THE AFFECT OF THE VIRTUAL SALES PERSON'S CUSTOMER CENTRICITY BASED ON THEIR SALES MANAGER'S LEADERSHIP STYLE

by

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Abstract

The purpose of this study was to establish if a sales manager's leadership style could influence a salesperson's selling behavior to effectively align their selling approach in a buyer-seller exchange. Transformational and transactional leaders have the ability to affect the selling behavior of their salespeople. The research was nonexperimental quantitative study that used survey monkey to collect the data from Canadian mortgage brokers to determine if a transformational or transactional leadership style affected their selling or customer orientation. The significance of the study is that it may provide virtual managers with new insights on how to effectively support their salesperson's performance and assist in guiding their team's behavior so that salespeople can effectively align their sales approach within the buyer and seller exchange. The findings from the data collected suggested there was no relationship between a sales manager's leadership style and the salesperson's customer orientation.

Dedication

To my family, thank you for your patience, humor, and ongoing support as I embarked upon another educational journey. I never would have accomplished this without your encouragement and the occasional push to see this through. Mom and Dad, your unconditional love and praise provided me the focus to complete this journey. To my sister Karen, your personal courage and dedication has enabled me to put my own challenges into perspective and gave me strength. To my husband, Robert, thank you for your constant praise and faithful caring and devotion. To my family your love, support, and patience have never faltered, and I am forever grateful.

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CHAPTER 1. INTRODUCTION

Introduction to the Problem

The role of the traditional salesperson has evolved from tactical and transactional selling behavior to directed efforts on operational strategies and programs (Lane, 2009; Plouffe, Nelson, & Beuk, 2013) along with a strategically managed organizational sales force focused on customer orientation and relationship marketing (Bradford et al., 2010). Some believe selling involves a human interaction with a main emphasis on the economic exchange; others state the process is a more multiperson/multipoint approach (Dixon & Tannerm, 2012) with longer sales cycles, increased consumer demands, and in a more service-driven economy (Plouffe et al., 2013).

Not all buyers want a relationship exchange, and salespeople who engage in a customer-oriented approach may negatively affect the customer experience and sale, if the cost of developing a relationship exceeds the perceived benefit (Autry, Williams, & Moncrief, 2013). In order to increase efficiency and align the appropriate activities, sales managers need to direct their sales team's behavior based on the type of commodity and selling situation, as a sales transaction can vary in time, intensity, and process (Dixon & Tannerm, 2012). The salesperson's behavior and sales approach will affect the short-term and long-term performance of an organization and, according to Dixon and Tanner (2012), there are several pathways to a successful sales transaction. One could posit that a firm's success is dependent on a sales manager's ability to effectively and appropriately influence the salesperson's selling behavior and selling style based on the characteristics of the commodity.

The ability of Canadian mortgage brokers to generate potential future sales, increased market share, and repeat client business is crucial to their success and sustainability. In Canada, mortgage brokers struggle to gain consistent year over year market share. The Canadian Mortgage Housing Corporation (CMHC; 2013) reported 23% of all mortgage consumers used a broker in 2013 versus 27% in 2012. The research also reported 49% of first-time mortgages where originated by a broker, 34% of repeat buyers used a broker and 17% of customers renewing their mortgage used a broker. The CMHC research shows that although mortgage brokers are successful in originating the first-time homebuyer mortgage transaction, they are challenged by gaining repeat and renewing mortgage business from their consumers. Mortgage brokers may be a virtual sales force working from home offices with autonomy, or they may be affiliated with a mortgage franchise or mortgage broker-owner, but they still require ongoing support from their sales manager.

Many organizations support virtual sales teams to enhance both their selling technique and customer focus. One characteristic of a virtual team is that it works across different time zones and spatial dispersion (Zander, Mockaitis, & Butler, 2012; Zayani, 2008). In the absence of face-to-face communication, team members use technology to interact (Lucas, 2007; Purvanova & Bono, 2009; Quisenberry, 2011; Zayani, 2008) and coordinate their activities toward team and organizational goals and objectives (Zander et al., 2012). Compared to collocated teams, virtual teams offer organization efficiency and faster response time to complete tasks (Lucas, 2007; Zander et al., 2012) reduced expenditures (Lucas, 2007), increased responsiveness, and provided more flexibility (Rapp, Ahearne, Mathieu, & Rapp, 2010). Virtual sales teams have similar responsibilities as on-site sales teams, with the added accountability of distributed workloads, elevated customer expectations, and achieving the business sales targets (Mulki, Locander, Marshall, Harris, & Hensel, 2008). Success depends on the virtual team's ability to maintain high levels of trust, clear communication, and strong leadership, as a breakdown in any of these areas could have negative consequences for an organization (Bergiel, Bergiel, & Balsmeier, 2008). Given the positive effect virtual sales teams can have on the salesperson's organizational success, the topic of this research will be the importance of a sales manager's perceived leadership style on influencing a virtual salesperson's behavior and customer centricity.

Background of the Study

Salespeople play an important role in educating and providing valued information to their client base. Firms with a sales culture environment will focus on building relationships with clients rather than selling a product or service. According to Bradford et al. (2010), salespeople need to have a well-established connection with their customers and have extensive knowledge of their clients' business dealings. As relationship managers, salespeople can expand their roles to become business partners, not just service providers. By adopting a strategic pro-consumer vision, a salesperson can move beyond the traditional sales role by providing consistent interaction and serviceability to clients (Jaramillo et al., 2009b).

Many senior leaders within organizations are moving to customer-centric business models in which every employee is responsible for being focused on serving the needs of the customer (Jaramillo et al., 2009b). Building relationships with clients is an essential component and a competitive advantage in the current competitive and demanding environment (Jaramillo & Mulki, 2008). A customer-centric approach is particularly important for salespeople; as the face and voice of a firm, salespeople are responsible for developing, maintaining, and deepening the connection between firm and client (Bradford et al., 2010). Consumers who have access to alternative product and services and a sales force that builds relationships will develop customer loyalty (Jaramillo & Mulki, 2008). An effective sales team can significantly affect an organization's top as well as bottom-line performance (Mantrala et al., 2010).

Current sales literature and research defines the relationship between the salesperson and customer and its effect on the organization from a variety of different theories. Valenzuela, Mulki, and Jaramillo (2010) concluded that organizations need to develop long-term relationships with customers to succeed. Aurier and N'Goala (2010) asserted that companies will direct their sales teams to increase their customer relationship management (CRM) activities to support retention and to maintain the customer's increased purchase of goods and services. Marshall, Moncrief, Lassk, and Shepherd (2012) reported the salesperson will engage in extra-role performances--organizational citizenship behaviors (OCB) to help increase organizational performance. Guenzi, De Luca, and Troilo (2011) defined salespeople as "boundary spanners" who engage in customer-oriented selling (COS), acting as the interface between the buyer and seller to reflect the firm's values and use the firm's sales strategy (p.269). Chakrabarty, Brown, and Widing (2010) noted that salespeople are expected to engage is COS and develop lasting relationships with customers because of a connection between COS and sales performance. Plouffe et al. (2013) stated the success of salespeople today is a result of their evolution into customer relationship managers whose roles have become multifaceted (p. 141).

Marketing has shifted from transactional sales to a process that values a committed buyer-seller interaction with a customer-oriented approach (Plouffe et al., 2013). Strong support exists for a customer-orientated focus, but sales of some commodities best suit a single buyer-seller exchange. Plouffe et al. (2013) also asserted that the long-term buyer-seller interaction, where the salesperson and customer relationship continues long after the initial sales transaction, is better suited for commodities where a cross-buy and service usage opportunity exits.

Sales people who engage in transactional selling have the primary objective to close the sale. Salespeople accomplish this by creating demand and customer interest while using limited resources and time (Autry et al., 2013). Transactional salespeople will use their expertise, reputation, and legitimate base of power to influence the client's decision to buy (Chakrabarty et al., 2010). The intention of the salesperson is not to deceive or manipulate the consumer; clients expect salespeople to use legitimate influence; therefore, salespeople do not need to hide their motives from the customer, as customers expect salespeople to try to sell. Studies have shown transactional selling and relationship selling offer the same level of profitability to an organization (Autry et al., 2013). With a sales force influencing the firm's financial success and marketing productivity (Mantrala et al., 2010), organizations will continue to place pressure and high expectations on sales performance and behavior.

Virtual sales teams create an additional layer in efficiency and sustainability in a competitive business environment (Lucas, 2007). In addition, virtual sales teams offer flexibility and responsiveness in a world where sales-based organizations are changing (Rapp et al., 2010). Virtual sales teams enable organizations to expand into national and global markets, achieve sales objectives, and perform multiple work tasks that meet clients' needs. The dollar volume an organization spends on their sales force may vary, but companies typically spend 10-40% of their sales revenue operating a sales force (Mantrala et al., 2010).

The choice of a sales manager's style must also match the characteristics of the commodity and employee compensation to support the selling behavior that balances with the needs and expectations of the consumer. All organizations use pay and other incentives to influence behavior (Schwepker & Good, 2012a). Organizational sales leaders that provide a fixed salary is associated with control over the salesperson's behavior versus a commission pay that relates to salesperson's motivation (Kuster & Canales, 2011). Given the cost of operating an external sales division, it is important that sales managers have the right tools and are using the appropriate techniques to manage their sales teams. Leaders within an organization that can increase the productivity of their sales force without incurring extraordinary costs will ultimately enhance the firm's market performance as not every sales interaction constitutes a longer sales cycle or a consumer demand for a total sales solution.

Statement of the Problem

Mortgage agents across Canada, as an industry, work to create a repeat client base for mortgage loans to sustain and build their business. The general business problem with a majority of mortgage brokers in the industry is the inability to maintain a long-term relationship with their customers. The inadequate interaction between the broker and client, due to the short sales cycle and limited cross-sell opportunities, reduces the broker's ability to broaden and deepen the relationship and create loyalty. According to CMHC statistics, repeat mortgage business for financial banking lenders remains strong. From 2010 to 2012, CMHC reported 72%, 75%, and 74% respectively of industry mortgage market share. The repeat business for mortgage brokers for the same period, based on CMHC statistics, was 23%, 24%, and 26% respectively. Based on the data, mortgage brokers are not as successful in building a repeat clientele and therefore are not receiving additional business beyond the first transaction with the consumer. While the Canadian mortgage brokerage industry has maintained its market share with first-time home buyers, one problem is that brokers have limited success in retaining and sustaining their existing client base for repeat business (CMHC, 2013; Maritz Research, 2012). As a result, brokers are seldom able to generate long-term sustainable mortgage business from repeat customers on renewals and future home purchases that can ultimately increase and sustain the sales performance of the broker.

An additional problem is the less favorable consumer perception of mortgage brokers compared with financial banking lenders. In a survey conducted by Maritz Research (2012) on behalf of the Canadian Association of Mortgage Professionals (CAAMP), mortgage consumers perceive banks to be more reliable, honest, trustworthy, intelligent, knowledgeable, and professional than mortgage brokers in the financial industry. This lack of trust could affect the broker's ability to build a sustainable relationship and secure the mortgage customer's future business. In all selling relationships, trust is important, but with a virtual salesperson, trust is the foundation for all successful relationships given the limited face-to-face interactions (Bergiel et al., 2008). In addition, mortgage brokers have limited cross-buy and service usage opportunities. A mortgage transaction is a single commodity product, a factor that limits the opportunity to enhance the product offering and deepen the customer relationship. The focus of this quantitative research was to determine whether there was a correlation between the sales manager's leadership style and salesperson customer centricity and selling behavior.

Purpose of the Study

The purpose of this quantitative research paper was to establish the degree a sales manager's leadership style can influence a salesperson's selling behavior so that salespeople can effectively align their selling approach in the buyer and seller exchange. A sales manager's support and direction can reduce the high degree of selling conflicts in a sales relationship (Autry et al., 2013) making it easier to implement the correct sales approach based on the needs and expectations of the customer. Transactional and transformational leaders have the ability to affect the selling behavior within a virtual sales team. Transformational leaders instill a level of trust and respect among their people, motivate employees to do more than they are required to do, increase role clarity, and organizational commitment (Podsakoff, MacKenzie, & Bommer, 1996). Transactional leaders work on a system of rewards and punishments, role clarity, and goal setting (Bass & Riggio, 2006) creating a work environment where clear expectations, goals, and the right reward structures (bonus and commissions) have the greatest affect on an employee's extrinsic motivation (Tyagi, 1985).

Salespeople with a customer-oriented approach are likely to develop and cultivate a long-term relationship with the customer (Chakrabarty, Brown, & Widing, 2012). The customer's needs and satisfaction become the primary priority rather than the immediate sale. These salespeople also have genuine concern for their customers, peers, and themselves (Schwepker & Good, 2012a). On the other hand, salespeople with a stronger selling orientation often show a greater concern for themselves with limited concern for their customers and peers and will often focus more on the immediate sale regardless of whether it satisfies the needs of the customer (Chakrabarty et al., 2012).

According to Horwitz, Bravington, & Silvis (2006), virtual team managers must oversee their team's performance through facilitation and by encouraging strong performance and reinforcing positive behavior (Badrinarayanan, Madhavaram, & Granot, 2011). It is the sales manager's responsibility to instill a customer focus among the firm's salespeople (Jaramillo et al., 2009b). Companies that can deepen the customer relationship tend to achieve a competitive differentiation in the market place and improve their corporate margins, as the client is more willing to tolerate increases in the charge for service and products (Aurier & N'Goala, 2010). The aim of the study was to determine if a relationship existed between a sales manager's leadership style and a salesperson's SOCO. In addition, it was to determine the extent to which a sales manager's leadership style influenced the salesperson's customer centricity and selling behavior in the Canadian mortgage broker industry.

Rationale

This study should reveal new insights into virtual team performance and the degree to which a sales manager's leadership style can influence a salesperson's focus and commitment to consumers. This study can benefit sales managers who lead a distributed workforce of salespeople who manage business-to-business or business-to-customer accounts by offering ways to encourage higher sales and greater customer satisfaction, as both transactional and relationship selling have a strong and positive connection to increased sales (Autry et al., 2013). While organizations are shifting to more customer-focused selling and long-term customer relationships, 95% of salespeople report they continue to experience selling conflicts in a sales relationship (Autry et al., 2013). Autry et al. (2013) found there is an opportunity for sales managers to coach and guide their sales team so that salespeople can effectively align their sales approach with the buyer and seller exchange (Autry et al., 2013). This alignment has value, as organizations that effectively manage the appropriate alignment of the buyer and seller interface experienced financial success in the short and long term (Plouffe et al., 2013).

Small and large public and private organizations as well as nonprofits could use the results of this study, as it should provide insight into techniques used by sales managers in particular virtual sales environments. The study should also add to the limited available research on situational characteristics in selling transactions (Autry et al., 2013) and explain the effects a sales manager's approach can have on virtual sales team's performance. The study will be of interest to students, researchers, and practitioners in the field of virtual sales teams, sales effectiveness, and sales force leadership.

Research Question

The following question and related subquestions provided a framework for this study. The independent variables are transformational and transactional leadership and the dependent variables are customer orientation and selling orientation.

Research Question: To what extent does a mortgage broker's inadequate and limited interaction with a client affect their ability to deepen the relationship and create loyalty?

Research Subquestions:

1. Does a transformational leadership style positively influence a salesperson's customer orientation or selling orientation?

2. Does a transactional leadership style positively influence a salesperson's customer orientation or selling orientation?

Significance of the Study

The significance of this quantitative study is that it may provide virtual sales managers with new insights on how to effectively manage salesperson's selling and customer orientation and sales process. According to Guenzi, Pardo, and Georges (2007), an increased focus on the consumer usually leads to improved organizational performance. A study to determine to what extent a sales manager's leadership style can influence the selling behavior of virtual sales people is timely for several reasons. First, it could give virtual sales managers specific strategies to assist salespeople's performance, whether it is customer-oriented, which affects sales growth over the long-term or a selling oriented approach that positively affects short-term sales performance. Jones (2012) identified high employee effort as well as an increase in customer focus as contributing to better financial performance by a firm. Second, the study could provide insight to sales managers on which selling activities, approaches, behaviors, and outcomes they can train and support, based on the salesperson's job responsibilities (Plouffe et al., 2013).

Sales managers must determine whether they want their salespeople engaged in selling or customer focused approach, given both approaches show a strong and positive association with increased sales performance (Autry et al., 2013). Fourth, given that 95% of salespeople experience conflict in a sales relationship (Autry et al., 2013), the conflict could indicate the sales manager did not provide direction to the salesperson. Fifth, even though virtual sales teams are common, the study could add to the existing literature on virtual sales leaders and contribute to future research and knowledge in leading a virtual sales team, as there is limited empirical research on virtual teams and virtual team leadership (Rapp et al., 2010; Zander et al., 2012).

Definitions of Terms

Collocated team: The same group of people working together in the same physical location.

Cross-buy: The number and diversity of products/services purchased by a customer from a company over time (Aurier & N'Goala, 2010).

Mortgage broker: A commission-based person who helps a borrower obtain a mortgage loan from a financial institution.

Service usage: The ability to ensure existing customers use only the company's current products/services (Aurier & N'Goala, 2010).

Virtual team: A group of two or more working together as a collaborative team to achieve common organizational goals from different offsite locations or different time zones using electronic media as a main source of communication (Curseu, Schalk, & Wessel, 2008).

Assumptions and Limitations

The study includes several assumptions.

1. Virtual sales leaders have the information, ability, and skill to effectively manage a virtual sales team.

2. The research instruments are valid and reliable.

3. The survey respondents will answer honestly and objectively.

4. The sample will be relevant to the sample selected.

5. The research conditions will be consistent across all areas so the findings are reliable and valid.

6. Data security, privacy, and confidentiality will be preserved.

7. The researcher will conduct the research in an ethical manner and will be conscientious in avoiding errors to mitigate risks.

8. The researcher can potentially introduce bias given the knowledge and involvement in the financial industry.

The study also has several limitations. First, the cross-sectional study measured the variable of virtual sales leaders and virtual salespeople at a specific point in time rather than using a longitudinal study. Second, the study was based on a single industry, broker-originated mortgages, rather than multiple industries. Third, the use of a small sample size limited the lack of transferability to an overall population. Fourth, the use of existing instruments may limit reliability and validity of the results. Fifth, the researcher's incapability to use the survey results as affirmation of accurate information.

Nature of the Study

The theoretical framework includes transformational and transactional leadership approaches, situational leadership, and social exchange theory (SET). The study incorporates the basic tenet of SET, that over time, a relationship can become a trusting, reliable, and collaborative commitment built on the rule of reciprocity (Cropanzano & Mitchell, 2005). Another rule of SET is negotiated rules, where the buyer and seller hope to reach an explicit beneficial arrangement based on both parties clearly understanding the duties and obligations of the short-term economic transaction (p. 878). According to

Cropanzano and Mitchell (2005), reciprocity produces better working relations, creating an atmosphere of trust and commitment among individuals' rather than negotiations that can provoke inequality and uncooperative control and influence. From the SET framework, the study will help identify the selling behavior that best supports the customer's needs and salesperson's goals based on the selling and customer orientation of the salesperson. The findings could assist the mortgage brokerage industry by creating business strategies to increase the number of repeat mortgage customers and improve the consumer's perception of a mortgage broker.

The research methods used Analysis of Variance (ANOVA) along with two linear regression analyses to compare and study the differences between the variables. Multiple regression analysis was applied to explain the two independent variables, transformational and transactional leadership against the dependent variable, SOCO. The application of a multiple regression model provides a more realistic measure, controls for other variables, and provides a better explanation for variances in the dependent variable (Ghauri & Gronhaug, 2010). Test of normality, both the Shapiro-Wilk and the Kolmogorov-Smirnov were conducted on the SOCO score. Correlation analysis was used to measure the descriptive statistics obtained in the study to determine if there was a correlation between the sales role and tenure data.

Table 1

Summary of Variables in Study

Variable	Label if Applicable	Scale	Instrument	Type
Selling Orientation	SO	Likert Five Point Scale	SOCO Short form	Dependent
Customer Orientation	CO	Likert Five Point Scale	SOCO Short form	Dependent
Transformational Leadership		Likert Four Point Scale	MLQ5x	Independent
Transactional Leadership		Likert Four Point Scale	MLQ5x	Independent

Situational leaders are able to effectively adapt their leadership style based on the developmental level and ability of those they lead (Blanchard, 2008). A leader's style can influence the activities of their employees from a task or relationship behavior or a mixture of the two (Hersey & Blanchard, 1981). The critical ingredient in effective selling is a salesperson's ability to match selling strategy to the selling situation (Autry et al., 2013). Transactional selling focuses on activities to increase demand, generate interest, encourage negotiation, overcome objections, and close the sale. The transactional salesperson's primary objective is to gain new business and persuade the client to purchase a product or service. Relational selling focuses on building mutually beneficial relationships to facilitate future and sustainable business transactions through frequent touch points, collaboration, reciprocity, mutual disclosure, and trust building.

The relational salesperson's primary role is to create value by aligning the needs of the buyer with the products or services of the seller.

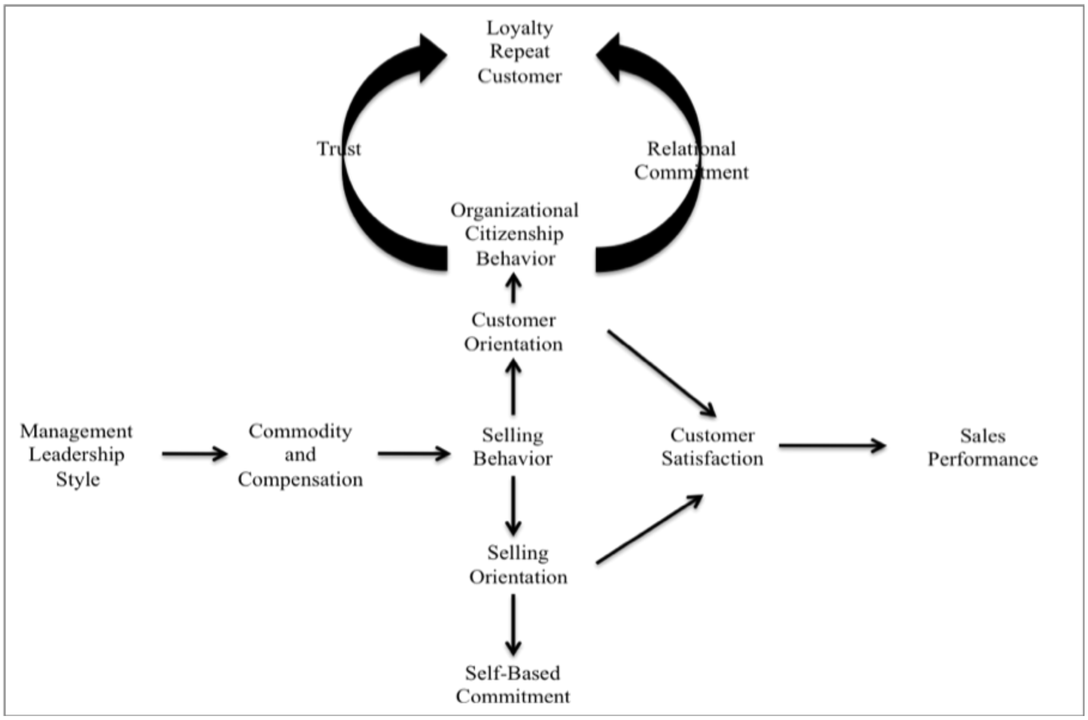

Figure 1. Illustration of the way leadership style flow process is supposed to operate.

The results of this research contributed to the theoretical framework of transformational and transactional leadership by exploring the leadership approaches used by sales managers as perceived by their salespeople. This author will address, which leadership style effectively supports transactional or relational selling based on the selling situation. From a situation leadership perspective, leadership styles direct and support behaviors (Blanchard, 2008). Directive behavior provides structure, control, and supervision (Blanchard, 2008), similar to a transactional leadership, which incorporates clear goals and expectations and a structure of rewards and punishments (Bass & Riggio, 2006). Supportive leaders praise, facilitate, and listen (Blanchard, 2008), similar to transformational leaders, who develop and empower their followers through coaching and caring about their personal needs (Bass & Riggio, 2006).

Remainder of the Study

This chapter provided an introduction, statement of the problem, the background and purpose of the study as it relates to salespeople and their perceptions of their sales managers, the theoretical framework, significance of the study, limitations and assumptions of the research, and definitions of key terms. Chapter 2 will review current selling approaches, customer and selling orientation, and transformational and transactional leadership. Chapter 3 will describe the proposed research methodology, the population sample, the data collection method, and the data analysis rationale. Chapter 4 will be an examination of the research and the results of the data. Chapter 5 will then evaluate and review the results, describe the implications of the research, and offer recommendations.

CHAPTER 2. LITERATURE REVIEW

Introduction

The information provided in Chapter 1 was an overview on the background and the consumer perception of mortgage brokers in terms of honesty, trustworthiness, reliability, and the lack of a repeat mortgage business. The purpose of this quantitative research will be to ascertain if a relationship exists between a sales manager's leadership style and a salesperson's customer centricity. This chapter presents a review of the theoretical framework, beginning with a discussion of the selling behaviors of salespeople and the sales force control systems used within sales teams. The second part presents historical leadership concepts and current leadership styles with a focus on transformational and transactional and a discussion on servant leadership. The third part examines trust, commitment, OCB and the influence of these concepts in developing a customer centric approach.

Title Searches, Articles, Research Documents, and Journals

The literature considered for this study included scholarly peer-reviewed journals from Capella University databases such as ABI/INFORM, Business Source Complete, ProQuest, ProQuest dissertation and theses library, Google Scholar, the CAAMP website, and peer-reviewed articles and books. The key words used to find current articles were *leadership styles, selling orientation, customer orientation, sales performance*, and *customer focus.* The 116 total sources comprised *selling behaviors, sales force controls,* *leadership styles, trust, commitment,* and *organizational citizenship behavior as related to the sales relationship.*

Table 2

Number of Sources Available on Each Topic

Search topic	Scholarly journals	Theses and dissertations	Books	Websites
Selling behavior	28			
Sales force control systems	17			
Leadership style	35	3	2	
Trust	8			
Commitment	8			
Organizational citizenship behavior	6			
Research design	3		3	3
Totals	105	3	5	3

Table 3

Sources Available by Year

	2013	2012	2011	2010	2009	2008	2007 and earlier
Number of sources	5	22	18	25	15	9	22

N= 116

Chapter 2 will include the theoretical framework of leadership on selling behavior, commitment, trust, leadership, and organizational citizenship behavior through the exploration of 116 sources of which 94 were published in the last 6 years, accounting for 81% of the literature review. Twenty-two sources were published 6 or more years ago, accounting for 19% of all sources for this study.

Selling Behavior

There has been significant development in the selling behavior of salespeople with changes in customer demands and client expectations, suggesting salespeople will engage in behavior different from the conventional salesperson of the past (Lane, 2009). The expectation of the sales role has evolved from primarily transactional-based interactions to customer relationship managers focused on building and sustaining a personal customer relationship (Bradford et al., 2010; Guenzi, Georges, & Pardo, 2009). The saying “nothing ever happens until a sale is made” (O’Hara, Boles, & Johnston, 1991, p. 61), is no longer valid in the sales world. Salespeople in the current environment who want to develop a potentially long-term relationship with a customer will sacrifice an immediate sale to secure a personal relationship (Langerak, 2001). The expectation of the sales force has transitioned from the traditional transactional selling to effective management of relationships to create the potential for more collaborative selling opportunities (Piercy, Cravens, & Lane, 2012).

Plouffe et al., (2013) noted three changes in the selling space that has affected the role of the salesperson and contributed to the transition from a selling orientation (SO) to customer-oriented selling (COS) in the selling space. One is the increased sales cycle that involves people, resources, and open and clear decision criteria. The second is consumer expectation for an integrated and comprehensive solution involving win-win dialogue and mutual agreements. Third is an economy that has moved from a product to a service-driven market with long-term buyer-seller relationships. Dixon and Tanner (2012) pointed out another change affecting sales is the increased usage of technology and search engines that enable consumers to learn about products and services ahead of time. Technology has also enabled organizations to sell many products without the need for a salesperson and consumer interface. Multiple resources, such as collaboration between salesperson and customer, have replaced the traditional sales process that focused on a single approach, associated with the ongoing promotion of the product by an individual salesperson.

Research of the sales process has also focused on the customer relationship and the characteristics of a sales transaction. Guenzi et al. (2011) studied the actual effect a salesperson can have on both selling-oriented and customer-oriented selling (SOCO) interactions and analyzed the effects of a salesperson's SOCO on creating customer value based on the seminal research of Saxe and Weitz in 1982. Saxe and Weitz's (1982) research defined COS as the execution of the marketing concept at the individual salesperson level (Chakrabarty et al., 2012; Guenzi et al., 2011; Jaramillo et al., 2007). According to Guenzi et al., the ultimate goal of selling is to create value for the consumer.

Guenzi et al. (2011) developed and tested organizational drivers of COS and SO on managers and found a gap in the literature on how to implement a market orientation that could translate into employee behavior. The researchers also tested the relationship between COS and creating superior customer value by determining the effect of COS on relevant performance outcomes (Guenzi et al., 2011). Chakrabarty et al. (2012) measured the effects of the salesperson's perception of top management in a similar study that focused on the factors identified by top management to develop a customer-orientated sales force, one that included management long-term orientation, risk aversion, and emphasis. Schwepker and Good (2011) provided a different view and suggested that salespeople who are driven by short-term gain will exhibit SO behaviors in high pressure sales with little regard for the client or how the sale is made, as long as it is made.

Homburg, Muller, and Klarmann (2011) provided a different perspective in demonstrating the effectiveness of an SO or customer-oriented approach was often determined by the characteristics of the purchasing situation--meaning products perceived as important to the consumer would require a COS sales approach. Homburg et al. also reinforced the significance of understanding the characteristics of the sales transaction and customer expectations of appropriate sales behavior. Since not all customers desire a relational interaction, the salesperson's attempt to develop a personal connection may have a negative effect. Homburg et al. concluded that a consumer's expectations of the salesperson can change depending on the product or service offered. The more customization required by the salesperson, the greater the interaction and mutual dependency, an occurrence that can then support a closer relationship.

It is important that salespeople have the right support and guidance of knowledgeable sales leaders, as they can help a salesperson learn to identify whether a selling process is more appropriate than a customer-orientated approach. The challenge is there are very few research studies measuring SO and CO separately, as these two approaches could have different effects on job success (Guenzi et al., 2011; Jaramillo, Ladik, Marshall, & Jay, 2007). Some organizations may adopt a customer-focused sales approach even though some salespeople struggle with this relationship (Autry et al., 2013). There is also limited research to help salespeople identify the appropriate sales behavior based on the characteristics of the purchasing situation (Homberg et al., 2011).

Guenzi et al. (2011) recommended that sales managers may want their sales teams engaged in both a COS and an SO, based on the needs of the market, customers, and product design. Certain products and markets may require different approaches depending on the product and consumer's life cycle (Guenzi et al., 2011). While research continues to focus on the benefits of building a more customer-orientated sales force (Bradford et al., 2010; Geunzi et al., 2011; Homburg et al., 2011; Jaramillo & Grisaffe, 2009; Valenzuela et al., 2010), additional focus needs to be on the role of the commodity to determine the most effective selling strategy (Autry et al., 2013). To ensure their sales teams are effective, sales managers need to direct and support the correct approach to selling. The following figure illustrates the differences.

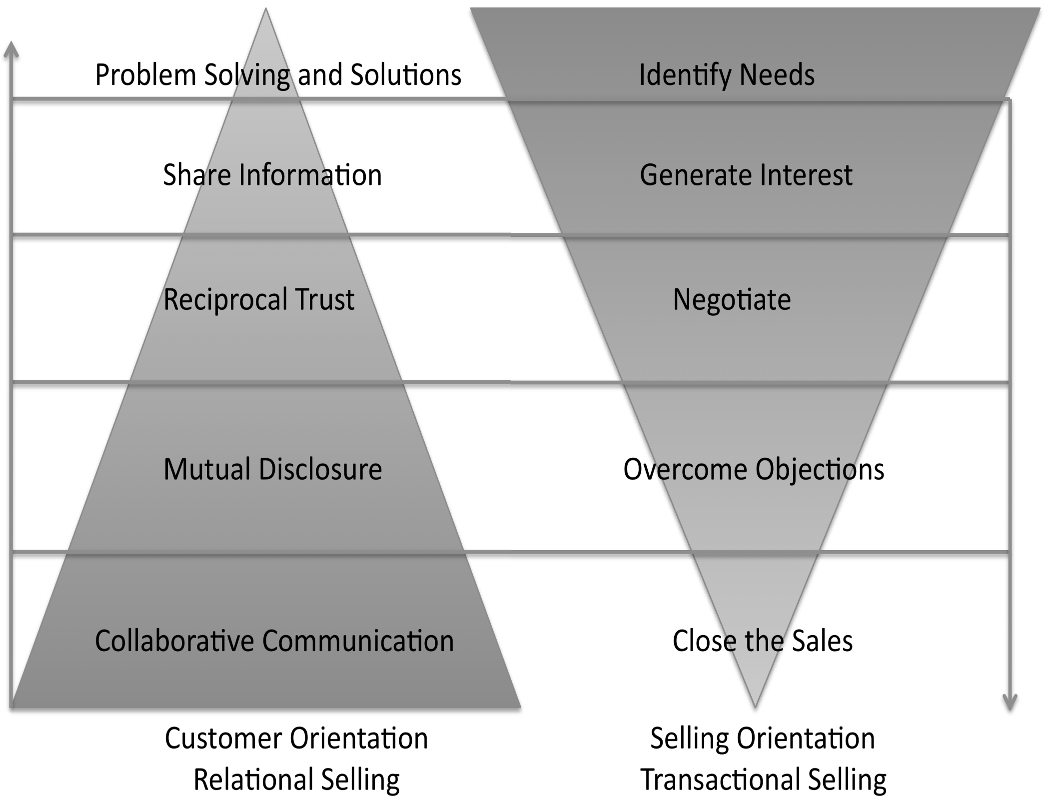

Figure 2. Typical process for customer-oriented and selling-oriented approaches.

Selling Orientation

Selling orientation occurs when a salesperson's major objective is closing the sale; consequently, salespersons will pursue specific activities to accomplish their goals (Jaramillo et al., 2007). Salespeople engaged in SO, a process also referred to as transactional selling, direct their attention to creating new sales transactions rather than dedicating time or resources to building and retaining relationships (Autry et al., 2013). The main sales behavior focuses on helping the client make a satisfactory purchase (Homburg et al., 2011). The sales process involves persuading the clients to move in the direction of the salesperson, address the objections, and close the sale with a clear objective of selling the product or service at a fair price and profit (Autry et al., 2013). In their research, Saxe and Weitz (1982) stated SO salespeople will engage in activities resulting in short-term sales to the detriment of the customer relationship. In SO, there exists an ongoing debate that a transactional sale might be ideal with independent sales people who often are compensated solely by commission. Because of this factor, they will maximize quick sales through hard selling techniques and sacrifice building a lasting relationship (Geunzi et al., 2011).

There are elements of transactional selling that can benefit both the organization and the salesperson. A traditional sales transaction requires less effort and resources by the salesperson than personalized selling, which can be “an extremely costly marketing vehicle” (Roman & Iacobucci, 2010, p. 363) with higher risks and investments (Autry et al., 2013). The traditional selling approach does not require long-term strategic orientation but rather focuses on short-term goals that can positively affect a company’s performance (Guenzi et al., 2009). A traditional sales cycle is suited to organizations focused on customer acquisition with a focused sales strategy using a one-size-fits-all presentation style (Homburg et al., 2011).

There are buyers who prefer a traditional sales approach and see little benefit in developing a relationship (Autry et al., 2013). In this situation, using a direct sales force diminishes a salesperson’s SO (Guenzi et al., 2011, p. 280) making personal selling approaches counterproductive. A survey by Autry et al. (2013) of 951 salespeople working in the manufacturing industry proved that both transactional selling and relationship selling had a significant, effective, and positive correlation with increased sales performance.

Customer Orientation

Customer-oriented selling occurs place when a salesperson places a priority on satisfying a customer's needs at the expense of an immediate sale (Chakrabarty et al., 2012; Guenzi et al., 2011; Marshall et al., 2012). Based on their investigation, Saxe and Weitz (1982) showed customer-oriented salespeople engage in behaviors with the objective of developing a lasting and satisfying customer. In COS, the main salesperson's behavior will show concern for consumer needs and interests and augment a long-term relationship with the sales goal to develop a personal and intimate relationship (Homburg et al., 2011)

According to Guenzi et al. (2009), salespeople guide the relational approach with consumers, while businesses are concerned with profits with the objective of making it difficult for customers to leave. By expanding and solidifying existing service relationships, customers can increase the level of products and services used in an organization (Aurier & N'Goala, 2010). O'Hara et al. (1991) noted the use of a CO approach will occur when there is the opportunity for repeat sales and it is part of the salesperson's ongoing business.

In their research, Homburg et al. (2011) identified the benefits of a customer-oriented sales force. Salespeople who engage in a COS approach are better able to uncover and identify the needs of their customers, thereby meeting their expectations and creating value. Clients respond to this value creation by increasing their purchasing power or number of purchases. A COS approach has been linked to higher sales volume because of the increase in a salesperson's cross-selling, ability to retain clients, and shorter sales closes. A COS sales culture translates into better financial performance due to increased sales, revenues, and margins.

Other factors to consider with COS sales culture and organizations are that there may be costs associated with implementing a customer-oriented selling sales force. A COS approach consumes a great deal of a salesperson's time to develop a collaborative communication rapport. Salespeople will adapt their presentation style and exert more effort to customize the customer's product or service and work through conflicts to find an integrative and collaborative solution (Homburg et al., 2011). The strategy of a COS sales culture moves from customer acquisition to more client retention with longer sales cycles, which could result in lower short-term sales, higher costs to accommodate customized solutions, and less traditional selling that could potentially affect organizational profits.

Sales Force Control Systems

An organizations salesperson's compensation starts with the corporate strategy and moves downward (Krafft, DeCarlo, Poujol, & Tanner, 2012), from leaders to managers with the ultimate goal of influencing the interaction between the salesperson and customer. The type and allocation of payment depends on the nature of the exchange (Krafft et al., 2012). Earlier research identified the importance of supervisor-related variables such as compensation or incentive policies as being primary control systems for salesperson performance and behavior (Martin & Bush, 2003; Walker, Churchill, & Ford, 1997). Yet available literature shows little research in understanding the role and effect of compensation and commodity in the development of a salesperson-customer relationship.

Sales force control is defined as a system of informal and formal elements used to influence a salesperson's activities and behaviors to achieve the organization's goals (Wang et al., 2012). An incentive is a form of sales force control system designed to help managers monitor, direct, evaluate, and reward its salespeople (Panagopoulos & Dimitriadis, 2009). Pay incentives are used as primary drivers to influence behavior, holding employees accountable for their performance (Schwepker & Good, 2012a). Organizations often choose a combination of control systems that include both a base pay plus bonus structure to achieve its objectives (Wang, Dou, & Zhou, 2012). Fixed salaries enable organizations to control the salesperson's behavior versus a commission pay that is driven by the salesperson's motivation to make money (Kuster and Canales, 2011).

Outcome-Based Systems

In an outcome-based management philosophy, financial incentives play a large part in the sales environment where the incentive (commission or bonus) constitutes the larger portion of a salesperson's total compensation (Piercy et al., 2012). Variable compensation is considered objective, based on an individuals sales results and sales costs (Kuster & Canales, 2011). In selling situations with products of limited complexity in a homogenous market, incentives work best (Zoltners, Sinha, & Lorimer, 2012). The emphasis in a selling situation is on the manager's ability to measure, evaluate, and reward the salesperson's outcome.

From a company perspective, financial incentives reduce fixed costs (Kuster & Canales, 2011) and ensure a salesperson's pay reflects their contribution to the financial performance of the organization. The goals and targets set for a salesperson can often be measured and tracked both individually and at the territory level (Zoltners et al., 2012), and through incentives, a firm can reward results (Panagopoulos & Dimitriadis, 2009). From the manager's perspective, outcome-based employees require little monitoring, directing, or recognition (Piercy et al., 2012).

The type of incentives provided by an organization can attract and retain performing salespeople (Kuster & Canales, 2011; Zoltners et al., 2012), and sales managers will often hire salespeople based on their experience, referral sources, and their ability to bring in immediate business, rather than hire and develop for future talent opportunities (Zoltners et al., 2012). Commission-based employees often operate independently to drive results with limited direction or supervision and are free to choose the most effective method to achieve their desired outcomes (Schwepker & Good, 2012a). This process makes an outcome-based system one that has been positively related to a salesperson's selling orientation (Guenzi et al., 2011).

Incentives can drive unethical behavior and limit a customer-oriented sales approach (Zoltners et al., 2012) as commissioned salespeople may be tempted to forgo any time consuming relationship activities and go for the quick sale to meet their sales targets (Guenzi et al., 2011). The opportunity to make money is a main motivation (Kuster & Canales, 2011), and a motivated sales force will drive more sales (Zoltners et al., 2012). Incentives are also tied to short-term results and customer focus, potentially encouraging inappropriate behavior to achieve maximum compensation (Zoltners et al., 2012). Compensation received for sales volume has been shown to be negatively associated with customer-orientated selling (Guenzi et al., 2011) but positively associated with greater sales performance (Zoltners et al., 2012).

Behavior-Based Systems

Krafft et al. (2012) suggested there is a correlation between the type of employee-customer exchange and the support of the salesperson's manager. The higher the consumer exchange, the greater the likelihood employees will receive more direction from their managers (Krafft et al., 2012). Managers may hire a salesperson who has the aptitude and skills to form and build relationships with customers, while providing ongoing resources, training, and support to improve their customer relationships (Wang et al., 2012). Managers of salaried employees in a behavior-based environment supervise their employee's activities (Piercy et al., 2012; Schwepker & Good, 2012a), monitor and evaluate their performance (Panagopoulos & Dimitriadis, 2009), provide direction and constant contact (Kuster & Canales, 2011), coach and train their salespeople, and support their employees' achievements along the sales process, not just the outcome of their labor (Zoltners et al., 2012).

Businesses that wish to develop sale force behavior for complex selling environments and a focus on developing long-term customers relationships should limit incentives and fix the salespeople's pay (Kuster & Canales, 2011; Zoltners et al., 2012). In behavior-based control systems, the salesperson is largely compensated by a base salary rather than incentives (Piercy et al., 2012) and is considered both subjective and objective--based on sales results but also on the manager's perceptions of the employee's performance (Kuster & Canales, 2011). The emphasis for a salary-based employee is on monitoring, directing, and rewarding performance (Panagopoulos & Dimitriadis, 2009).

Wang et al. (2012) noted the success of a customer relationship strategy is dependent on the salesperson's behavior and ability to establish credibility and deliver value to the customer. The relationship is often characterized by multifaceted products, a long sales cycle, increased share of wallet, and loyalty. It has been reported that managers who engage in behavior-based control systems are successful in reducing improper employee behavior, improving employee performance, and increasing reporting of information.

Leadership Styles

Earlier research in marketing literature showed sales managers had a significant effect on salesperson behavior, specifically in the areas of job satisfaction, motivation, and performance (Dubinsjy, Yammarion, Jolson, & Spangler, 1995; Martin & Bush, 2003; Shoemaker, 1999). Sales leadership has been defined as specific activities that motivate salesperson's performance (Panagopoulos & Dimitriadis, 2009) to engage in certain behaviors for collective good of the organization (Jaramillo et al., 2009a) and its stakeholders (Jaramillo & Mulki, 2008). Drawing on social learning theory, Chakrabarty et al. (2012) established there were empirical studies that proved influence from managers shaped an employee's behavior. In contrast, a Guenzi et al. (2011) study illustrated that the orientation of the salesperson was more of a firm, macro issue; therefore, it was the organization that had the long-lasting effect on the behavior of employees, not the sales manager. Sales managers change the direction, and influence should come from the organization because it will have a more lasting effect (Guenzi et al., 2011).

Within the sales organization, it is the sales leader's responsibility to introduce and maintain a customer focus on the team (Jaramillo et al., 2009b). Supportive sales managers influence a firm's success by building a customer-oriented culture where salespeople are happier, engaging in job behaviors beyond the expectations of their roles, thereby achieving better results (Jaramillo & Mulki, 2008). A sales manager is critical in guiding a salesperson's customer focus within an organization (Jaramillo et al., 2009b). A supportive manager's actions affect salesperson's performance (Jaramillo et al., 2009b), working harder and smarter both directly and indirectly (Jaramillo & Mulki, 2008). Sales managers who can build a high level of trust among their employees will create a ripple effect and bring about positive job attitudes from their employees, which can then lead to higher performance (Jaramillo et al., 2009a).

Transactional, transformational, and servant leadership have been studied since the 1970s (Burns, 1978; Greenleaf, 1970). Distinctions have been made between the three leadership styles (Mackenzie, Podsakoff, & Rich, 2001; Parolini, Patterson & Winston, 2009; Stone, Russell & Patterson, 2004), but no empirical research has been conducted to investigate the influence a sales manager's leadership style has on a virtual sales team's customer orientation and selling orientation. Both transformational and servant leaders are people oriented; both leader styles value their people, mentor, and empower their followers (Stone et al., 2004).

Although transformational and servant leadership may seem alike, a fundamental difference between them is the servant leader serves the needs of others by focusing on their followers first before themselves or the organization. The transformational leader places more focus on the organization's objectives by aligning theirs and their follower's interests with that of the organization (Parolini et al., 2009; Stone et al., 2004). Transactional leaders continuously work with their salespeople to keep them informed of their responsibilities, provide direction, and obtain compliance using incentives and penalties (Jaramillo et al., 2009a). Transactional leadership is often seen as a complement to transformational leadership rather than an alternate.

Transformational Leadership

Transformational leaders help followers to develop their leadership capability by assisting them to grow personally, to improve their sales performance, and to deliver comprehensive reports (Bass & Riggio, 2006). Mackenzie et al., (2001) suggested that transformational leaders encourage followers to perform beyond the expectation of the role by motivating salespeople to exceed their transactional duties (Panagopoulos & Dimitriadis, 2009). Transformational leaders motivate and encourage their employees to accomplish extraordinary results by aligning the goals and objectives of the organization with their employees (Bass & Riggio, 2006). Transformational leaders also help followers develop and aspire to be leaders through empowerment, coaching, and being attentive to their personal needs and development, which contribute to a follower's organizational satisfaction and commitment (Bass & Riggio, 2006).

There are four elements of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In idealized influence, the leader's performance becomes the standard where followers respect, admire, and trust their leader for his/her shared vision and high ethical and moral conduct (Bass & Riggio, 2006). Schwepker and Good (2012b) found that individuals who make ethical and moral decisions will display concern that customer interests are being addressed. Inspirational motivation leaders have the ability to motivate and inspire their employees to take up the challenge and demonstrate a collaborative commitment to shared goals (Bass & Riggio, 2006). Intellectual stimulation means the ability to foster creativity, innovation, and coaching to tackle situations and problems from a different perspective (Bass & Riggio, 2006). Individualized consideration is present in those leaders who dedicate time and attention to the requirements of their followers and spend time coaching and mentoring each individual to develop his capabilities (Bass & Riggio, 2006).

According to Mackenzie et al. (2001), sales leaders can positively affect the performance of sales teams by engaging in transformational leadership behavior. Transformational leaders support employee commitment, involvement, loyalty, and satisfaction (Bass & Riggio, 2006), inspiring their employees to do more because they recognize and satisfy the salesperson's higher order needs (Panagopoulos & Dimitriadis, 2009). Dimaculangan and Aguiling (2012) showed that transformational leaders establish a positive work environment that increases employees' sense of shared values and fit within an organization (Panagopoulos & Dimitriadis, 2009), thereby creating a positive work environment that leads to a dedicated work force and reduced turnover. Transformational leaders inspire employees to engage in activities that will assist the firm to achieve its financial objectives, as the transformational leader's primary goal is to align his or her own and the team's interests with that of the organization, team, and society (Parolini et al., 2009). A leader who has high morals, ethics, and integrity has the ability to build the trust of his/her followers by being fair and empowering them (Bass & Riggio, 2006).

Liaw, Chi and Chuang (2009) showed that transformational leaders increase an employee's customer orientation and that the support of the manager is a main ingredient in the interaction linking the sales manager's leadership style and employee's CO. Bass and Riggio (2006) stated followers of transformational leadership were better organizational citizens and that the follower's trust and satisfaction in their leader influenced their own behavior, as the follower exhibited similar attributes in engaging in helping and conscientious behavior. In a virtual team, where trust is an important ingredient, in-group cohesiveness occurs if the transformational leader is able to build trust.

Transactional Leadership

Transactional leaders lead through a give-and-take social transaction, offering financial rewards for positive productivity and performance (Bass & Riggio, 2006). Transactional leadership is contingent on a system of rewards and punishments with clear expectations and performance goals set by the leader. With the follower's agreement, transactional leadership is effective when augmented with contingent rewards and is often more effective in stable and predictable environments focused on efficiency. Transactional leadership has been effectively linked to virtual teams who require clarification about their roles, clear expectations, and have a reward system in place for accomplishing the desired tasks with the power to negotiate within the relationship.

In earlier years, most research on sales role performance and sales management was conducted on the transactional leadership approach, given this was the preferred management style by sales organizations (Martin & Bush, 2003). Organizations employ transactional selling to maximize sales productivity (Autry et al., 2013), and sales leaders adopt distinctive styles to support the salesperson by defining the job expectations and establishing the processes and role responsibilities (Jaramillo et al., 2009a), along with the compensation and reward systems tied to their sales quotas (Martin & Bush, 2003). Transactional selling requires fewer resources, less risk, and lower costs than building a relationship (Autry et al., 2013).

Transactional selling requires the salesperson to focus on the current exchange, with the objective of obtaining the sale. The salesperson may engage in persuasive selling techniques designed to stimulate interest, finalize the objections, and close the sale (Autry et al., 2013). The salesperson will primarily focus on generating new clients rather than spend energy and resources on building a customer relationship. Transactional selling focuses on generating a positive customer experience, immediate financial gains, and a short-term strategy, which effectively leads to salesperson success.

A transactional organization is focused on open and clearly understood contractual relationships that include the role, expectations, rules, regulations, bonus structure, and disciplinary actions (Bass & Riggio, 2006). In a transactional culture, everything and everyone has a price; there are short-term goals and commitments, and competitive and self-centered individuals are motivated by trade-offs and conscious control of rewards and disciplinary action for performance. Followers of a transactional leader do not abide by a vision, mission, or long-term strategy. Individual desires outweigh the organizational needs by sales managers whose primary goal is negotiating and allocating resources. According to Cropanzano and Mitchell (2005), negotiated interactions are often part of an economic exchange and incite more uncooperative interaction and less trust and fairness but can also be part of close relationships when members agree on duties and assigned tasks.

Servant Leadership

Robert K. Greenleaf coined the term “servant leadership” in 1977 when he suggested a major characteristic of an effective leader was the ability to serve (1977). Greenleaf proposed business were changing; not only was there the expectation to produce better products and services, but organizations were expected to become better social assets. Servant leadership is a natural transition; individuals have a desire to serve first, then as self-aware individuals they aspire to lead. The servant leader’s desire and actions to ensure other’s needs are a priority, which enables followers to grow, become healthier, increase their knowledge, become empowered, and more importantly become servants themselves.

Servant leadership signifies the highest responsibility of management to the employee (Jaramillo et al., 2009a). Servant leaders engage in activities focused on helping employees achieve their goals making them the leader's first priority. A servant leader's actions are guided by high personal integrity and honesty and a respect for the equality for others. A servant leader's leadership philosophy is based on a set of principles that includes empowerment, quality, team building, participatory management and a high level of personal ethics (Shekari & Nikooparvar, 2012, p. 54).

Servant leaders are concerned for the welfare and growth of their sales team members; the sales team pays this forward showing similar concern toward customers (Jaramillo et al., 2009a). Liden, Wayne, Zhao, and Henderson (2008) state that servant leaders create a positive work environment where salespeople feel connected and loyal to the company. Jaramillo et al., (2009a) report that servant leaders establish positive work environments where salespeople have a strong sense of commitment and shared values that result in their profound desire to stay with the company. Servant leaders show an alliance toward the individual, focus on their needs, and provide autonomy and freedom to the employee with a preference to serve first (Parolini, Patterson, & Winston, 2009).

Trust

According to Aurier and N'Goala (2010), trust is an essential ingredient for a service relationships and a company's financial performance by influencing the economics of a given service (Huang, 2008). Other authors state trust is the foundation for successful relationship marketing and is seen a key variable in the service relationship (Guenzi & Georges, 2010; Kantsperger & Kunz, 2010). Trust is the essential building block in a relationship where it is understood that one partner will perform their best in the interest of others (Cater & Cater, 2010). According to Greenleaf (1977) an individual's or organization's competence or intentions means nothing if trust is lacking. A high level of trust is developed through exceptional service quality.

Service companies that can build trust, deepen and broaden existing relationships, and build consumer confidence (Aurier & N'Goala, 2010; Huang, 2008) can achieve greater differentiation, become a competitive advantage for organizations (Tan & Lim, 2009), and increase financial performance (Huang, 2008). Some researchers suggest trust has taken the place of the hierarchical model of control once dominant in a sales environment, enabling sales manages to cultivate long-term trusting relationships with their salespeople leading to organization success (Mulki, Jaramillo, & Locander, 2006).

Trust encompasses such aspects such as credibility, reliability (Aurier & N'Goala, 2010; Kantsperger & Kunz, 2010), honesty, and benevolence (Cater & Cater, 2010; Kantsperger & Kunz, 2010) to positively enhance the customer consumption experience and expectations and thereby increase the likelihood of a repeat client (Aurier & N'Goala, 2010). Credence service implies an element of risk, vulnerability, and uncertainties associated within a transaction (Guenzi & Georges, 2010; Kantsperger & Kunz, 2010); therefore, trust becomes an important aspect of the salesperson and client interaction. The financial industry is one such service where most consumers lack technical expertise and information, and, along with long-term investments, the quality of the service cannot be evaluated until long after the product has been purchased (Guenzi & Georges, 2010; Kantsperger & Kunz, 2010).

Building trust between the customer and salesperson is vital in a sales transaction for a number of reasons. First within the mortgage broker industry, vulnerability and uncertainly arise among potential homeowners because of the personal information they must share with the broker professional, and, as first time homebuyers, purchasers often lack the expertise or information to arrange their own mortgage financing. Secondly, once a mortgage funds, the client is often locked into a contract with a financial institution for a specified time whether they are satisfied with the product or not, unless the client is willing to pay a fee to break the contract. Customers, therefore, must have full confidence their mortgage professional is placing them into the right mortgage product for the right reasons. Thirdly, with a long-term product, customer satisfaction and suitability may not be determined until after the transaction has been finalized between the mortgage professional and the homeowner. The ability to build trust becomes the most important component in developing a relationship exchange (Guenzi & Georges, 2010).

Mortgage brokers are faced with many challenges in building trust with consumers. First, face-to-face interaction can be limited by self-service technologies such as on-line mortgage applications (Kantsperger & Kunz, 2010). Mortgage transactions can be completed through face time, text messages, e-mails, and phone calls with little to no personal contact--making it very difficult to build a personal relationship. The mortgage broker transaction is a service, and the maintenance of the mortgage is often performed by different and changing service personnel. Once the broker obtains a full approval from a financial institution, the majority of the contact originates with the financial institution holding the mortgage loan, not the broker who originated the deal.

The opportunity to create more contact and to cross sell is limited in the mortgage broker industry. As a specialized industry, most firms service two products, a mortgage loan and mortgage life insurance. Both are intangible products, and the limited product offering restricts the broker's cross-selling opportunities. The limitations make it difficult for customers to develop loyalty to their broker. Without the additional business transactions, clients cannot develop a relationship with the mortgage broker (Guenzi & Georges, 2010), as individual trust relationships require ongoing exchange experiences (Kantsperger & Kunz, 2010). The rule of reciprocity remains a challenge within a mortgage broker transaction. Reciprocity is a defining characteristic of SET; it requires an exchange, a give and take, and a mutual and complementary understanding where one person's actions result in a response from another, creating a continuous self-reinforcing series of exchanges (Cropanzano & Mitchell, 2005). Another basic principle of SET that evolves over time is commitment.

Commitment

Commitment continues to be viewed as a motivation and attitude that helps foster and grow the relationship (Cater & Cater, 2010); therefore, it can be viewed as a potential antecedent to future firm performance. Aurier and N'Goala (2010) further support the importance of commitment and trust in extending the service relationship, stating overall satisfaction is a basic condition for building consumer trust, a connection, and an association with their service supplier. Firms looking to differentiate solely because of a product quality or enhancement are no longer enough to remain competitive.

Organizations must focus on building unique and lasting relationships with their customers and business partners (Carter & Carter, 2010).

Relationship commitment is incorporated into this study rather than customer satisfaction because satisfaction measures past service exchanges experienced by consumers (Aurier & N'Goala, 2010). Customers who exhibit a strong sense of obligation will stay in a relationship because they want to (Cater & Cater, 2010). In a relational level commitment salespeople will define themselves based on types of relationships they develop with specific individuals: The greater the relationship, the higher the salesperson's self esteem (Johnson & Yang, 2010). Salespeople are motivated by serving and meeting the expectations and needs of their partners, so much so that the salesperson's self worth is dependent on their partner's well being (Johnson & Yang, 2010). Salespeople in a relational commitment are focused on building and maintaining relationships by being cognizant of their partner's values and goals (Johnson & Yang, 2010).

Salespeople who show effective commitment demonstrate the acceptance and adoption of another person's values and goals, a willingness to do more than is required (Johnson & Yang, 2010), and a strong emotional attachment to others (Cater & Cater, 2010; Johnson & Yang, 2010; Wallace, de Chernatony, & Buil, 2011). Effective commitment is founded on an individual's values (Cater & Cater, 2010; Fu, Bolander, & Jones, 2009) and their ability to connect with others by developing and strengthening the relationship over time (Cater & Cater, 2010). As a result, employees will work because they want to (Wallace et al., 2011). Effective commitment creates loyalty, meaningful purpose, and intention, which help foster and strengthen a relationship (Cater & Cater, 2010).

On an individual level, self-based commitment salespeople are motivated by personal values that will maximize their own welfare in the areas of pay and career development (Johnson, Chang, & Yang, 2010). Incentives, rewards, and punishments have an immediate effect, specifically when measured against others (Johnson et al., 2010). Self-based committed employees will not engage in activities that benefit external partners unless it contributes to the salesperson's personal goals (Johnson et al., 2010). Self-based commitment is similar to Cater and Cater's (2010) calculative commitment, which is based on a rational calculation where both parties see economic value in maintaining the relationship.

Organization commitment occurs when employees emotionally attach to their firm and embrace the company's values and vision (Fu et al., 2009). The earlier work of O'Hara et al. (1991) suggested a salesperson's degree of organizational commitment influenced their orientation toward the customer. Committed employees work harder to satisfy customers, are more motivated with a desire to be more effective and prosperous, and are dedicated to helping the organization meet its goals (O'Hara et al., 1991). Managers are interested in an employee's organizational commitment because they believe it contributes to long-term organizational performance (Fu et al., 2009). From a financial perspective, high employee commitment means lower staff turnover, saving organizations $40,000-$60,000 to replace an experienced salesperson (Fu et al., 2009). Managers who micro manage their teams by monitoring job roles will likely reduce a salesperson's interest in their job and their effective commitment (Agarwal & Ramaswami, 1993). Cropanzano and Mitchell (2005) identified characteristics of commitment and concluded that a pay for performance influenced that commitment, which ultimately affected OCB.

Organizational Citizenship Behaviors

Babcock-Roberson and Strickland (2010) stated employees who are engaged in their work will enhance certain behaviors that promote an effective and efficient workplace, a condition that promotes better performance of organization and positive OCB. Marshall et al. (2012) explored the relationship between salesperson's in-role and extra-role behaviors and identified the effect of OCB on relevant performance outcomes such as greater compensation and greater customer orientation. Prior studies demonstrated a correlation between a customer-oriented sales force and increased salesperson success, which ultimately led to organizational success and effectiveness (Piercy et al., 2012). Seminal research defined an OCB culture as one in which individuals engaged in voluntary behavior that promoted the organization's efficiency and success without direct or explicit recognition by way of a formal reward system (Ehrhart, 2004; Piercy et al., 2012).

That a higher level of OCB leads to greater customer orientation was predicted by Marshall et al. (2012) in their investigation on the effects and outcomes of OCB within industrial selling. Markos & Sridevi's (2010) article acknowledged a positive correlation between employee engagement and organizational success, while disengaged employees resulted in less commitment, customer orientation, and reduced profits. At an individual

OCB level, extra role performances include behaviors directed at helping and taking a personal interest in others (Ehrhart, 2004), with characteristics of altruism, sportsmanship, courtesy, civic virtue, and conscientiousness (Babcock-Roberson & Strickland, 2010). From an organization perspective, engaged employees are energetic and effectively connected to their work environment. In their research Jiao, Richards, and Zhang (2011) demonstrated that an effective leader could positively affect the growth and development of employee perceptions of their organization's instrumentalities and lead to greater OCB. Organizational instrumentality is the extent to which an employee believes that OCB positively influences their purpose and success at work. Individual instrumentality is the degree to which an employee believes OCB adds value to their personal interests.

Core Research Literature

As organizations focus more on sales force behaviors that build customer relationships and client retention, and salespeople continue to struggle with aligning the right buyer and seller exchanges, sales managers are being tasked to provide direction, with the expectation of developing a more strategic sales role to support the multiple dimensions towards corporate success (Marshall et al., 2012). Chakrabarty et al.(2012) further supported this direction by stating that creating a long-term relationship is dependent on a salesperson's ability to engage in COS. According to Guenzi et al., (2009) salespeople are the main drivers in the execution of a strategic client relationship approach and, while businesses drive profits, the company's goal is to deepen and broaden current associations so clients become committed to the relationship over time

(Aurier & N'Goala, 2010). Geunzi et al. (2009) noted that of all constructs found in a relationship, trust is the most important, as it fosters long-term commitment.

Research and Theories

Guenzi et al., (2011) analyzed the effects of salesperson SOCO on creating customer value based on early research by Saxe and Weitz (1982). COS was described as a marketing plan directed towards salespeople to create value for customers (Chakrabarty et al., 2012; Guenzi et al., 2011). COS takes place when a salesperson places priority on satisfying a customer's needs by sacrificing an immediate sale (Chakrabarty et al., 2012; Guenzi et al., 2011; Marshall et al., 2012). Saxe and Weitz (1982) showed that COS salespeople will take on activities with a focus of sustaining a long-term relationship and satisfaction with the client.

Drawing on social learning theory, Chakrabarty et al. (2012) established that empirical studies proved influence of managers shaped an employee's behavior. Marshall et al. (2012) examined a different approach and centered on extra role behaviors (OCBs) on salesperson performance. The study demonstrated a salesperson's effort and high OCB, affects organizational performance and ultimately higher levels of customer orientation. Such salespeople engage in extra work activities without the expectation of compensation and, according to Marshall et al. (2012), salespeople who work for an OCB sales organizational culture will engage in long-term relationships with a primary focus on meeting the needs of the client. Geunzi et al. (2011) further supported this statement in declaring a customer-oriented culture works on the belief system that the customer's interests come first.

Using SET, the Fu et al. (2009) study showed that a salesperson's effective commitment had a direct and positive effect on effort and directly contributed to their behavior and organizational commitment. A salesperson who exhibited continued commitment was least likely to support an organization based on a calculated cost and benefit and from a social exchange perspective (Fu et al., 2009), which was further supported by Johnson et al., (2010) self-based commitment and Cater and Cater's (2010) calculative commitment.

Aurier and N'Goala (2010) identified trust as the primary driver and a critical component in building a customer relationship and in delivering company profits. In the absence of trust, consumers are not committed or as engaged in the service relationship, which ultimately affects an organization's ability to sustain and build long-term customer relations. From an employee perspective, trust in a relationship commitment means forming an attachment to the organization. Trusting employees have a stake in the success of the company, which translates to cooperation and the ability of the employee to drive sales, profit, and share of wallet.

Purpose of the Research

In a study published in 2011, Guenzi et al. developed and tested organizational drivers of COS and SO on sales managers and found there was no information on how to implement a market orientation that could translate into employee behavior. The researchers also tested the relationship between COS and creating superior customer value by determining the effect of COS on relevant performance outcomes. Marshall et al. (2012) explored the relationship between salesperson's in-role and extra-role behaviors and salesperson performance and identified the influence of OCB on relevant performance outcomes such as greater compensation and greater customer orientation. Fu et al. (2009) used a three-component organizational commitment to determine the drivers of salesperson effort. Based on the belief that committed employees help an organization achieve long-term success, Fu et al. (2009) tested the effect of organization commitment on employee behaviors and included perceived organizational support (POS), trust in supervisor, and role fulfillment as antecedents. Aurier and N'Goala (2010) examined how service companies influenced repeat business performance by influencing customer satisfaction, trust, and relationship commitment.

Each of the studies above shows a correlation between a CO sales and service focus and increased salesperson success, the combination of which ultimately leads to positive organizational performance. Drawing on SET to help explain workplace behaviors and interactions that generate different levels of consumer and employee commitment and relationships, the recent studies suggest there is a correlation between salesperson accomplishments and customer centricity, concepts that have has engendered corporate awareness of the importance of building a customer-centric sales force.

Methodology

Most articles identified in this review used a quantitative method to measure the performance and perceptions of salespeople and their managers through a variety of different surveys. Aurier and N'Goala (2010) conducted a longitudinal study for 2 years using questionnaires and survey metrics using a 5-point Likert scale. With the first questionnaire, 1,721 surveys with identical questions went to the same clients a year later.

Several of the concepts measured were *trust* and *relationship commitment*. *Trust* was assessed with four items from Morgan and Hunt's (1994) research and Ganesan's (1994) study. Relationship commitment incorporated 3 items from Garbarion and Johnson's (1999) report and Gruen, Summers, and Acito's (2000) study.

To measure the level of customer-orientation, researchers preferred the CO of the SOCO scale and some form of a summative, Likert-type scale. Saxe and Weitz's (1982) development of the SOCO scale measured salesperson's job performance by capturing sales characteristics and evaluating an individual's ability to effectively identify, address, and meet the needs of their customers (Faramillo, Ladik, Marshall, & Mulki, 2007). Chakrabarty et al. (2012) mailed a survey to 3,909 salespeople who sold industrial products and had a response rate of 6.3%. The survey included items from Jaworski and Kohli's (1993) management risk aversion measurement, Ganesan's (1994) measure of long-term orientation, and Saxe and Weitz's (1992) SOCO scale (Chakrabarty et al., 2012).

A field study of two business-to-business industrial product salespeople was used by Marshall et al. (2012). With 207 salespeople participating, it measured job satisfaction on Comer, Machleit, and Lagace's (1989) scale, organizational commitment from Porter, Steers, Mowday, and Boulain's (1974) measurement, OCB--specifically civic virtue and helping behavior--from Podsakoff and MacKenzie's (1994) scale, and CO from Saxe and Weitz's (1982) SOCO. In another study by Guenzi et al. (2011), the researchers administered the survey to 870 managers, over a 9-month period. The survey included 10 items from Saxe and Weitz's (1982) SOCO scale, five statements from CO, and five statements from SO. The researchers also included survey questions from Deshpande, Farley, and Webster's 1993 customer-orientated culture, Guenzi and Troilo's (2007) long-term strategy orientation and superior customer value creation, Singh's (1993) functional role clarity, and Kahn and Mentzer's (1998) marketing-sales interaction (Guenzi et al., 2011).

Fu et al. (2009) conducted an online survey of salespeople from a human resources service provider that yielded a usable sample size of 142 responses. The survey included three characteristics of organizational commitment--affective, continuance, and normative--with four survey questions selected for each of the three organizational commitments taken from measurements developed by Meyer, Allen, and Smith (1993). The study also measured salesperson effort by a three-item scale from Brown and Peterson (1994), trust in supervisor using a three-item scale used in the MacKenzie, Podsakoff, and Rich (2001) study, and perceived organization support using five items from research published by Eisenberger, Fasolo, and Davis-LaMastro in 2001.

Hypothesis and Data Analysis

Marshall et al. (2012), in their investigation of the effects and outcomes of OCB within industrial selling, concluded that a higher level of OCB leads to greater customer orientation. According to Guenzi et al. (2011) a company's CO culture, long-term strategy, and use of a direct sales force would positively relate to COS. Chakrabarty et al. (2012) believed salespersons' perception of their manager's emphasis, risk aversion, and long-term orientation positively related to COS. Fu et al. (2009) analyzed how organizational commitment contributes to employee sales-effort, trust in supervisor, and

POS, and Aurier and N'Goala (2010) predicted trust had a positive effect on relationship commitment and relationship development indicators such as service usage and cross buying.

The researchers found a correlation between CO and sales performance (Chakrabarty et al., 2012) and role performance (Guenzi et al., 2009) in the creation of superior customer value (Guenzi et al., 2011) The researchers also found high levels of OCB (Marshall et al., 2012). The investigation into an OCB organizational culture also showed a correlation between a CO focus and organizational success. Organizational commitment, specifically effective commitment, has a direct effect on sales effort, which positively affects a salesperson's performance and service quality (Fu et al., 2009). Aurier and N'Goala's (2010) research demonstrated trust and relationship commitment deepen and broaden relationships, achieve great competitive differentiation, and positively influence financial performance.

Research Findings

The findings provide a direct link between OCB and salesperson customer orientation, proving that long-term relationships with valued clients can be enhanced through an "OCB-friendly sales organizational culture" (Marshall et al., 2012, p. 496). Marshall et al. (2012) also found salespeople within an OCB culture obtained favorable results in their overall compensation and enhanced customer orientation. Comparing only two companies and using self-reporting were limitations of the study. A recommendation for future research was an exploration of the linkage of OCB and performance outcomes in a fully commission-based sales force.

Perceived top management long-term orientation and emphasis was positively related to customer orientation, but risk aversion by top management and COS was not significant in a Chakrabarty et al. (2012) study. Chakrabarty et al. recognized that by creating a customer-orientated culture, a firm could support the development of a customer-orientated sales force, but to overcome salespeople perceptions, top-management needed to explain why COS, long-term customer relationships, and satisfying the needs of their customers had to become their primary focus.

A leadership style found to be suitable for developing top-management's long-term orientation was to engage in servant leadership by serving the needs of their followers first to achieve the organizational objectives. Several limitations of the research were the slow response rate and the self-reported variables that were measured; therefore, there was the potential for common method bias. An extension of this study could incorporate supervisors who are focused on the development of salespeople and the effect of their focus on COS.

Guenzi et al. (2011) established that a customer-orientated culture, a direct sales force, and long-term strategic orientation positively related to COS and that a salesperson's COS had a positive and significant effect on superior customer value creation. A limitation of the research was the cross-sectional design, as a longitudinal study would have reduced generalizations in the research findings. Further research might determine the leadership style that would best stimulate a COS and identify which organizational factors worked better to foster COS (Guenzi et al., 2011).

Technological improvements and increased competition are making it harder for businesses to differentiate themselves from their competitors. Building client relationships can be a key differentiator. Within an organization, acquiring and retaining customers becomes an essential role for salespeople (Jaramillo & Mulki, 2008). Aurier and N'Goala (2010) concluded there was no correlation between customer satisfaction and customer loyalty. Measuring customer service sums up a consumer's experience and shows no correlation with a customer's decision to patronize the service again. Research indicates customer satisfaction does not influence or equate to retention or repeat business from customers. Aurier and N'Goala stated satisfaction needs to be transformed into trust and relationship commitment before it affects business performance. Aurier and N'Goala (2010) identified several limitations in their study and recommended future research focus on a longitudinal study of trust for more than one year, and at different stages within the relationship, and compare it against the different levels of expertise.

Fu et al. (2009) suggested that a longitudinal study from multiple companies would allow for better analysis from an organizational commitment perspective. While the researchers found a positive correlation between affective commitment and trust in management, it did not directly affect affective commitment. The rationale provided was trust in the manager is viewed as an individual construct, whereas affective commitment is towards the organization. Because organizations and managers are often viewed separately, there is no direct correlation linking supervisor trust to affective commitment.

Conclusion

The objective of this quantitative study is to determine any correlation between a sales manager's leadership style and an employee's SOCO. The literature presented a review of the theoretical framework including an initial discussion of the selling behaviors of salespeople and the sales force control systems used by sales teams. The literature review also presented historical leadership concepts and current leadership styles with a focus on transformational, transactional, and servant leadership. Trust, commitment, and organizational citizenship behavior were also examined along with the influence these concepts have in developing a customer-centric approach to selling.

CHAPTER 3. METHODOLOGY

Introduction

Chapter 3 will first describe the methodology that was used to address the research objective and then provide an overview of the sample population and the sampling strategy. Included in the chapter will be a review of the data collection instruments and an explanation of how, why, and when the data will be collected. This will be followed by a description of proposed techniques to test the research hypotheses, support and validate the instruments selected, and address the ethical considerations around data security, privacy, and confidentiality.

Research Design

The purpose of this quantitative correlation study was to determine if there was a relationship between the sales manager's leadership behavior and the salesperson's SOCO. A sales manager's ability to effectively influence their followers by instilling a customer-oriented sales force is one of a sales manager's primary responsibilities (Jaramillo et al., 2009b), as a salesperson's behavior will affect the short- and long-term performance of an organization (Dixon & Tanner Jr., 2012). According to Ghauri and Gronhaug (2010), surveys are effective tool in quantitative research because they describe population trends and attitudes by sampling a population to determine if there is a correlation between and among variables and capturing cause-and-effect relationships.

This quantitative correlation study was conducted to capture the characteristics of a sales manager's leadership through a sample population. As a cross-sectional survey, it was administered once to represent one point in time (Cooper & Schindler, 2010). The data collection was in the form of a web-based Internet survey. The Canadian Association of Accredited Mortgage Professionals (CAAMP) through SurveyMonkey managed the survey. SurveyMonkey was used with a variety of brokers across Canada in an efficient and timely manner to reduce research costs.

Sample

A sample population can aid in cost reduction but may jeopardize the quality of the information collected because a sample of a population does not include all members of a given population (Swanson & Holton III, 2009). The advantages of assessing a sample population are reduction in expenses, shorter time between conducting the research to reporting the results, and better quality given the focus of resources on collecting data from a sample. The selection was a simple random sample from CAAMP membership. In a random sample, each individual in a population has an equal opportunity to be selected (Cooper & Schindler, 2011).

The sampling frame was the current membership of members in good standing with CAAMP. The vice president of finance and administration and the CAAMP board have permission to survey the membership and will exclude from the sample suppliers, default insurers, financial bank lenders, broker/owners, and any mortgage broker or mortgage specialist not in good standing with CAAMP or who was under investigation.

Geunzi et al. (2011) administered the Thomas, Soutar, and Ryan (2001) 10-item SOCO scale to 870 sales managers and had a response rate of 37.5% from 326 unusable survey questionnaires. Schwepker and Good (2012a) solicited by e-mail 3,842 salespeople to participate in their survey. The e-mail request resulted in an initial response of 1,991 salespeople who were then directed to a screening question to further define the sample population. This process resulted in a final usable sample size of 345 for a response rate of 8.99%. Survey instruments used in the research were the Thomas et al., (2001) 10-item SOCO scale. Geunzi and Georges (2010) collected 160 questionnaires, which resulted in 150 usable questionnaires utilizing multiple scale items including the Thomas et al., (2001) 10-item scale.

Because CAAMP includes salespeople, managers, suppliers, and business owners, this research used a screening question to ensure only mortgage brokers were captured and directed to the survey. Based on the above survey using the SOCO scale and with the use of an online sample size calculator, at a 5% margin of error, a confidence level of 95%, and a population size of 12000, the recommended sample size was 373 (Raosoft, 2014).

The information to be included was the following:

1. Compensation based on a 100% commission pay or a portion of a base salary and bonuses. Guenzi, De Luca, and Troilo (2011) suggested sales volume commissions are negatively related to customer orientation and positively associated with salesperson's selling orientation.

2. Tenure in role. The seminal work of Saxe and Weitz (1982) demonstrated a correlation between a long-term relationship with customers and salesperson performance. Chakrabarty et al., (2012) confirmed salespeople need to take a long-term approach when working with clients even if there is a risk of losing short-term sales.

3. Tenure in company. Job tenure can affect a salesperson's behavior and attitude (Jaramillo et al., 2012). According to Arora, Nuseir, Nusair and Arora (2012), one component of organizational commitment is an employee's desire to maintain membership. This aspect reflects an individual's involvement and identification, especially among employees with over 5 years with an organization.

4. The size of the firm was based on mortgage sales volumes from 2011 to 2013. Autry et al., (2013) stated there is limited consensus in research results that can provide a correlation between appropriate sales behaviors and an increase in returns for an organization. Additional research can add to this gap in the knowledge.

Setting

CAAMP's current membership is 12,000 and represents 1,500 companies across the financial industry in Canada (CAAMP, 2013). The membership includes mortgage brokers, personal mortgage lenders, mortgage specialists, broker/owners, mortgage default insurers, and suppliers within the Canadian financial mortgage industry. In the early 1990s, mortgage brokers were another source of funding a consumer could use to obtain a mortgage loan in Canada. Mortgage brokers act as intermediaries who arrange mortgage financing between an individual and a financial institution such as a bank, credit union, or monoline lender. Between 1997 and 2004, broker-originated market share increased from 10% to 30% peaking at 40% in 2008 (Allen, 2011). Subsequently, broker market share fell to 23% in 2011 and was 25% in 2012 (CMHC, 2012). The benefits of this research can assist CAAMP in supporting the mortgage broker industry in several ways. One, identifying which leadership style helps improve the mortgage broker's effectiveness and ultimately mortgage broker and firm financial performance. Two, support mortgage broker owners and mortgage brokers by helping them match the best selling approach, customer orientation or selling orientation, depending on the selling situation (Autry et al., 2013).

Instrumentation

There were two existing survey instruments used. The first was the Bass and Avolio (1995) Multifactor Leadership Questionnaire Short Form (MLQ5x). The questionnaire measures variables of transformational, transactional, and laissez-faire leader effectiveness and contains 45 items measuring eight components (Bass & Avolio, 2004). Intellectual stimulation, charisma, individualized consideration, and inspirational motivation are key components in transformational leaders, and management by exception and contingent rewards are two components to measure for transactional leadership. The MLQ5x rating scale measures leadership items with 0 = *never* to 4 = *frequently* or *always.* The first part of the survey took approximately 15 minutes to complete (Bass & Avolio, 2004).

The MLQ5x or its components has been used in numerous studies to measure leadership effectiveness. Weinberger's (2009) research replicated the study to establish if there was a correlation between a leader's style and emotional intelligence. Weinberger maintained that standard deviations, means, and internal consistency were reliable and consistent with Bass and Avolio (2000), but there was no correlation linking leadership style and emotional intelligence. Lindgreen, Palmer, Wetzels, and Antioco (2009) used a modified version of the MLQ5x in their research and determined there was a relationship between leadership styles and marketing practices, specifically that transformational leadership style had a significant effect on interaction and network marketing. A study by Du, Swaen, Lindgreen and Sen (2013) explored whether there was a correlation linking a leader's approach and corporate social responsibility (CSR) practices, illustrating that leadership styles do affect the relationship between CSR and organizational outcomes. The means, standard deviation, reliability coefficients of variables were significant at the $p < .01$ level.

The second instrument was the Thomas et al. (2001) SOCO Scale, short form, to test a salesperson's SOCO. The scale consists of 10 statements: five for a salesperson's CO and five to test for a salesperson's SO. Saxe and Weitz (1982) developed the original SOCO measurement tool of 24 statements to help define how a salesperson might behave towards a customer (Thomas et al., 2001). Several researchers have used the SOCO scale short form to measure a salesperson's interrelationships and salesperson's perceptions.

Geunzi et al. (2009) used the SOCO scale short form, with modifications to the questions, to explore the effect account managers had on relational outcomes by focusing on the drivers that relate to the organization such as a firm's culture, strategy, and structure, rather than individual salespeople. The study used a nine point range with 1= *never* to 9 = *always*. Geunzi et al. (2011) examined the organizational drivers of SOCO and its effect on creating superior customer value among a group of sales managers. The study used a 7-point scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*. Schwepker and Good (2012a) used the SOCO scale short form on a sample of business-to-business salespeople to explore how sales quotas affect the salesperson practice of customer orientation and selling orientation using a 5-point scale with 1 = *never* and 5 = *always* (Schwepker & Good, 2012a).

Variables, Research Questions, and Items on Surveys

Independent Variable 2: Transformational and Transactional leadership

Descriptive Research Question 1: To what extent does a sales manager's leadership style influence a salesperson's customer orientation or selling orientation of virtual salespeople in the Canadian financial mortgage industry?

Table 4

Relational Grid

Selling behavior type	Related questions
Transformational	10, 18, 21, 25
Idealized attributes	6, 14, 23, 34
Idealized behaviors	9, 13, 26, 36
Inspirational motivation	2, 8, 30, 32
Intellectual stimulation	15, 19, 29, and 31 for Individual Consideration.
Transactional	1, 11, 16, 35
Contingent reward	3, 12, 17, and 20 for Management by Exception.

Dependent Variable 1: Customer Orientation and Selling Orientation

Descriptive Research Questions 2. Does a transformational leadership style positively affect a salesperson's customer orientation or selling orientation?

Descriptive Research Question 3. Does a transactional leadership style positively affect a salesperson's customer orientation or selling orientation?

Table 5

Descriptive Research Questions

Questions	Control variables	Related questions
What is the number of years in your current role?	Tenure in role.	Question 46
What is the number of years with your current company?	Tenure with current employer	Question 47
What is the number of years you have worked in sales?	Total sales experience.	Question 48
What was the mortgage dollar volume of sales your company wrote in 2011, 2012, 2013	Selling firm size	Question 49

Selling Behavior

Customer-oriented	CO1, CO3, C04, CO5, and CO10
Selling orientation	CO2, CO6, CO7, CO8, and CO9.

Data Collection

The data compilation for this study was managed by the Internet portal SurveyMonkey. The data collection was conducted as follows:

Step One: Information Update

The first step was to explain the study to the chair of CAAMP and gain his support for the research. The chair of CAAMP in conjunction with the executive approved the survey to be sent to the membership. A letter of endorsement was sent to the vice-president of finance and administration to sign, as that person was responsible for delivering the survey to the CAAMP membership for this research effort. The researcher sent another e-mail message to the vice-president of finance and administration to forward to the CAAMP membership to explain the survey and the survey time frame and asked them to respond to the online survey.

Step Two: Survey

On the date defined in the original e-mail sent from CAAMP to its membership, another e-mail was sent to the sample that had the link to SurveyMonkey. The survey was in three parts. The first link was a screening question to identify mortgage brokers, after which they were directed to the survey. The second link took a participant to a consent page outlining the criteria to participate. After participants confirmed they met the criteria, they were asked if they agreed to take the survey. Following confirmation, they were directed to the survey itself.

The survey had three sections: demographic questions, the short MLQ 5X, and statements from the Thomas et al. (2001) customer orientation and selling orientation short form. The survey remained open to the CAAMP sample frame for responses for 2-3 weeks. The participants were sent an additional reminder e-mail 3 days before the survey link closed to encourage responses to the survey.

Step Three: Completion

At the end of week two of the online survey, CAAMP closed the survey link as agreed and provided the raw data to the researcher to upload for analysis. No data was identified by participant name--if known—and all was stored on the researcher's password-protected computer according to IRB requirements.

Research Questions

The research questions were as follows:

RQ1: To what extent does a sales manager's leadership style influence a salesperson's customer orientation or selling orientation in a virtual sales settings in the Canadian financial mortgage industry?

RQ1a: Does a transformational leadership style positively influence a salesperson's customer orientation or selling orientation?

RQ1b: Does a transactional leadership style positively influence a salesperson's customer orientation or selling orientation?

Hypotheses Testing

The independent variables are *transformational* and *transactional leadership*, and the dependent variables are *customer orientation* and *selling orientation.* The hypotheses based on the research questions are as follows:

$H_0$1: There is no difference in a transformational leadership style and a salesperson's customer orientation.

$H_1$1: There is a difference in a transformational leadership style and a salesperson's customer orientation.

$H_0$2: There is no difference in a transformational leadership style and a salesperson's selling orientation.

$H_1$2: There is a difference in a transformational leadership style and a salesperson's selling orientation.

$H_0$3: There is no difference in a transactional leadership style and a salesperson's customer orientation.

$H_1$3: There is a difference in a transactional leadership style and a salesperson's customer orientation.

$H_0$4: There is no difference in a transactional leadership style and a salesperson's selling orientation.

$H_1$4: There is a difference in a transactional leadership style and a salesperson's selling orientation.

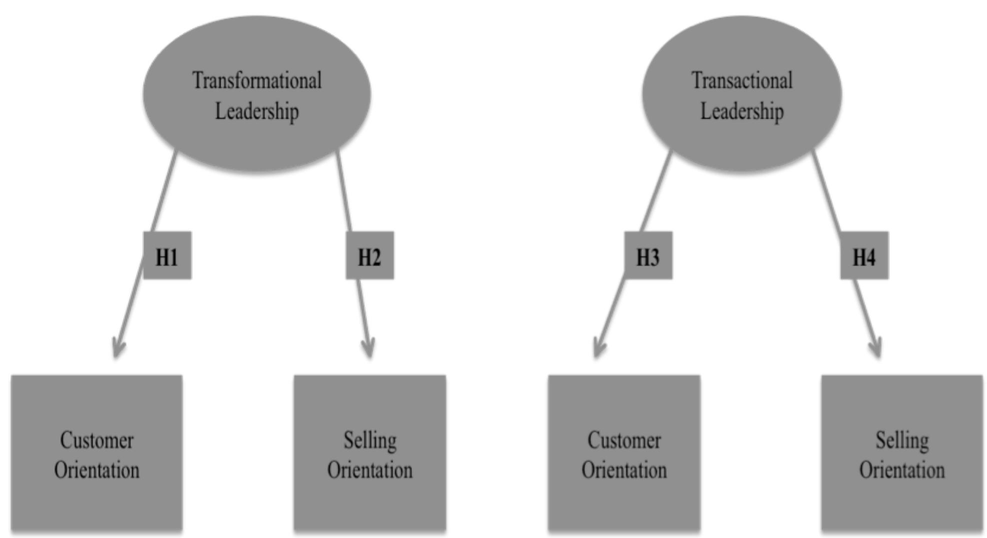

Figure 3. Comparisons of the traits of transformational and transactional leadership styles.

Data Analysis

In this section, this researcher will present information about the data that will be analyzed and will describe the steps in data analysis. The steps that were taken are as follows:

1. Provide information on the number of participants in the sample frame and the number who completed the survey.

2. Review the method to be used to test for response bias. In this case wave analysis will be used to examine the survey response returns in Week 1 and compare with Week 2 to determine if the average changes (Creswell, 2009).

3. Perform an explanatory analysis of independent and dependent variables in the research, the mean, standard deviations, and score ranges (Creswell, 2009).

4. Identify the statistics and statistical program used to test the hypotheses. For this study, it will be Microsoft Excel 2008 for Mac, version 12.0.

5. Interpret the results and draw conclusions to determine if the results supported the hypotheses (Ghauri & Gronhaug, 2010). Discuss if the results were statistically significant, indicate why the results occurred, reference past literature or use logic, and review the implications of the results (Ghauri & Gronhaug, 2010).

Validity and Reliability

Factor loadings are considered significant above 0.55 (Falk & Miller, 1992); scale reliability is deemed acceptable when composite reliability is above 0.70 (Nunnally & Berstein, 1994), and convergent validity is deemed acceptable when the average variance extract (AVE) is above 0.50 (Fornell & Larcker, 1981). Lindgreen et al. (2009) reliability was assessed using composite reliability, which ranged from 0.82 to 0.93, which exceeded the .70 threshold. Validity was determined using AVE, which ranged between 0.51 to 0.65, meeting the .50 threshold. For those constructs that did not exceed the factor loading threshold of 0.55, the items were deleted from the study (Lindgreen et al., 2009). Weinberger (2009) tested the reliability of the instruments using Cronbach's alpha to measure each scale of the MLQ5x, exceeding the .70 thresholds. To determine the degree of relationship between each factor, the researcher used correlation coefficients to determine the statistical significance with a range of +1 through to -1 to determine if the variables had a positive relationship or were inversely related (Cooper & Schindler, 2011). Weinberger's (2009) research also measured the mean, standard deviation, and internal consistency, which proved to be consistent with Bass and Avolio (2000).

Validity of the MLQ5x reviewed the average intercorrelation among transformational leadership, transactional and laissez-faire with results that confirmed factor structure (Weinberger, 2009). Du et al. (2013) reliability tested items and the results reported high reliability in Cronbach's alpha at 0.96, exceeding the 0.70 threshold. Du et al. (2013) research also included reliability coefficients to determine statistical significance. Research validated the descriptive statistics by measuring the construct means, standard deviations, and intercorrelations and an AVE above .55 (Du et al., 2013).

In the Geunzi et al. (2009) study, all constructs Cronbach's alphas surpassed the 0.7 thresholds, customer orientation was 0.93 and selling orientation was 0.86. The principal component analysis was used to test for unidimensionality, which resulted in the removal of question co2 due to low indicator loadings all remaining loadings were above the 0.55 threshold and the convergent validity was confirmed at 0.76 for customer orientation and 0.56 for selling orientation (Geunzi et al., 2009). The Guenzi et al. (2011) research validity tested all constructs, which exceeded the recommended threshold of 0.70. Each item exceeded the factor loading, and all scales showed an acceptable level of reliability using AVE and composite reliability. Schwepker and Good (2012a) used Cronbach's alpha to test for scale reliability, passing the 0.7 thresholds at 0.87. Convergent validity was tested using *t* values, which were significantly higher than the 2.0 parameter, and factor loading were well above the 0.55 (Schwepker & Good, 2012a).

Ethical Considerations

The sample population for the study came from CAAMP membership, and SurveyMonkey to collect the data without names attached to the responses. The use of CAAMPs membership reduced the risk of any vulnerable population being used in the study. Participants consented to being a part of the survey and could stop their participation at any time and for any reason. The demographic control variables collected were limited to tenure in current role, tenure with current organization, total sales experience, size of firm in sales volume, and age of participant. To protect CAAMP anonymity, a synonym will be used in the publication of this study.

To protect and secure the raw data, data was saved on USB flash drives, one for the study and a second for backup. Both flash drives were locked in the desk of the researcher's home office, and no one else had access to the desk. The raw data from the research was stored in a safety deposit box of a financial institution and will be stored for a period of 7 years, after which both flash drives will be destroyed.

The mortgage broker industry might benefit from this research by learning how a SOCO can affect a salesperson's job performance (Geunzi et al., 2011). The ability to identify a sales process enables salespeople to adapt their sales style to match their customer's needs and expectations. The second benefit will be identifying how a sales manager's leadership style can influence a salesperson's selling and customer orientation and shape the salesperson's behaviors (Chakrabarty et la., 2012). Sales managers who support their salespeople and effectively manage the alignment of the buyer and seller exchange can create short- and long-term success for their organizations (Plouffe et al., 2013).

CHAPTER 4. RESULTS

Introduction

The purpose of this chapter is to present the results associated with the study. The presentation of results has been divided into two sections. The first section contains an overview of the descriptive statistics of the study. The second section contains hypothesis testing associated with the research questions of the study, along with the appropriate diagnostics and analyses. The third section will provide an overview of the limitations of the study. A brief conclusion will summarize the significant results of the study.

Descriptive Statistics of the Study

No demographic information was collected from the respondents but they were asked to describe their background in sales. In particular, respondents were asked how many years they had worked in their current role, how many years they had been with their current company, and how many years they had worked in sales. Respondents were also asked to provide 2011, 2012, and 2013 revenue data for their companies.

Of the 266 respondents 33.10% did not complete the descriptive statistics, 178 provided data about the number of years they had spent in their current roles. A number of the respondents, 22.6%, reported being in their role for 10 years or more; 7.1% had been in their current roles for less than 1 year; 10.9% had been in their current roles for greater than 1 and less than 3 years; 8.3% had been in their current roles greater than 3 and less than 5 years; 10.9% had been in their current roles for greater than 5 and less than 7 years; and 7.1% had been in their current role for greater than 7 to less than 10 years.

Of the 266 respondents, 179 provided about the number of years they had spent with their current company. A number of the respondents, 18%, had been with their current company greater than 1 and less than 3 years; 12% had been with their current company less than 1 year; 15% had been with their current company greater than 3 and less than 5 years; 10.9% had been with their current company greater than 5 and less than 7 years; 5.6% had been with their current company greater than 7 and less than 10 years; and 5.6% had been with their current company over 10 years.

Of the 266 respondents, 177 provided data about the number of years they had worked in sales. A number of the respondents, 44%, had worked in sales for over 10 years; 1.9% of the respondents had worked in sales less than 1 year; 4.5% of the respondents had worked in sales greater than 1 to less than 3 years; 3.4% of the respondents had worked in sales greater than 3 and less than 5 years; 6% of the respondents had worked in sales greater than 5 and less than 7 years; and 6.8% of the respondents had worked in sales greater than 7 and less than 10 years.

Correlation analysis was used to obtain insights into how many years respondents had been in their current role, how many years respondents had been with their current company, and how many years they had worked in sales. The results, presented in Table 1, indicate that each of these variables was significantly ($p < .05$) correlated with the two others. The correlation between the number of years in participants' current role and years with their current company was moderate in strength ($R = .556$), as was the relationship between the number of years in participants' current role and the number of years they had worked in sales (R = .548). There was a weak correlation between the number of years participants had been with their current company and the number of years they had worked in sales (R = .299).

Table 6

Correlation of Sales Role and Tenure Data

		What is the number of years in your current role?	What is the number of years with your current company?	What is the number of years you have worked in sales?
What is the number of years in your current role?	Pearson Correlation	1	.556**	.548**
	Sig. (2-tailed)		.000	.000
	N	178	178	176
What is the number of years with your current company?	Pearson Correlation	.556**	1	.299**
	Sig. (2-tailed)	.000		.000
	N	178	179	177
What is the number of years you have worked in sales?	Pearson Correlation	.548**	.299**	1
	Sig. (2-tailed)	.000	.000	
	N	176	177	177

**. Correlation is significant at the 0.01 level (2-tailed).

The correlations suggest that, even though the participants tended to have long experience in sales, the bulk of this experience was not accumulated with their current company. This insight is important in its own right, because some SOCO characteristics of participants might have been influenced by the leadership styles of previous leaders rather than leaders at their current company. One of the limitations of the study is that only the effect of current leaders' leadership styles on SOCO characteristics has been measured.

Measures of central tendency were also calculated for the 2011, 2012, and 2013 revenues of participants' companies. In 2011, a plurality of the companies, 21.1%, had revenues over $50 million; 8.3% had revenues under $5 million; 11.3% had revenues between $5 million and $10 million; 11.7% had revenues between $10 million and $30 million; and 5.6% had revenues between $30 million and $50 million. In 2012, a number of the companies, 21.1%, had revenues over $50 million; 7.1% had revenues under $5 million; 10.9% had revenues between $5 million and $10 million; 12% had revenues between $10 million and $30 million; and 7.5% had revenues between $30 million and $50 million. In 2013, a plurality of the companies, 23.3%, had revenues over $50 million; 6.4% had revenues under $5 million; 11.3% had revenues between $5 million and $10 million; 12.4% had revenues between $10 million and $30 million; and 7.1% had revenues between $30 million and $50 million.

Based on this overview of descriptive statistics, two main conclusions can be reached about the sample. First, the participants were fairly equally distributed across revenue levels, years in their positions, and years in their companies. Second, participants tended to have longer tenures in the sales profession.

Descriptive statistics pertaining to the 7 distinct measures of leadership in the MLQ5x, selling orientation, customer orientation, and joint selling and customer orientation were also gathered. The distribution of the total SOCO score was strongly leptokurtotic, with a mean of 121.44, standard deviation of 8.18, skewness of 1.241, and kurtosis of 3.979. Scores ranged from a low of 104 to a high of 162. The histogram of SOCO score appears in Figure 1 below. Both the Shapiro-Wilk and the Kolmogorov-

Smirnov tests of normality were conducted on the total SOCO score. By these measures, the total SOCO score was not distributed normally, as the *p* value for both the Shapiro-Wilk and the Kolmogorov-Smirnov tests was below .05. After gathering these descriptive statistics, the selling and customer orientation components of the SOCO score were measured separately, in terms of the 5 identified questions that measured selling orientation and the 5 identified questions that measured customer orientation. The five questions from the SOCO short form that compromised customer orientation were as follows:

- CO1. I try to figure out what a customer's needs are…
- CO3. A good salesperson has to have the customer's best interests in mind…
- CO4. I try to bring a customer with a problem together with a product/service that helps him/her solve that problem…
- CO5. I offer the product/service of mine that is best suited to the customer's problem…
- CO10. I try to find out what kind of product/service would be most helpful to a customer…

The five questions from the SOCO short form that comprised selling orientation were as follows:

- CO2. I try to sell as much as I can rather than satisfy a customer…
- CO6. It is necessary to stretch the truth in describing my product/service to a customer…

- CO7. I try to sell a customer all I can convince him/her to buy, even if I think it is more than a wise customer would buy…
- CO8. I paint too rosy a picture of my products/services to make them sound as good as possible…
- CO9. I decide what products/services 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…

The aggregate scores from these two orientations were used for both descriptive and the inferential statistics, specifically regression presented in Tables 9-14.

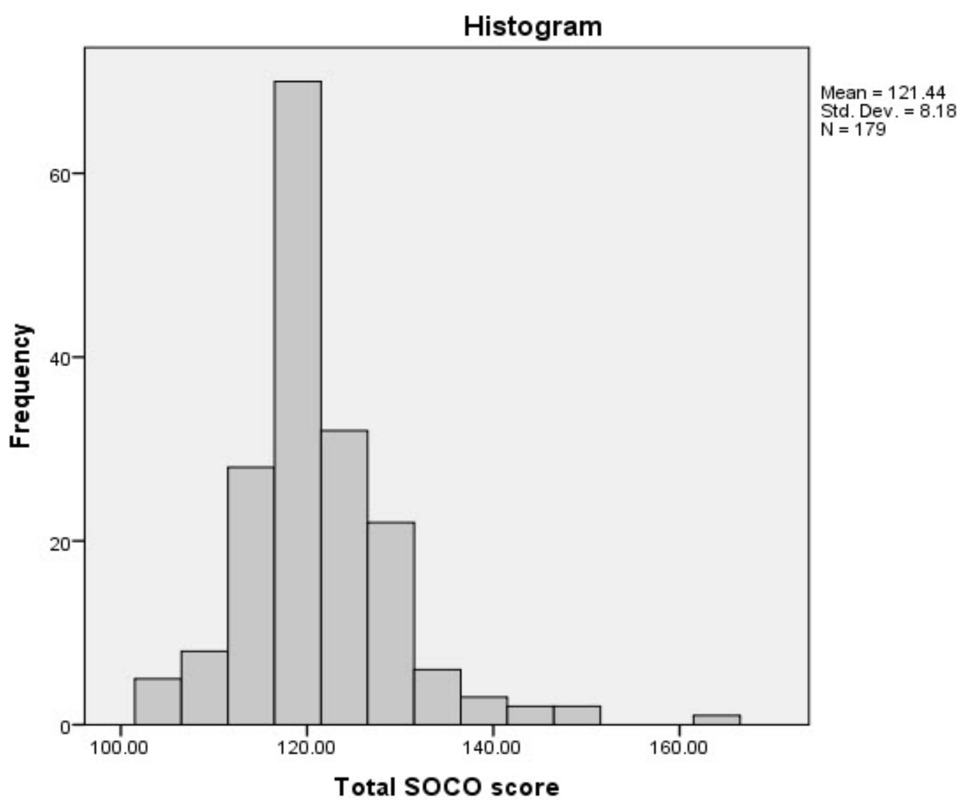

Figure 4. Histogram of SOCO score. Note: Graphic generated in SPSS.

Customer orientation had a mean of 42.6534, with a standard deviation of 3.11664. Selling orientation had a mean of 28.0223, with a standard deviation of 2.37249. The distribution of customer orientation was highly leptokurtotic (kurtosis = 9.145, as opposed to kurtosis = 3.068 for selling orientation). The distribution of these two variables suggests that (a) most members of the sample had a higher customer orientation than sales orientation and (b) most members of the sample had higher levels of customer orientation than would have been expected in a Gaussian distribution (skewness = -2.366).

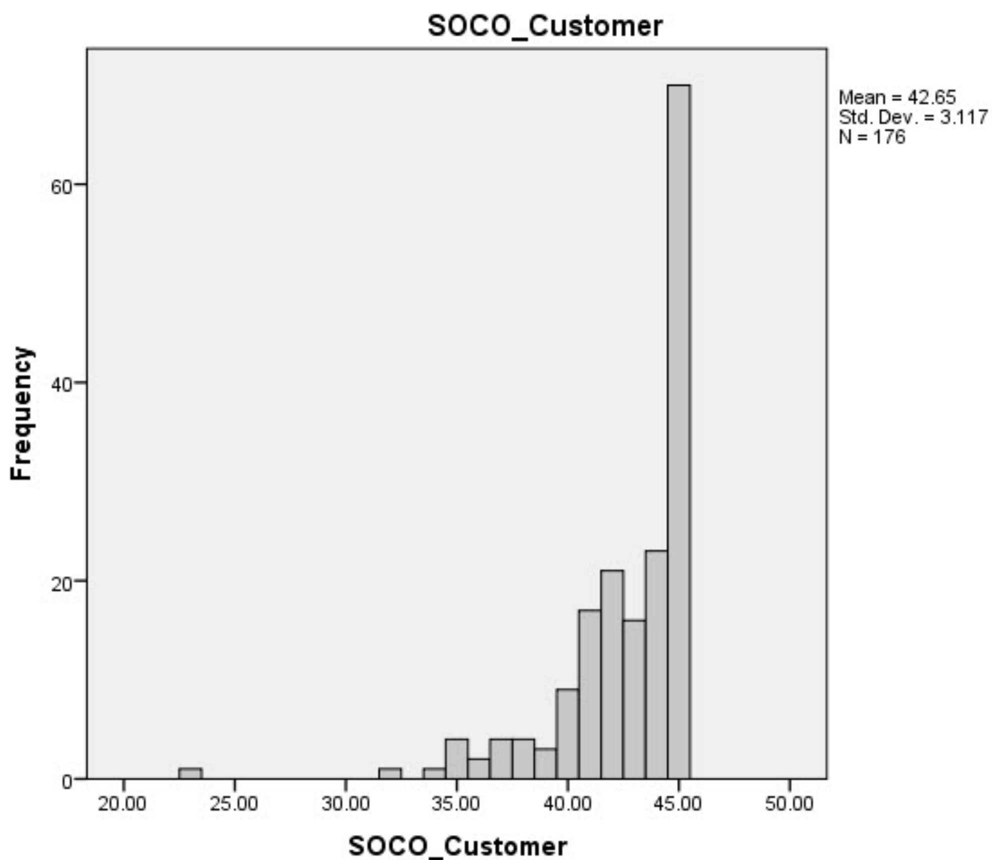

Figure 5. Histogram of Customer Orientation. Note: Graphic generated in SPSS.

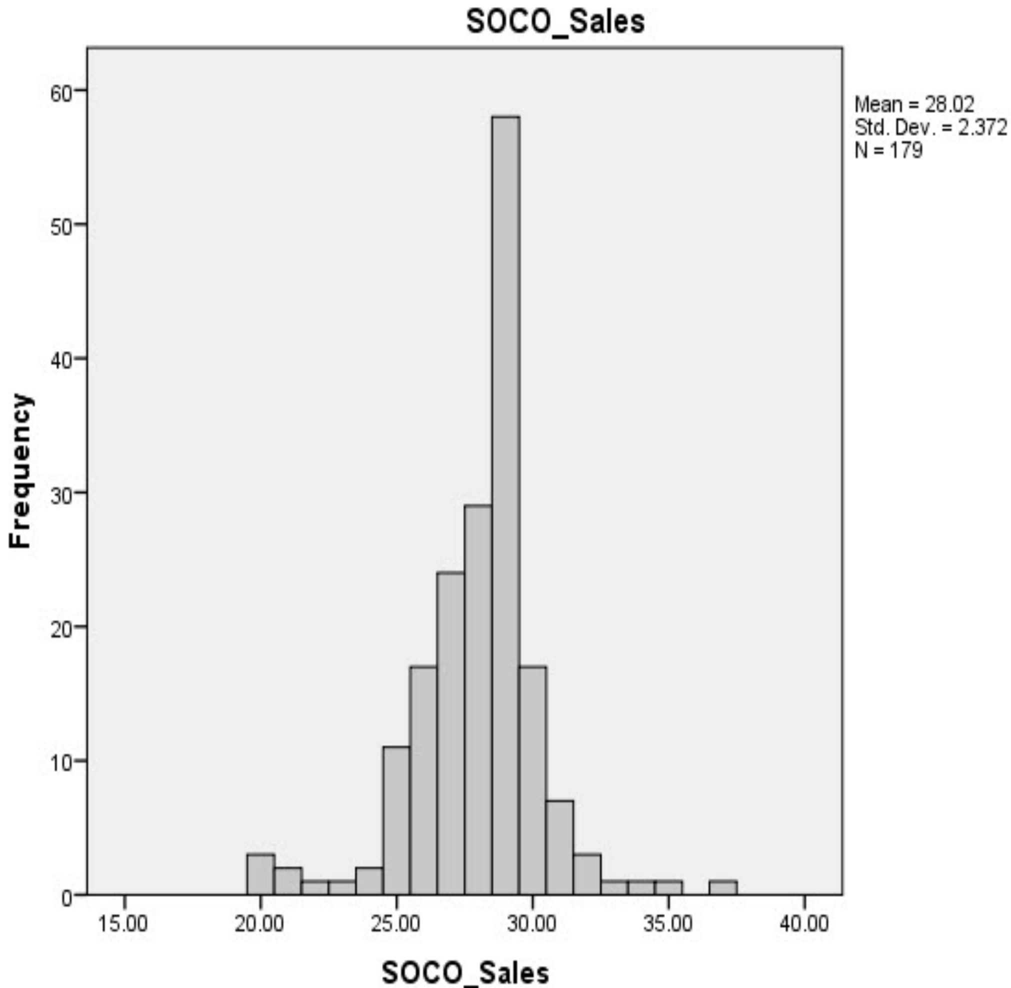

Figure 6. Histogram of Selling Orientation. Note: Graphic generated in SPSS.

After total SOCO score was calculated, the next step was to create subscale scores for the 7 MLQ5x leadership styles. The styles measured were transformational, idealized attributes, idealized behaviors, inspirational motivation, intellectual stimulation, transactional, and contingent reward. Histograms and means comparisons were generated for each of these leadership styles. Means comparisons, which appear in Table 2, indicate that idealized behaviors and transformational leadership were the most common leadership styles to which the sample had been exposed; contingent leadership came last.

Table 7

Means Comparison of Leadership Styles

Leadership Style	Mean	Standard Deviation
Transformational	15.2881	3.85704
Idealized Attributes	13.2147	3.20251
Idealized Behaviors	15.3729	4.16519
Inspirational	13.0533	3.95399
Intellectual	13.8663	4.10386
Transactional	13.3543	4.01437
Contingent	8.9294	3.36986

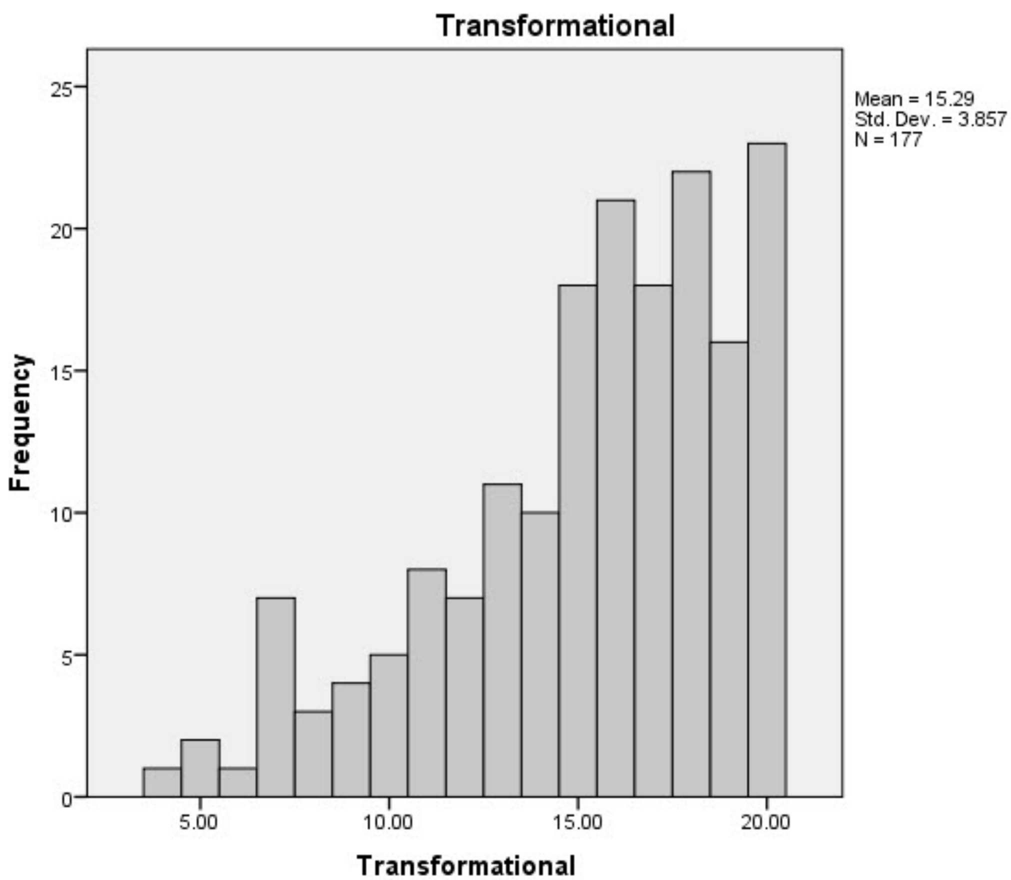

Figure 7. Histogram of transformational leadership score. Note: Graphic generated in SPSS.

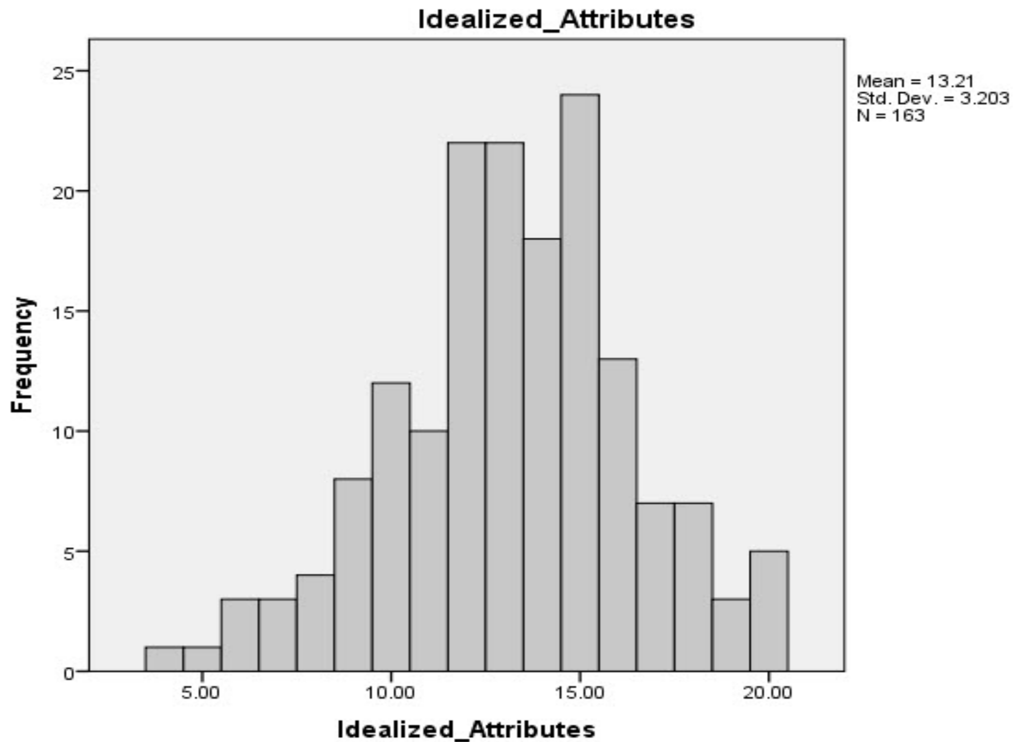

Figure 8. Histogram of idealized attributes leadership score. Note: Graphic generated in SPSS.

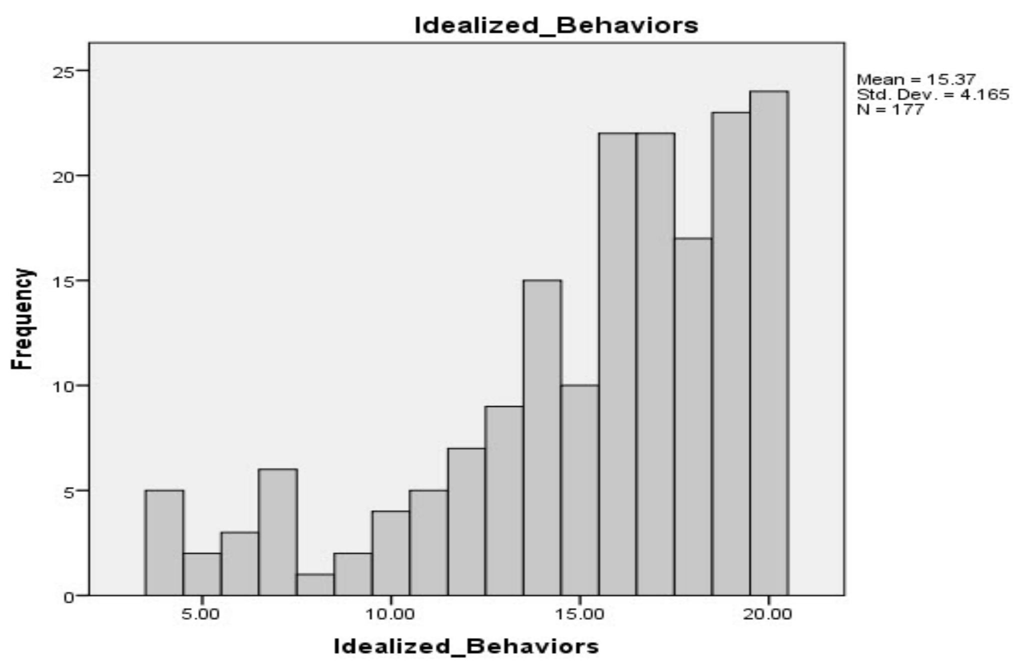

Figure 9. Histogram of idealized behaviors leadership score. Note: Graphic generated in SPSS.

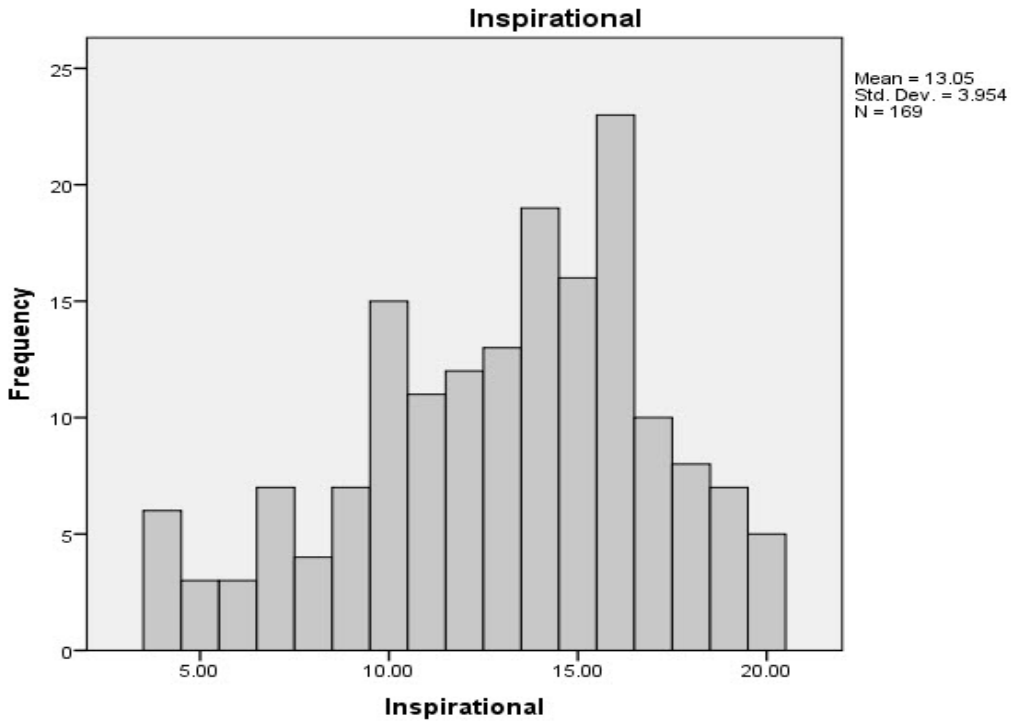

Figure 10. Histogram of inspirational leadership score. Note: Graphic generated in SPSS.

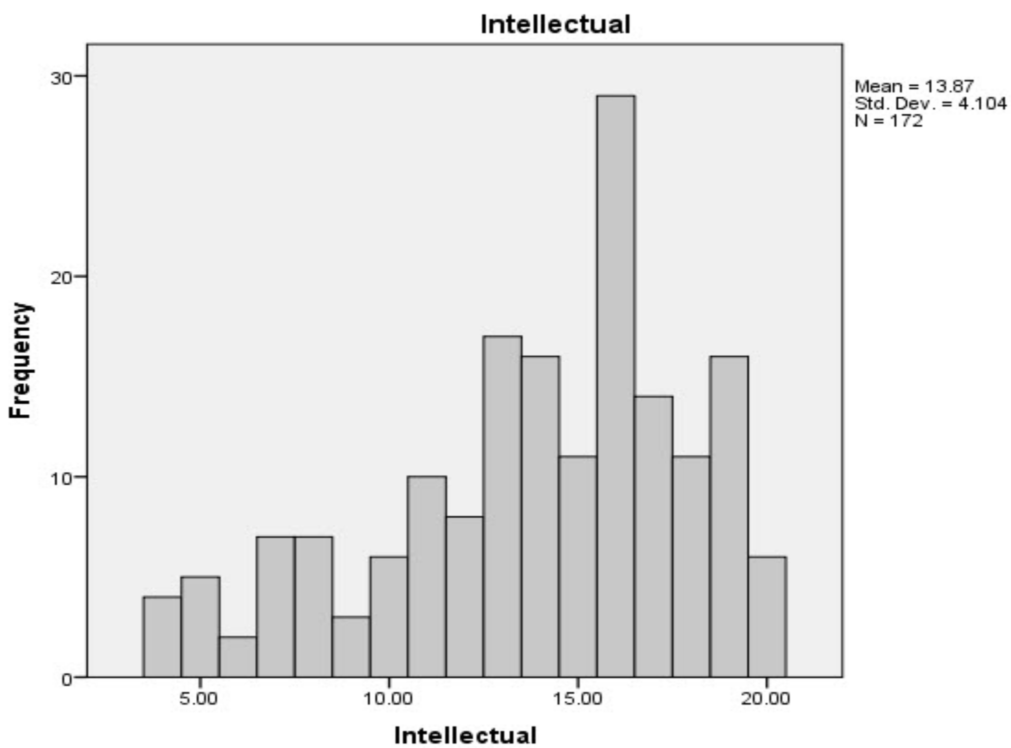

Figure 11. Histogram of intellectual leadership score. Note: Graphic generated in SPSS.

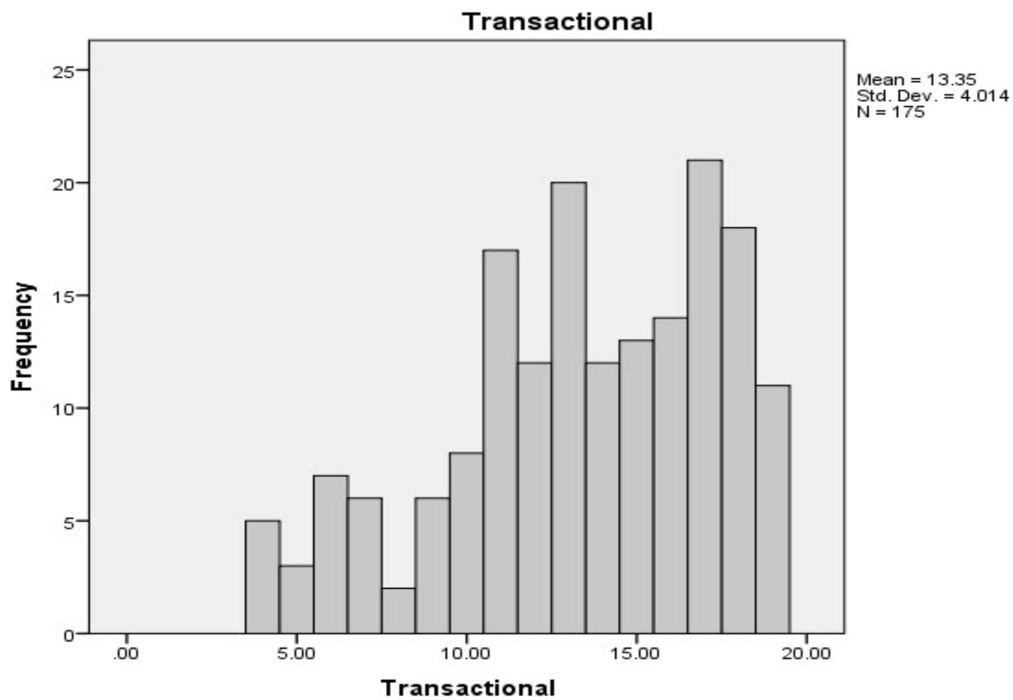

Figure 12. Histogram of transactional leadership score. Note: Graphic generated in SPSS.

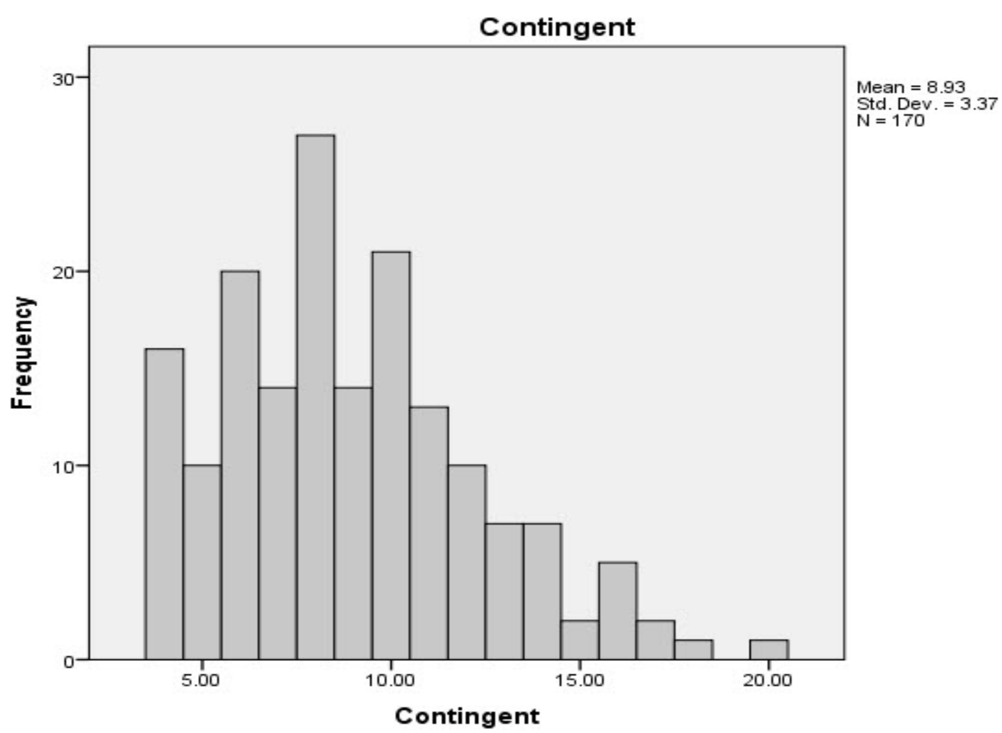

Figure 13. Histogram of contingent leadership score. Note: Graphic generated in SPSS.

Tests of normality on the independent variables indicated that none of the leadership styles, with the possible exception of idealized attributes, was distributed normally.

Table 8

Normality Tests, Independent Variables

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	*df*	Sig.	Statistic	*df*	Sig.
Transformational	.140	143	.000	.920	143	.000
Idealized Attributes	.092	143	.005	.984	143	.095
Idealized Behaviors	.158	143	.000	.887	143	.000
Inspirational	.102	143	.001	.970	143	.003
Intellectual	.142	143	.000	.943	143	.000
Transactional	.121	143	.000	.936	143	.000
Contingent	.143	143	.000	.949	143	.000

Research Questions and Hypothesis Testing

The research questions of the study were designed to measure the influence of the independent variables of transformational and transactional leadership on the dependent variables of customer orientation and selling orientations. In order to test the hypotheses associated with the research questions, two linear regression analyses were conducted. In the first regression, transformational and transactional leadership were regressed on customer orientation. In the second regression, transformational and transactional leadership were regressed on selling orientation. In order to measure the effect of covariates, two further regressions were conducted. In these regressions, the covariates were added as independent variables, and the resulting changes in significance, effect size, and Beta coefficient magnitudes and directionalities were noted, allow conclusions to be reached about how the covariates influenced the relationship between the independent variables and the dependent variables.

$H_0$1: There is no difference in a transformational leadership style and a salesperson's customer orientation.

$H_1$1: There is a difference in a transformational leadership style and a salesperson's customer orientation.

$H_0$3: There is no difference in a transactional leadership style and a salesperson's customer orientation.

$H_1$3: There is a difference in a transactional leadership style and a salesperson's customer orientation.

Table 9 showed the results of the first regression indicated that neither transformational (p = .339, t = -.960) nor transactional leadership (p = .051, t = 1.969) exerted a significant influence on customer orientation. Overall, the significance of the model was .105 (F = 2.286, R^2 = .028).

Table 9

Regression of Transactional and Transformational Leadership on Customer Orientation

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.166[a]	.028	.016	3.07296

a. Predictors: (Constant), Transactional, Transformational

ANOVA[a]

Model	Sum of Squares	*df*	Mean Square	*F*	Sig.
Regression	43.180	2	21.590	2.286	.105[b]
Residual	1520.332	161	9.443		
Total	1563.512	163			

a. Dependent Variable: SOCO_Customer

b. Predictors: (Constant), Transactional, Transformational

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
	B	Std. Error	Beta		
(Constant)	41.615	.991		41.996	.000
Transformational	-.092	.096	-.115	-.960	.339
Transactional	.185	.094	.236	1.969	.051

a. Dependent Variable: SOCO_Customer

$H_0$2: There is no difference in a transformational leadership style and a salesperson's selling orientation.

$H_1$2: There is a difference in a transformational leadership style and a salesperson's selling orientation.

$H_0$4: There is no difference in a transactional leadership style and a salesperson's selling orientation.

$H_1$4: There is a difference in a transactional leadership style and a salesperson's selling orientation.

Table 10 showed the results of the second regression indicated that neither transformational (p = .924, t = -.096) nor transactional leadership (p = .549, t = .601) exerted a significant influence on selling orientation. Overall, the significance of the model was .711 (F = .342, R^2 = .004).

Table 10

Regression of Transactional and Transformational Leadership on Selling Orientation

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.065[a]	.004	-.008	2.36226

a. Predictors: (Constant), Transactional, Transformational

ANOVA[a]

Model		Sum of Squares	*df*	Mean Square	*F*	Sig.
	Regression	3.813	2	1.906	.342	.711[b]
	Residual	909.585	163	5.580		
	Total	913.398	165			

a. Dependent Variable: SOCO_Selling
b. Predictors: (Constant), Transactional, Transformational

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
	(Constant)	27.589	.749		36.832	.000
	Transformational	-.007	.074	-.012	-.096	.924
	Transactional	.043	.072	.073	.601	.549

a. Dependent Variable: SOCO_Selling

The next two regressions included the covariates of the model. Adding in the covariates appeared to result in more significant findings.

Table 11

Regression of Transactional and Transformational Leadership on Selling Orientation (Covariates Added)

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.326[a]	.106	.052	2.35870

a. Predictors: (Constant), 2013, What is the number of years in your current role?, Transformational, What is the number of years with your current company?, What is the number of years you have worked in sales?, Transactional, 2011, 2012

ANOVA[a]

Model		Sum of Squares	*df*	Mean Square	*F*	Sig.
	Regression	86.729	8	10.841	1.949	.058[b]
	Residual	728.813	131	5.563		
	Total	815.543	139			

a. Dependent Variable: SOCO_Selling
b. Predictors: (Constant), 2013, What is the number of years in your current role?, Transformational, What is the number of years with your current company?, What is the number of years you have worked in sales?, Transactional, 2011, 2012

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
	(Constant)	27.469	1.161		23.668	.000
	Transformational	-.054	.082	-.085	-.664	.508
	Transactional	.067	.080	.109	.841	.402
	What is the number of years in your current role?	.023	.170	.016	.137	.891
	What is the number of years with your current company?	-.181	.157	-.111	-1.154	.251
	What is the number of years you have worked in sales?	-.166	.193	-.095	-.856	.393
	2011	.247	.476	.150	.520	.604
	2012	.062	.710	.036	.088	.930
	2013	.223	.499	.130	.447	.655

a. Dependent Variable: SOCO_Selling

The results of the third regression indicated that, after adding the covariates, neither transformational (p = .508, t = -.664) nor transactional leadership (p = .402, t = .841) exerted a significant influence on selling orientation. Overall, the significance of the model was .058 (F = 1.949, R^2 = .106).

Table 12

Regression of Transactional and Transformational Leadership on Customer Orientation (Covariates Added)

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.244[a]	.060	.001	2.72282

a. Predictors: (Constant), 2013, What is the number of years in your current role?, Transformational, What is the number of years with your current company?, What is the number of years you have worked in sales?, Transactional, 2011, 2012

ANOVA[a]

Model		Sum of Squares	*df*	Mean Square	*F*	Sig.
	Regression	60.733	8	7.592	1.024	.421[b]
	Residual	956.376	129	7.414		
	Total	1017.109	137			

a. Dependent Variable: SOCO_Customer
b. Predictors: (Constant), 2013, What is the number of years in your current role?, Transformational, What is the number of years with your current company?, What is the number of years you have worked in sales?, Transactional, 2011, 2012

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
	(Constant)	41.734	1.371		30.434	.000
	Transformational	-.134	.095	-.186	-1.418	.159
	Transactional	.204	.092	.292	2.213	.029
	What is the number of years in your current role?	.019	.197	.012	.099	.921
	What is the number of years with your current company?	.112	.181	.062	.618	.538
	What is the number of years you have worked in sales?	-.080	.224	-.041	-.356	.722
	2011	.791	.561	.428	1.410	.161
	2012	-1.168	.909	-.596	-1.284	.201
	2013	.481	.643	.248	.748	.456

a. Dependent Variable: SOCO_Customer

The results of the fourth regression indicated that, after adding the covariates, transformational leadership (p = .159, t = -1.418) did not exert a significant influence on customer orientation, but transactional leadership (p = .029, t = 2.213) did exert a significant influence on customer orientation. Overall, the significance of the model was .421 (F = 1.024, R^2 = .060).

On the basis of these regressions, the first, second, and fourth null hypotheses of the study could not be rejected, and the third null hypothesis of the study could not be accepted. There appeared to be a significant relationship between transactional leadership and customer orientation, such that:

Customer Orientation = (Transactional Leadership)(.204) + 41.734

Thus, every unit increase in exposure to transactional leadership reported by the sample was associated with a .204 point increase in customer orientation. However, there were no significant relationships between transformational leadership and customer orientation, transformational leadership and sales orientation, and transactional leadership and sales orientation.

Because so many of the participants had accumulated sales experience prior to coming to their current companies, the leadership styles of their current managers might not have been influential in forming their SOCO characteristics. For this reason, the regressions were run again after the sample was delimited to those participants whose length of time at their current companies was equal to the length of time that they had been in sales. This delimitation was designed to raise the chances that participants' customer and selling orientations were more directly related to the leadership styles to which they had been exposed at the current companies. These results were not used for hypothesis testing purposes, but they provided interesting insights nonetheless.

Table 13

Regression of Transactional and Transformational Leadership on Selling Orientation (Covariates Added, Sample Delimited to Sales Experience = Time at Current Company)

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.630[a]	.397	.241	1.77429

a. Predictors: (Constant), 2013, Transformational, What is the number of years in your current role?, Transactional, 2011, What is the number of years you have worked in sales?, 2012

ANOVA[a]

Model		Sum of Squares	*df*	Mean Square	*F*	Sig.
	Regression	55.973	7	7.996	2.540	.038[b]
	Residual	84.999	27	3.148		
	Total	140.971	34			

a. Dependent Variable: SOCO_Selling
b. Predictors: (Constant), 2013, Transformational, What is the number of years in your current role?, Transactional, 2011, What is the number of years you have worked in sales?, 2012

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
	(Constant)	28.164	1.640		17.176	.000
	Transformational	-.123	.134	-.206	-.917	.367
	Transactional	.104	.131	.177	.798	.432
	What is the number of years in your current role?	-.541	1.299	-.512	-.417	.680
	What is the number of years you have worked in sales?	.233	1.305	.220	.179	.860
	2011	-.329	1.315	-.270	-.250	.804
	2012	-2.585	1.648	-2.090	-1.569	.128
	2013	3.349	1.118	2.699	2.997	.006

a. Dependent Variable: SOCO_Selling

In the modified model, neither transformational (p = .367, t = -.917) nor transactional leadership (p = .432, t = .432) were significant predictors of sales orientation. However, the overall model was significant (p = .038, F = 2.540, R^2 = .397), as was 2013 sales (p = .006, t = 2.997).

Table 14

Regression of Transactional and Transformational Leadership on Customer Orientation (Covariates Added, Sample Delimited to Sales Experience = Time at Current Company)

Model Summary

Model	*R*	*R* Square	Adjusted *R* Square	Std. Error of the Estimate
	.534[a]	.285	.100	2.56328

a. Predictors: (Constant), 2013, Transformational, What is the number of years in your current role?, Transactional, 2011, What is the number of years you have worked in sales?, 2012

ANOVA[a]

Model		Sum of Squares	*df*	Mean Square	*F*	Sig.
	Regression	70.770	7	10.110	1.539	.197[b]
	Residual	177.401	27	6.570		
	Total	248.171	34			

a. Dependent Variable: SOCO_Customer
b. Predictors: (Constant), 2013, Transformational, What is the number of years in your current role?, Transactional, 2011, What is the number of years you have worked in sales?, 2012

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.
		B	Std. Error	Beta		
	(Constant)	42.599	2.369		17.983	.000
	Transformational	-.171	.194	-.217	-.884	.384
	Transactional	.188	.189	.241	.997	.328
	What is the number of years in your current role?	.978	1.877	.697	.521	.607

What is the number of years you have worked in sales?	-1.274	1.886	-.908	-.676	.505
2011	4.736	1.900	2.930	2.492	.019
2012	-3.893	2.380	-2.372	-1.635	.114
2013	-.354	1.615	-.215	-.219	.828

a. Dependent Variable: SOCO_Customer

In the modified model, neither transformational (p = .384, t = -.884) nor transactional leadership (p = .328, t = .997) were significant predictors of sales orientation. The overall model was not significant (p = .197, F = 1.539, R^2 = .285). 2011 sales were significant (p = .019, t = 2.492).

Limitations

There were several limitations to the research. First the survey sample was conducted in one sales industry, mortgage brokers. Second the survey sample was based in Canada and therefore the findings may not be applicable to other mortgage brokers in other countries. Third the number of participants and valid responses from the sponsoring organization was limited. The sponsoring organization, CAAMP, solicited by e-mail 4000 salespeople to participate in the survey. The e-mail request resulted in an initial response of 164 salespeople with 14 completed surveys for a response rate of .35% and 150 unusable surveys. The sponsoring organization kept the survey open for three weeks, one week longer than originally planned, to provide mortgage brokers an opportunity to participate. The survey produced 102 responses in week one, three responses in week two, and 59 in week three. The number of completed surveys was not enough to test to accept or reject the null hypotheses.

The limited responses through the sponsoring organization required the researcher to reach out directly to mortgage broker owners and franchise mortgage offices across Canada to request their participation in the study. A link to the survey through survey monkey was sent via e-mail to the broker owners and franchise owners to administer to approximately 1000 salespeople. The e-mail request resulted in a response of 266 with 178 completed surveys for a response rate of 17.8% and 88 unusable surveys. A large number of participants likely did not complete the survey because of the length of time it took to complete and the nature and complexity of the questions.

Summary of Results

The four hypotheses of the study pertained to whether transactional and transformational leadership styles were significant predictors of sales orientation and customer orientation, measured separately. These hypotheses were administered by administering the MLQ5x and SOCO scale to participants and measuring the relationship between leadership style scores and customer orientation / selling orientation subscale scores after adding the covariates of number of years in sales, number of years in current role, number of years in current company, and 2011, 2012, and 2013 companies revenues. Based on the results, it was concluded that the first, second, and fourth null hypotheses could not be rejected, while the third null hypothesis could not be accepted. In terms of the third null hypothesis, it was found that:

Customer Orientation = (Transactional Leadership)(.204) + 41.734

However, the R^2 of the regression model in which customer orientation was found to be related to transactional leadership was only .060, meaning that 6% of the variation in customer orientation was ascribable to variation in transactional leadership, transformational leadership, and the six covariates (numbers of years at current company, number of years in sales, number of years in current role, 2011 revenues, 2012 revenues, and 2013 revenues). Thus, the explanatory power of transactional leadership over customer orientation is highly limited.

The main overall finding to emerge from the statistical analysis is that neither transactional nor transformational leadership were notable influencers of customer orientation or selling orientation. This finding was robust to the addition of six covariates and to the delimitation of the sample to those participants whose number of years in sales equaled their number of years with their current companies. In Chapter 5, some theoretical reasons for this finding will be explored, alongside a discussion of the relevance of the findings for past and future empirical studies.

CHAPTER 5. DISCUSSION, IMPLICATIONS, RECOMMENDATIONS

Introduction

The purpose of this chapter is to first discuss the results of the analysis as associated with the study and identified in Chapter 4. The first section contains a summary of the results from the study. The second section presents the findings and interpretations. The final section provides the limitations and recommendation for future research. A brief conclusion will provide a summary of the study.

Summary of the Results

The purpose of this study was to establish if a sales manager's leadership style could influence a salesperson's selling behavior so that salespeople can effectively align their selling approach in a sales transaction. In this study the mortgage broker's selling orientation and customer orientation were measured against the mortgage broker's perceptions of their sales manager's leadership style.

Transformational and transactional leaders have the ability to affect the selling behavior of their salespeople. Transformational leader's behavior inspires trust, respect, commitment, which motivates their people to go above and beyond (Podsakoff et al., 1996) whereas transactional leader's behavior creates an environment where goals and expectations are clearly defined and aligned with a system of rewards and punishments (Bass & Riggio, 2006). Salespeople with a customer-oriented approach have a genuine concern for their customers placing the customer's needs and satisfaction before the sale

(Schwepker & Good, 2012a). Salespeople with a selling-oriented approach place more attention on their own needs and will focus on the sale more than the needs of the customer (Chakrabarty et al., 2012).

The research was nonexperimental quantitative study that used an online survey through survey monkey to collect the data from mortgage brokers in Canada to determine if a transformational or transactional leadership style affected the selling or customer orientation of a salesperson. The significance of the study is that it may provide virtual sales managers with new insights on how to effectively manage their salespeople, support their salespeople's performance, and to assist in guiding their sales teams behavior so that salespeople can effectively align their sales approach within the buyer and seller exchange. In a selling situation the critical ingredient in a salesperson's skill set is their ability to match the selling strategy to the selling situation (Autry et al., 2013). Data derived from the sponsoring organization was deemed as inconclusive as not enough participants completed the survey to test to accept or reject the null hypotheses. A second survey through survey monkey produced enough data for each of the variables and was sufficient to use for the statistical analysis.

The findings from the data collected suggested there was no relationship between a sales manager's leadership style and the salesperson's customer orientation. The null hypotheses H_01 and H_03 was accepted and it was concluded transformational and transactional leadership styles had no difference in a salesperson's customer orientation in the buyer and seller exchange. The null hypotheses H_02 and H_04 was accepted and it was concluded transformational and transactional leadership styles had no difference in a salesperson's selling orientation in the buyer and seller exchange.

Findings and Interpretations

The findings from this study would indicate neither transformational or transactional leadership style influence a salesperson's customer or selling orientation. One possible interpretation of these findings is that a salesperson's selling and customer orientation is formed largely independent of leadership styles. Managers and supervisors can change whereas the organization's culture and environment has a lasting effect and therefore the opportunity to create a greater influencer on salesperson's behavior based on the needs of the organization (Guenzi et al., 2011). Sales manager's behavior and leadership style is important in shaping the salesperson's selling and customer orientation but it is the organization that determines a salesperson's direction and focus.

Building relationships requires a high level of trust through ongoing exchange experiences (Kantsperger & Kunz, 2010). It is the rule of reciprocity, a mutual give and take in a relationship, which creates a continuous self-reinforcing series of exchanges (Cropanzano & Mitchell, 2005) and commitment. Trust is an essential ingredient (Aurier & N'Goala, 2012), the foundation (Guenzi & Georges, 2010), and building block (Cater & Cater, 2010) for a successful relationship. Trust encompasses such aspects of credibility, reliability (Aurier & N'Goala, 2010; Kantsperger & Kunz, 2010), and honesty (Cater & Cater, 2010; Kantsperger & Kunz, 2010). The same key components identified in Maritz Research (2012) affect a customer's unfavorable perception of the broker industry. The ability to build trust between a mortgage broker and mortgage consumer has its challenges due to the limited cross-sell and up-sell opportunities and the limited face-to-face interaction. Once the mortgage advances a financial institution, not the originating broker, manages the ongoing serviceability of the mortgage limiting the level of future engagement between the mortgage broker and consumer.

The results from this survey demonstrated mortgage brokers perceived themselves as having a higher customer orientation than a sales orientation. Meaning mortgage brokers placed a higher priority on meeting the needs of the customer at the expense of the sale (Chakrabarty et al., 2012; Geunzi et al., 2011; Marshall et al., 2012), with the objective of building a lasting customer relationship (Homburg et al., 2011). As a form of reciprocity, customers will often respond to this value creation by increasing the number of purchases or purchasing power. An ongoing challenge within the mortgage broker industry is the less favorable customer perception of the mortgage broker. Mortgage customers perceived their bank lenders to be more honest, reliable, and trustworthy than mortgage brokers (Maritz Research, 2012) and as a result the repeat mortgage business for financial banking lenders in 2012 was 76% verses 26% for mortgage brokers.

A customer orientated selling approach consumes a great deal of a salesperson’s time in building rapport, customizing solutions with longer sales cycles and ultimately generates a higher cost to the organization than the traditional selling approach. The mortgage broker’s ability to nurture a long-term relationship is limited not only by their lack of reciprocity and trust but also by the nature of their compensation. The broker industry compensation is based on an out-come management philosophy where the incentive (commission) constitutes the largest if not their total compensation. A variable compensation is based on individual sales results and sales costs (Kuster & Canales, 2011) and has been positively related to a salesperson's selling orientation and sales performance (Guenzi et al., 2011). The sales force control system utilized most often in the broker industry is an out-come based structure that provides limited opportunities for mortgage brokers to deepen, build, and retain the trust of their customers to create future sales. Most mortgage sales through the broker channel are a single commission commodity product. Mortgage broker's energies and financial resources should be focused on developing and enhancing the customer experience in a transactional sale in order to build their referrals. Mortgage brokers consider themselves as customer focused with the expectation of building a long-term relationship but based on the Martiz Research (2012), mortgage consumer's purchasing behavior it does not support the mortgage brokers sales process.

The statistical analysis results of the fourth regression indicated after adding the covariates, transactional leadership did exert significant influence on customer orientation (the significance of the model was .421, $F = 1.024$, $R^2 = .060$), meaning there was a relationship between transactional leadership and customer orientation. One possible interpretation for these findings is the large number of tenured mortgage brokers who participated in the study. Of the participants, 44.38% had been in their current roles, as mortgage brokers for 7 years and greater and 76.27% of the participants had been in some capacity of a sales role greater than 7 years. One could postulate these participants were well established and successful as mortgage brokers, had established a successful sales strategy, strong referral network, repeat clientele and required very little direction, coaching or mentoring to conduct their roles. As a seasoned mortgage broker they simply required their sales leader to provide clear expectations and performance goals.

Limitations and Recommendations For Future Research

The first limitation of the research was this study relied on data from a cross sectional survey. The variables in the study were measured at the same time and therefore do not cover the long-term effects of a salesperson's selling or customer orientation in the buying and selling exchange. The second limitation was the data was drawn from a single industry in Canada therefore the study would include the possible lack of generalization to other groups or settings and raise questions of transferability to other regions. A third limitation is the data collected was exclusively from a salesperson's point of view and measured by self-reports therefore there is a potential for common method bias. The fourth limitation is the low response rate. Caution therefore should be exercised in the interpretation of the results and generalized findings to other sales environments.

Recommendations for future research would be to conduct the study in a variety of industries and other countries. Findings from other services, industries, and countries could help identify differences in key characteristics of the sales cycle and the level of interaction and intensity of the salesperson. Future research could complement this study by analyzing its main hypotheses using longitudinal data. A longitudinal study could affectively measure the long-term affect of the customer and buyer exchange and more effectively measure a salesperson's customer orientation or selling orientation. Future research could benefit from gaining additional insight from a manager's perspective either through managerial rating sales performance tools or an instrument to objectively measure performance data. This study specifically targeted by design an industry of salespeople heavily compensated by commission. Additional research in an industry with a heavy concentration on salary driven compensation model and a more behavior based control system would be useful to investigate the sales manager's leadership style and its influence on a salesperson's selling or customer orientation.

Conclusion

The goal of this study was to determine to what extent did a sales manager's leadership style influence a salesperson's customer orientation or selling orientation. The findings from this study could not support this statement. While previous and present research shows transformational and transactional leaders have the ability to affect the selling behavior of their salespeople the main overall finding to emerge from the statistical analysis is that neither transactional nor transformational leadership were notable influencers of customer orientation or selling orientation. This suggests there is an opportunity to conduct further research to examine the effect transformational and transactional leaders have on other types of work groups, teams, or organizations.

While there were limitations identified in this research that could potentially affect the validity of the study, the analysis of the research's findings provided some possible explanations for the limited repeat business and the unfavorable customer perception of mortgage brokers. This study also provided several recommendations for future research and potential opportunities for the mortgage broker industry to enhance the salesperson's buyer and seller exchange.

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