguity, demographics, job tenure, performance, market orientation, customer orientation, adaptive selling behavior.	MANOVA	Market orientation is related to organizational commitment, role conflict, role ambiguity, and performance. Saleswomen engage in a significantly higher level of customer oriented selling than salesmen.
<b>Studies linking customer orientation to ethics / ethical behavior</b>						
Howe, Hoffman, and Hardgee (1994)	To examine the relationship between ethical behavior and customer orientation of the sales agent.	A sample of 1200 insurance sales agents from health, life, auto, and home insurance businesses in a Western state of the US.	9 ethical issues (misrepresentation, down selling, letter, twisting, rebating, non-licensed, equivalent, lowball, false info).	Customer orientation.	ANOVA, A correlation analysis.	There was a negative and significant relationship between unethical behavior and customer-oriented behavior.
Honeycutt, Siguaw, and Hunt (1995)	To examine the relationships among job satisfaction, customer orientation, ethics and ethical training.	Samples of Taiwanese and American car salespeople.	Self-perceived ethicalness, ethical perception of the industry, ethical behavior, ethical training.	Customer Orientation.	Regression	There is no significant relationship between customer orientation and self-perceived ethicalness for both the Taiwanese and US samples.  There is a significant relationship between ethical training and customer orientation for the both samples.
<b>Studies linking customer orientation to personality factors</b>						
Brown <i>et al.</i> (2002)	To investigate the effects of basic personality traits on the individual's performance outcomes by using customer orientation as a mediator.	280 matched sets (pairs) of frontline service workers and their supervisors from the food service industry (restaurants). 249 pairs usable.	Personality traits (i.e., introversion, instability, agreeability, conscientiousness, openness, activity), customer orientation as a mediator.	Performance ratings (self), performance ratings (supervisor).	A multiple regression analysis, structural equations modeling via LISREL 8.	Several basic personality traits, not all six of them, affect customer orientation.  <i>Instability</i> is negatively and <i>agreeability</i> is positively related to customer orientation.
Widmier (2002)	To examine the effects of personality characteristics	A sample of 1990 salespeople from 4 large	Personality characteristics (i.e., self-monitoring,	Customer orientation.	A multiple regression.	There are positive and significant relationships between perspective taking, emphatic concerns and

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
	and customer-satisfaction based incentives on customer orientation of salespeople.	firms. RRate: 37%.	perspective taking, and empathic concerns), customer-satisfaction based incentives.			customer orientation of salespeople.
<b>Studies investigating organizational antecedents of customer orientation</b>						
Kelly (1992)	To develop and test a conceptual framework that was based on customer orientation of service workers and its linkages with various variables.	A sample of 249 customer-contact (service) employees of 4 financial institutions in the financial services industry.	Organizational socialization. Organizational commitment, organizational climate for service, motivational direction, and motivational effort as <i>mediators</i> .	Customer orientation.	Structural equation modeling via LISREL VI, confirmatory factor analysis.	The higher levels of customer orientation result from favorable perceptions of the organizational climate for service and higher levels of motivational direction and organizational commitment.
Williams and Attaway (1996)	To examine the links among organizational culture, customer orientation, and buyer-seller relationship development.	A convenient sample of 203 business-to-business buyers located in the Midwestern US. RRate: 75.4%.  A dyadic analysis. A mail survey.	Buyers' and sellers' organizational cultures, customer orientation as a <i>mediator</i> .	Customer orientation, buyer-seller relationship development.	A multiple regression.	A selling firm's organizational culture is a significant predictor of customer orientation and relationship development.
Flaherty, Dahlstrom, and Skinner (1999)	To examine whether organizational values and role stress influence customer-oriented selling performance.	A judgmental sample of 1000 salespeople from various industries. RRate: 44.3%. A mail survey.	Organizational values, role stress variables.	Customer-oriented selling.	An Ordinary Least Squares (OLS) regression.	There is a significant relationship between the perceived value orientation and the customer-oriented selling.  There is no significant relationship between salesperson's desired customer value orientation and customer-orientated selling performance.
Joshi and Randall (2001)	To examine the indirect effects of organizational control variables on sales performance and customer orientation.	A sample of beauty consultants from a large and reputable direct-selling firm in the cosmetic industry. RRate: 175/151.	Organizational control variables (i.e., output, process, and professional controls). Task clarity, affective commitment as <i>mediators</i> .	Sales performance, customer orientation.	A confirmatory factor analysis.	There is no significant effect of task clarity on customer orientation. There is a significant relationship between affective commitment and customer orientation.
Susskind, Kacmar, and	To examine the links among employees'	Pilot study: 400 MBA students.	Organizational standards for service delivery,	Customer satisfaction.	One-way ANOVA, a	There is a positive and significant relationship between employees'

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
Borchgrevink (2003)	perceptions of organizational standards for service delivery, coworker and supervisory support, customer orientation, and customer satisfaction.	A sample of 390 line-level service workers employed in the service-based facilities in the Midwest. RRate: 354/390.	coworker support, supervisory support, Customer orientation as a mediator.		confirmatory factor analysis, structural equation modeling.	perception of coworker support and customer orientation. There is a positive and significant relationship between customer orientation of employees and customer satisfaction.

#### Studies exploring the linkage between customer orientation and job-related factors

Hoffman and Ingram (1991)	To examine the effects of role ambiguity, role conflict, and job satisfaction on customer orientation of the health care service employees.	A sample of 250 health care service employees from the home health care market. RRate: 46%.  A mail survey.	Role ambiguity, role conflict. Job satisfaction as an intermediary.	Customer orientation.	A causal path analysis.	Job satisfaction has a both indirect and direct positive and significant effect on customer orientation. Role ambiguity, negative, and role conflict, positive, direct insignificant weak effects on customer orientation.
O'Hara, Boles and Johnston (1991)	To examine the effects of situational and organizational factors on the development of the customer-oriented selling approach.	<i>Sample I:</i> the sales force of a medium-sized advertising firm. <i>Sample II:</i> industrial salespeople attending a trade show.	Job tenure, supervisor / employee relations, job involvement, organizational commitment, gender.	Sales / customer orientation.	A regression analysis.	The salesperson's organizational commitment is significantly related to customer-oriented selling in both sales settings. There is a negative relationship between job tenure and customer-oriented-selling in the industrial setting.
Peggei, Riccardo and Rosental (2001)	To examine the factors which affect customer-oriented behavior.	A sample of 2100 employees worked in Shopco stores.  RRate: 35%.	Participation in service excellence (SE) training, supportive and customer oriented management, supportive and customer oriented supervision, empowerment variables as intermediaries.	Customer oriented behavior (COBEH).	A hierarchical regression analysis (full mediation, partial mediation, and simple additive), factor analysis.	Even though management behavior and HR practices variables have no significant direct effects on COBEH, empowerment variables (i.e. internalization of SE, job competence, and job autonomy) had positive, significant indirect effects on COBEH.
Pettijohn, Pettijohn, and Taylor (2002)	To examine the links between the practice of customer-oriented selling and four independent variables.	A sample of 220 special salespersons from 25 retail businesses.  RRate: 109/220.	Job satisfaction, organizational commitment, sales training, sales skills.	Customer-oriented selling.	A multiple regression.	A salesperson's job satisfaction, organizational commitment, selling skills, the interaction between selling skills and salesperson's motivation, and the level of the salesperson's ongoing training were all significantly related to

Author	Primary Focus	Sample	Independent Variable(s)	Dependent Variable(s)	Method	Major Finding(s)
						customer-oriented selling of a salesperson.

#### Studies investigating the customer orientation and customer connections relations

Wray, Palmer, and Bejou (1994)	To examine the antecedents of perceived relationship quality represented by relationship trust and relationship satisfaction.	A sample of 1944 people in the financial services sector. RRate: 29%.  A phone survey.	Selling orientation, customer orientation, ethical behavior, experience of salespeople, and duration of the relationships.	Customer satisfaction, trust.	A stepwise regression.	Each of five antecedents had a significant impact on relationship quality. Customer orientation had the most positive and significant impact on relationship satisfaction. There was a positive, significant link between customer orientation and relationship trust.
McIntyre <i>et al.</i> (2000)	To examine the links among cognitive style, adaptive selling behavior, sales orientation-customer orientation, and self-perceived selling performance.	A sample of 1400 real estate salespeople.  RRate: 28.3%.	Information intake, information processing /decision making. Adaptiveness, sales orientation-customer orientation as intermediaries.	Self-perceived selling performance.	A structural model.  A confirmatory factor analysis.	There is a strong relationship between adaptiveness in selling and customer orientation. There is a strong relationship between customer orientation and self-perceived selling performance.

#### Additional studies of customer orientation

Keillor, Parker and Pettijohn (1999)	To examine the effects of four aspects of relational selling on the salesperson's satisfaction with performance.	A sample of 366 members of a nationwide professional sales organization.  RRate: 34.4%.	Selling/customer orientation, adaptability, service orientation, professionalism.	Satisfaction with Performance.	A multiple regression.	The effects of selling orientation / customer orientation and service orientation on the salesperson's satisfaction with performance were statistically significant.
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## APPENDIX.2 FACTOR ANALYSIS RESULTS

### Factor Analysis - Organizational Culture / Market

#### Communalities

	Initial	Extraction
OC4	1.000	.704
OC8	1.000	.584
OC12	1.000	.565
OC16	1.000	.432

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.284	57.110	57.110	2.284	57.110	57.110
2	.785	19.622	76.731			
3	.563	14.082	90.813			
4	.367	9.187	100.000			

Extraction Method: Principal Component Analysis.

#### Component Matrix<sup>a</sup>

	Component
	1
OC4	.839
OC8	.764
OC12	.752
OC16	.657

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

#### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Organizational Culture / Adhocracy

### Communalities

	Raw		Rescaled	
	Initial	Extraction	Initial	Extraction
OC2	216.654	43.544	1.000	.201
OC6	544.656	469.498	1.000	.862
OC14	276.753	67.388	1.000	.243
OC10	224.005	86.539	1.000	.386

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component		Initial Eigenvalues <sup>a</sup>			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Raw	1	666.969	52.847	52.847	666.969	52.847	52.847
	2	290.737	23.037	75.884			
	3	205.958	16.319	92.203			
	4	98.404	7.797	100.000			
Rescaled	1	666.969	52.847	52.847	1.693	42.320	42.320
	2	290.737	23.037	75.884			
	3	205.958	16.319	92.203			
	4	98.404	7.797	100.000			

Extraction Method: Principal Component Analysis.

- a. When analyzing a covariance matrix, the initial eigenvalues are the same across the raw and rescaled solution.

### Component Matrix<sup>a</sup>

	Raw	Rescaled
	Component	Component
	1	1
OC2	6.599	.448
OC6	21.668	.928
OC14	8.209	.493
OC10	9.303	.622

Extraction Method: Principal Component Analysis.

- a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

- a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Organizational Culture / Clan

### Communalities

	Initial	Extraction
OC1	1.000	.520
OC5	1.000	.438
OC9	1.000	.564
OC13	1.000	.442

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.963	49.087	49.087	1.963	49.087	49.087
2	.777	19.422	68.509			
3	.724	18.109	86.618			
4	.535	13.382	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
OC1	.721
OC5	.661
OC9	.751
OC13	.665

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Organizational Culture / Hierarchy

### Communalities

	Initial	Extraction
OC3	1.000	.482
OC7	1.000	.497
OC11	1.000	.683
OC15	1.000	.337

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.999	49.965	49.965	1.999	49.965	49.965
2	.879	21.975	71.940			
3	.672	16.811	88.751			
4	.450	11.249	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
OC3	.694
OC7	.705
OC11	.826
OC15	.580

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Market Orientation / Intelligence Generation

### Communalities

	Initial	Extraction
MO1	1.000	.379
MO2	1.000	.212
MO3	1.000	.646
MO5	1.000	.672
MO6	1.000	.434

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.344	46.873	46.873	2.344	46.873	46.873
2	.923	18.456	65.329			
3	.825	16.499	81.828			
4	.637	12.738	94.566			
5	.272	5.434	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
MO1	.615
MO2	.461
MO3	-.804
MO5	-.820
MO6	.659

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis: Market Orientation / Intelligence Dissemination

### Communalities

	Initial	Extraction
MO7	1.000	.495
MO8	1.000	.613
MO9	1.000	.477
MO10	1.000	.427
MO11	1.000	.318

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.330	46.602	46.602	2.330	46.602	46.602
2	.892	17.833	64.435			
3	.725	14.493	78.927			
4	.587	11.746	90.673			
5	.466	9.327	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
MO7	.704
MO8	.783
MO9	.691
MO10	.654
MO11	-.564

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Market Orientation / Responsiveness

### Communalities

	Initial	Extraction
MO12	1.000	.484
MO13	1.000	.626
MO16	1.000	.556
MO17	1.000	.587
MO18	1.000	.367
MO19	1.000	.305
MO20	1.000	.333

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.257	46.523	46.523	3.257	46.523	46.523
2	.934	13.341	59.865			
3	.803	11.466	71.331			
4	.635	9.067	80.399			
5	.606	8.651	89.050			
6	.417	5.953	95.003			
7	.350	4.997	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
MO12	.695
MO13	.791
MO16	-.745
MO17	-.766
MO18	.606
MO19	.553
MO20	-.577

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Job Involvement

### Communalities

	Initial	Extraction
JIN1	1.000	.778
JIN2	1.000	.799
JIN3	1.000	.718
JIN4	1.000	.508

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.803	70.087	70.087	2.803	70.087	70.087
2	.602	15.049	85.136			
3	.370	9.247	94.383			
4	.225	5.617	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
JIN1	.882
JIN2	.894
JIN3	.848
JIN4	.712

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Role Ambiguity

### Communalities

	Initial	Extraction
RAMC1	1.000	.464
RAMC4	1.000	.780
RAMC6	1.000	.688

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.932	64.393	64.393	1.932	64.393	64.393
2	.724	24.143	88.536			
3	.344	11.464	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
RAMC1	.681
RAMC4	.883
RAMC6	.829

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Role Conflict

### Communalities

	Initial	Extraction
RAMC2	1.000	.661
RAMC3	1.000	.569
RAMC5	1.000	.653

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.883	62.774	62.774	1.883	62.774	62.774
2	.618	20.608	83.382			
3	.499	16.618	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
RAMC2	.813
RAMC3	.754
RAMC5	.808

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Job Satisfaction

### Communalities

	Initial	Extraction
JSAT1	1.000	.824
JSAT2	1.000	.824

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.648	82.384	82.384	1.648	82.384	82.384
2	.352	17.616	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
JSAT1	.908
JSAT2	.908

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Organizational Commitment

### Communalities

	Initial	Extraction
OCOM1	1.000	.337
OCOM2	1.000	.595
OCOM3	1.000	.651
OCOM4	1.000	.659
OCOM5	1.000	.439
OCOM6	1.000	.578
OCOM7	1.000	.654

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.914	55.909	55.909	3.914	55.909	55.909
2	.943	13.475	69.385			
3	.782	11.165	80.550			
4	.476	6.799	87.349			
5	.393	5.614	92.963			
6	.260	3.715	96.677			
7	.233	3.323	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
OCOM1	.581
OCOM2	.772
OCOM3	-.807
OCOM4	.812
OCOM5	.663
OCOM6	-.760
OCOM7	.809

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Customer Orientation

### Communalities

	Initial	Extraction
CO4	1.000	.177
CO6	1.000	.774
CO7	1.000	.859
CO9	1.000	.782
CO10	1.000	.538
CO11	1.000	.816
CO12	1.000	.846

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.793	68.476	68.476	4.793	68.476	68.476
2	.956	13.657	82.133			
3	.504	7.200	89.333			
4	.265	3.789	93.122			
5	.196	2.800	95.922			
6	.165	2.352	98.274			
7	.121	1.726	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
CO4	.421
CO6	.880
CO7	.927
CO9	.884
CO10	.734
CO11	.903
CO12	.920

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Personality / Compliant

### Communalities

	Initial	Extraction
PERT4	1.000	.501
PERT9	1.000	.303
PERT14	1.000	.204
PERT19	1.000	.458

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.466	36.644	36.644	1.466	36.644	36.644
2	.943	23.570	60.214			
3	.877	21.930	82.144			
4	.714	17.856	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
PERT4	.708
PERT9	.551
PERT14	.451
PERT19	.677

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Personality / Aggressive

### Communalities

	Initial	Extraction
PERT1	1.000	.289
PERT3	1.000	.449
PERT4	1.000	.614
PERT11	1.000	.219
PERT19	1.000	.327

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.898	37.967	37.967	1.898	37.967	37.967
2	.962	19.241	57.207			
3	.881	17.616	74.823			
4	.715	14.300	89.123			
5	.544	10.877	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
PERT1	.538
PERT3	.670
PERT4	.783
PERT11	.468
PERT19	.572

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

## Factor Analysis - Personality / Detached

### Communalities

	Initial	Extraction
PERT9	1.000	.426
PERT17	1.000	.187
PERT18	1.000	.488

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.101	36.695	36.695	1.101	36.695	36.695
2	.982	32.741	69.436			
3	.917	30.564	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
PERT9	.652
PERT17	-.432
PERT18	.699

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

### Rotated Component Matrix<sup>a</sup>

a. Only one component was extracted.  
The solution cannot be rotated.

### APPENDIX.3 LISREL RESULTS

L I S R E L 8.51  
BY  
Karl G. Jöreskog & Dag Sörbom

#### LISREL ESTIMATES (MAXIMUM LIKELIHOOD)

ORCO = 7.634*ORGACOM,	Errorvar.= -0.0142, R <sup>2</sup> = 0.999 (0.0791) -0.180
CUSO = 7.283*CUSTOR,	Errorvar.= 0.890, R <sup>2</sup> = 0.984 (0.233) 3.824
JOSA = 4.833*JOBSAT,	Errorvar.= 2.408, R <sup>2</sup> = 0.907 (0.546) 4.409
CLCU = 59.586*CLANCU,	Errorvar.= 0.000213, R <sup>2</sup> = 0.999 (0.0730) (0.0729) 816.729 0.00292
ADCU = 47.909*ADHOCCU,	Errorvar.= 0.00201, R <sup>2</sup> = 0.999 (0.0729) (0.0729) 656.897 0.0276
HICU = 59.925*HIERARC,	Errorvar.= 0.000195, R <sup>2</sup> = 0.999 (0.0730) (0.0729) 821.346 0.00268
MACU = 58.213*MARKETC,	Errorvar.= 0.00424, R <sup>2</sup> = 0.999 (0.0730) (0.0729) 797.790 0.0581
MAOR = 7.407*MARKOR,	Errorvar.= 0.00205, R <sup>2</sup> = 0.999 (0.0862) (0.0730) 85.914 0.0282
JOINV = 4.308*JOBINVO,	Errorvar.= 5.194, R <sup>2</sup> = 0.781 (0.165) (1.305) 26.060 3.981
ROAM = 3.415*ROLAMB,	Errorvar.= 0.861, R <sup>2</sup> = 0.931 (0.158) (0.213) 21.580 4.033
ROCON = 3.946*ROLCONF,	Errorvar.= 2.690, R <sup>2</sup> = 0.853 (0.113) (0.682)

34.889

3.944

IMR = 6.511\*IMPREL,      Errorvar.= 0.241 , R<sup>2</sup> = 0.994  
           (0.139)                            (0.0918)  
           46.761                            2.619

PERF = 2.663\*PERFORM,      Errorvar.= 0.0388 , R<sup>2</sup> = 0.995  
           (0.0829)                            (0.0737)  
           32.142                            0.527

COMP = 4.566\*COMPLIAN,      Errorvar.= 0.0736 , R<sup>2</sup> = 0.996  
           (0.0792)                            (0.0751)  
           57.675                            0.979

AGGO = 4.897\*AGGRESSV,      Errorvar.= 0.101 , R<sup>2</sup> = 0.996  
           (0.0784)                            (0.0772)  
           62.484                            1.305

DETO = 3.900\*DETACHED,      Errorvar.= 0.383 , R<sup>2</sup> = 0.975  
           (0.0794)                            (0.117)  
           49.095                            3.268

**Structural Equations:**

$\text{JOBSAT} = 0.24 \cdot \text{ROLAMB} + 0.64 \cdot \text{JOBINVO} - 0.53 \cdot \text{ROLCONF}$ , Errorvar.= 12.04 ,  
 $R^2 = 0.52$

(0.082)	(0.070)	(0.081)	(0.076)
2.96	9.03	-6.50	158.73

$\text{ORGACOM} = 0.41 \cdot \text{JOBSAT} - 0.27 \cdot \text{ROLAMB} + 1.21 \cdot \text{JOBINVO} - 0.78 \cdot \text{ROLCONF}$ ,  
 Errorvar.= 18.99,  $R^2 = 0.69$

(0.069)	(0.098)	(0.11)	(0.091)
(0.22)	5.98	-2.71	11.30
			-8.60
84.76			

$\text{CUSTOR} = 0.059 \cdot \text{JOBSAT} + 0.47 \cdot \text{ORGACOM} + 0.49 \cdot \text{IMPREL} + 0.32 \cdot \text{PERFORM} - 0.25 \cdot \text{ROLAMB} -$   
 $0.010 \cdot \text{MARKETC} - 0.025 \cdot \text{CLANCU}$

(0.075)	(0.067)	(0.068)	(0.073)	(0.085)
(0.036)	(0.034)			
0.78	7.04	7.27	4.31	-2.93
-0.29	-0.73			

$-0.013 \cdot \text{ADHOCCU} - 0.024 \cdot \text{HIERARC} + 0.20 \cdot \text{MARKOR} -$

$0.66 \cdot \text{JOBINVO} + 0.36 \cdot \text{ROLCONF} + 0.017 \cdot \text{COMPLIAN} + 0.11 \cdot \text{AGGRESSV}$

(0.035)	(0.034)	(0.066)	(0.091)
(0.086)	(0.077)	(0.074)	
-0.36	-0.72	3.11	-7.26
0.21	1.43		4.16

$+ 0.34 \cdot \text{DETACHED}$ , Errorvar.= 33.65 ,  $R^2 = 0.42$

(0.076)	(0.074)
4.48	455.94

**Reduced Form Equations:**

$\text{JOBSAT} = 0.0 \cdot \text{IMPREL} + 0.0 \cdot \text{PERFORM} + 0.24 \cdot \text{ROLAMB} + 0.0 \cdot \text{MARKETC} +$

$0.0 \cdot \text{CLANCU} + 0.0 \cdot \text{ADHOCCU} + 0.0 \cdot \text{HIERARC} + 0.0 \cdot \text{MARKOR}$

0.64*	(0.082)
	2.96

$+ 0.64 \cdot \text{JOBINVO} - 0.53 \cdot \text{ROLCONF} + 0.0 \cdot \text{COMPLIAN} + 0.0 \cdot \text{AGGRESSV} +$

$0.0 \cdot \text{DETACHED}$ , Errorvar.= 12.04,  $R^2 = 0.52$

(0.070)	(0.081)
9.03	-6.50

$\text{ORGACOM} = 0.0 \cdot \text{IMPREL} + 0.0 \cdot \text{PERFORM} - 0.17 \cdot \text{ROLAMB} + 0.0 \cdot \text{MARKETC} +$

$0.0 \cdot \text{CLANCU} + 0.0 \cdot \text{ADHOCCU} + 0.0 \cdot \text{HIERARC} + 0.0 \cdot \text{MARKOR}$

1.47*	(0.12)
	-1.42

$+ 1.47 \cdot \text{JOBINVO} - 0.99 \cdot \text{ROLCONF} + 0.0 \cdot \text{COMPLIAN} + 0.0 \cdot \text{AGGRESSV} + 0.0 \cdot \text{DETACHED}$ ,

Errorvar.= 21.03,  $R^2=0.66$

(0.11)	(0.11)
--------	--------

13.46

-9.29

CUSTOR=0.49\*IMPREL+0.32\*PERFORM-0.31\*ROLAMB-0.010\*MARKETC-0.025\*CLANCU-  
0.013\*ADHOCCU- 0.024\*HIERARC

0*	(0.068)	(0.073)	(0.11)	(0.036)	
(0.034)	(0.035)	(0.034)			
	7.27	4.31	-2.80	-0.29	-0.73
-0.36	-0.72				

+ 0.20\*MARKOR + 0.071\*JOBINVO - 0.15\*ROLCONF + 0.017\*COMPLIAN +  
0.11\*AGGRESSV + 0.34\*DETACHED

.70, R	(0.066)	(0.13)	(0.13)	(0.077)
(0.074)	(0.076)			
	3.11	0.53	-1.13	0.21
1.43	4.48			

Errorvar.= 38.70,  $R^2 = 0.33$

## Covariance Matrix of Latent Variables

	JOB SAT	ORGACOM	CUSTOR	IMPREL	PERFORM	ROLAMB
	-----	-----	-----	-----	-----	-----
JOB SAT	24.96					
ORGACOM	26.51	60.96				
CUSTOR	11.12	24.94	58.14			
IMPREL	12.69	22.48	26.34	44.69		
PERFORM	4.08	7.07	6.46	9.68	7.30	
ROLAMB	9.59	11.51	4.65	8.52	3.43	13.21
MARKETC	-79.45	-161.67	-0.81	-7.00	13.10	0.73
CLANCU	74.27	160.25	50.67	106.85	23.94	-3.68
ADHOCCU	13.44	41.87	43.10	4.57	7.00	-8.75
HIERARC	-6.30	-38.13	-85.73	-84.10	-45.66	11.19
MARKOR	17.23	28.25	20.72	22.14	3.00	12.53
JOBINVO	11.77	23.84	8.76	14.35	5.61	6.15
ROLCONF	-5.88	-6.84	-2.59	-2.82	0.60	-4.68
COMPLIAN	-1.43	-2.95	-6.66	-5.41	0.03	-0.09
AGGRESSV	4.23	5.91	5.86	7.77	0.25	4.54
DETACHED	-3.09	-6.18	-0.31	-6.13	-2.24	-1.72

## Covariance Matrix of Latent Variables

	MARKETC	CLANCU	ADHOCCU	HIERARC	MARKOR	JOBINVO
	-----	-----	-----	-----	-----	-----
MARKETC	3387.48					
CLANCU	-2250.54	3549.51				
ADHOCCU	-529.38	-113.81	2294.84			
HIERARC	-736.43	-1032.68	-1665.00	3589.78		
MARKOR	-114.09	132.51	91.83	-107.34	56.39	
JOBINVO	-40.54	65.21	41.16	-72.25	13.16	20.38
ROLCONF	102.51	-64.17	20.14	-70.21	-11.04	5.10
COMPLIAN	-26.41	32.56	2.71	-12.41	-3.50	-1.14
AGGRESSV	55.26	-56.95	-2.19	-0.23	8.87	2.84
DETACHED	-33.36	-20.27	-5.13	65.51	-4.24	-5.34

## Covariance Matrix of Latent Variables

	ROLCONF	COMPLIAN	AGGRESSV	DETACHED
	-----	-----	-----	-----
ROLCONF	15.18			
COMPLIAN	1.30	21.22		
AGGRESSV	-2.50	-13.33	24.19	
DETACHED	-1.39	-5.01	-6.56	15.70

## Goodness of Fit Statistics

Degrees of Freedom = 4

Minimum Fit Function Chi-Square = 101.79 (P = 0.0)

Normal Theory Weighted Least Squares Chi-Square = 86.04 (P = 0.0)

Estimated Non-centrality Parameter (NCP) = 82.04

90 Percent Confidence Interval for NCP = (55.51 ; 116.00)

Minimum Fit Function Value = 0.54

Population Discrepancy Function Value (F0) = 0.44

90 Percent Confidence Interval for F0 = (0.30 ; 0.62)

Root Mean Square Error of Approximation (RMSEA) = 0.33

90 Percent Confidence Interval for RMSEA = (0.27 ; 0.39)

P-Value for Test of Close Fit (RMSEA &lt; 0.05) = 0.00

Expected Cross-Validation Index (ECVI) = 1.86

90 Percent Confidence Interval for ECVI = (1.72 ; 2.04)

ECVI for Saturated Model = 1.45

ECVI for Independence Model = 10.59

Chi-Square for Independence Model with 120 Degrees of Freedom = 1958.26

Independence AIC = 1990.26

Model AIC = 350.04

Saturated AIC = 272.00

Independence CAIC = 2058.13

Model CAIC = 909.95

Saturated CAIC = 848.88

Normed Fit Index (NFI) = 0.95

Non-Normed Fit Index (NNFI) = -0.60

Parsimony Normed Fit Index (PNFI) = 0.032

Comparative Fit Index (CFI) = 0.95

Incremental Fit Index (IFI) = 0.95

Relative Fit Index (RFI) = -0.56

Critical N (CN) = 25.52

Root Mean Square Residual (RMR) = 9.89

Standardized RMR = -0.046

Goodness of Fit Index (GFI) = 0.94

Adjusted Goodness of Fit Index (AGFI) = -0.92

Parsimony Goodness of Fit Index (PGFI) = 0.028

Time used: 0.297 Seconds

## APPENDIX.4 REGRESSION RESULTS

### REGRESSION RESULTS- DEMOGRAPHIC VARIABLES

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	% Confidence Interval for		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	-21.336	17.556		-1.215	.226	-55.994	13.322					
JOB DUMM	-1.766	.978	-.118	-1.805	.073	-3.697	.165	.022	-.138	-.097	.676	1.479
AGEDUMM	-1.975	1.010	-.133	-1.955	.052	-3.970	.020	.028	-.149	-.105	.625	1.600
SEXDUMM	1.311	.924	.088	1.418	.158	-.514	3.136	.105	.108	.076	.759	1.318
EDUDUMM	4.282	1.025	.285	4.178	.000	2.259	6.306	.098	.306	.225	.621	1.610
OC.CLAN	.663E-02	.035	.373	1.326	.187	-.023	.116	.149	.101	.071	.037	27.393
OC.ADHOC	.684E-02	.036	.302	1.310	.192	-.024	.117	.159	.100	.070	.055	18.305
OC.HIERA	.464E-02	.035	.359	1.285	.201	-.024	.113	-.210	.098	.069	.037	27.049
OC.MARKE	.062E-02	.037	.396	1.371	.172	-.022	.124	-.043	.105	.074	.035	28.832
MAR.ORIE	.229	.083	.231	2.764	.006	.065	.393	.385	.208	.149	.413	2.421
ORG.COMM	.271	.122	.268	2.221	.028	.030	.512	.380	.168	.119	.199	5.023
JOB.INVO	-.153	.117	-.102	-1.311	.192	-.384	.078	.232	-.100	-.071	.482	2.077
ROLE.AMB	-.139	.183	-.084	-.761	.448	-.500	.222	.133	-.058	-.041	.412	2.428
ROLE.CON	.310	.131	.178	2.358	.020	.050	.569	-.068	.178	.127	.509	1.964
JOB.SATI	.565	.303	.180	1.867	.064	-.033	1.163	.407	.142	.100	.311	3.212
IMP.RELA	.979	.212	.366	4.619	.000	.561	1.398	.559	.335	.248	.460	2.176
PERFORM	.172	.233	.053	.740	.460	-.287	.631	.345	.057	.040	.559	1.788
P.COMPLI	.72E-03	.164	-.005	-.047	.962	-.331	.316	-.146	-.004	-.003	.282	3.544
P.AGRESS	.301	.153	.199	1.970	.050	-.001	.603	.116	.150	.106	.284	3.517
P.DETACH	.498	.163	.265	3.055	.003	.176	.820	.008	.229	.164	.386	2.591

a. Dependent Variable: CUST.ORI

## VITA

### Educational Background

Ph.D. in Business Administration / Marketing, Old Dominion University, 2004

M.A. in Economics, Old Dominion University, 1999

M.B.A. in Quantitative Analysis, Fairleigh Dickinson University, 1996

B.Sc. in Management Engineering, Istanbul Technical University, 1991

### Teaching Experience

Instructor, New York Institute of Technology, 2002 - Present

Visiting Instructor, DePaul University, 2000-2002

Adjunct Faculty Member, Old Dominion University, Fall 1999-Spring 2000

Teaching Instructor, Old Dominion University, Spring 1999

### Honors and Rewards

Lifetime Member of *Beta Gamma Sigma*, the Honor Society for Business Students, 1999

Recipient of the *Jane K. Fenyo Best Doctoral Student Paper Award* of the Academy of Marketing Science (AMS) National Conference, Norfolk, Virginia, 1998

*National Dean's List* by Mu Kappa Tau, the National Marketing Honor Society, 1998

AMA International Marketing Faculty Consortium Fellow, 1998

Lifetime Member of *Mu Kappa Tau*, the National Marketing Honor Society, 1997

Four-Year Doctoral Scholarship in Marketing and International Business, Old Dominion University, 1996-2000

### Academic Services

Advisory Board Member/Reviewer (2004), Special Issue: Marketing Theory on E-Marketing

Session Chair (2003), Hawaii International Conference on Business, Hawaii

Reviewer (2003), Czinkota, Michael R. and Ilkka A. Ronkainen, *International Marketing*, 7<sup>th</sup> Edition: Harcourt College Publishers

Reviewer (2002), Kleindl, Brad Alan, *Strategic Electronic Marketing: Managing E-Business*, 2<sup>nd</sup> Edition: South-Western College Publishing

Advisory Board Member (2001), Price, Robert , *Annual Editions: Internet and Business 2001/2002*, Editor, 1<sup>st</sup> Edition, Guilford, CT: McGraw-Hill/Dushkin

### **Conference Proceedings and Publications**

Annual Hawaii International Conference on Business (2004), Honolulu, Hawaii

Annual Hawaii International Conference on Business (2003), Honolulu, Hawaii

International Conference on Corporate Reputation (2003), Identity and Competitiveness, Manchester, U.K.

International Conference on Corporate Reputation (2002), Boston, Massachusetts

AMA Summer Educators' Conference Proceedings (1999), Enhancing Knowledge Development in Marketing, 102-103

AMS National Conference Proceedings (1999), Developments in Marketing Science, 398-402

AMS National Conference Proceedings (1998), Developments in Marketing Science, 80-81