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**Knowledge Acquisition in Sales Organizations:
Empirical Research of Japanese Firms**

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ABSTRACT

Salespeople play an important role as boundary spanners who link an organization with the market, and they are the center of information processing in the firm. Past research on personal selling studies has investigated the relationship between salespeople's knowledge and their performance, however, there are few studies that examine the knowledge acquisition process and organizational influence on it. This dissertation explores the organizational determinants of salespeople's knowledge in sales departments, focusing on the effect of sales experience and organizational culture. Our investigation is related to personal selling research, cognitive psychological research, and organizational research.

We conducted three questionnaire surveys and one case study. The sample of this study involves 108 car dealership salespeople, 98 real estate salespeople, and 181 sales departments of the firms listed in the Tokyo Stock Exchange. We analyzed data both at the individual level and the department or organizational level.

Results show the following five points. First, high-performing veteran salespeople have customer-oriented and active selling knowledge, although each sales domain has a key sales process. Second, the more experience salespeople gain, the stronger the relationship between salespeople's knowledge and their performance becomes. In addition, it takes 10 years to acquire expert selling knowledge. Third, branch office culture affects salespeople's metacognitive knowledge differently when salespeople's experience is different. Fourth, market uncertainty moderates the effect of organizational culture on sales styles. Specifically, in a highly uncertain market, a competitive and cooperative organizational culture affects sales styles. Finally, several organizational systems and the entrepreneurial leadership of top management influence a competitive and cooperative culture.

Based on the findings of this study, we proposed a model on determinants of selling knowledge. This model suggests that we must consider the effect of experience, organizational culture, and market environment on knowledge

acquisition in sales organizations.

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CONTENTS

Chapter 1	Introduction	8
1-1	Research Background	
1-1-1	Personal Selling Research	
1-1-2	Cognitive Psychology	
1-1-3	Organizational Research	
1-2	Outline of the Thesis	
Chapter 2	Review of the Literature	16
2-1	Selling Knowledge and Its Acquisition	
2-1-1	Research on Personal Selling	
2-1-2	Metacognitive Knowledge	
2-1-3	Skill Acquisition and Expertise Research	
2-2	Organizational Influence on Knowledge	
2-2-1	Organizational Culture and Performance	
2-2-2	Market Orientation	
2-2-3	Determinants of Organizational Culture	
2-3	Research Questions	
2-4	Summary	
Chapter 3	The Effect of Sales Experience on Procedural Knowledge of Car Dealership Salespeople	40
3-1	Hypothesis	
3-2	Method	
3-3	Results	
3-4	Discussion	

3-5 Summary

Chapter 4 The Effect of Sales Experience on Procedural Knowledge of Real Estate Salespeople	46
--	----

4-1 Hypothesis

4-2 Method

4-3 Results

4-4 Discussion

4-4-1 Theoretical Implications

4-4-2 Practical Implications

4-4-3 Limitations and Future Directions

4-5 Summary

Chapter 5 The Effect of Branch Office Culture on Salespeople's Metacognitive Knowledge	56
---	----

5-1 Research Questions and Hypothesis

5-2 Method

5-2-1 Procedure

5-2-2 Measures

5-3 Results

5-3-1 Structure of Sales Meta-knowledge

5-3-2 Sales Experience and Sales Meta-knowledge

5-3-3 Testing Hypothesis 1: Sales Meta-knowledge and Performance

5-3-4 Testing Hypothesis 2: Branch Office Culture and Sales Meta-knowledge

5-4 Discussion

5-4-1 Type of Sales Meta-knowledge

- 5-4-2 Experience and Meta-knowledge
- 5-4-3 Impact of Branch Culture on Meta-knowledge
- 5-4-4 Practical Implications
- 5-4-5 Limitations and Future Directions
- 5-5 Summary

Chapter 6 The Effect of Sales Department Culture on Sales Styles and Performance 74

- 6-1 Research Model and Hypothesis
- 6-2 Method
 - 6-2-1 Sample
 - 6-2-2 Proposed Model
 - 6-2-3 Measures
- 6-3 Results
 - 6-3-1 Model Fit
 - 6-3-2 Testing Hypothesis 1
 - 6-3-3 Testing Hypothesis 2
- 6-4 Discussion
 - 6-4-1 Sales Department Culture and Sales Styles
 - 6-4-2 Sales Styles and Performance
 - 6-4-3 Limitations and Future Directions
- 6-5 Summary

Chapter 7 Case Study of ORIX Corporation 89

- 7-1 Research Questions
- 7-2 The case of ORIX Corporation
 - 7-2-1 An Overview of the ORIX Group
 - 7-2-2 Sales Strategy, Sales Activities, and Organizational

Culture

7-2-3 Determinants of Organizational Culture

7-3 Discussion

7-3-1 A Competitive Yet Cooperative Culture and Innovative Selling

7-3-2 Determinants of a Competitive Yet Cooperative Culture

7-3-3 Practical Implications

7-4 Future Directions

7-5 Summary

Chapter 8 Conclusion 101

8-1 Main Findings

8-2 Proposed Model

8-3 Limitation and Future Directions

References 111

Appendix 123

Questionnaire (1): Chapter 3 and 5

Questionnaire (2): Chapter 4

Questionnaire (3): Chapter 6

Chapter 1

Introduction

Salespeople play an important role as boundary spanners who link an organization with the market. Empirical research on personal selling, a part of marketing research, has revealed that salespeople's knowledge is related to their performance. The process by which this knowledge is acquired, however, the influence of an employee's organization on this process, remain unclear. In order to explore the organizational determinants of salespeople's knowledge, we examined the relationship between experience and organizational culture. Our investigation was informed by personal selling research, cognitive psychological research, and organizational research. In this chapter, we begin by addressing the research background that informs this study, and we follow by outlining the content of the thesis.

1-1 Research Background

This study is related to three different areas: personal selling research, cognitive psychology, and organizational research (Fig.1-1). More specifically, we focused on salespeople; we examined their knowledge and how it was acquired, and we investigated the influence of organizational culture on performance through selling knowledge. In the following sections, we briefly explain the research background of this study. This background involves three different fields: personal selling research, cognitive psychology, and organizational research.

1-1-1 Personal Selling Research

Salespeople formed our principle focus because they play an important role as boundary spanners between an organization and the market (Dubinsky, Howell, Ingram, & Bellenger, 1986; Singh, Verbeke, & Rhoads, 1996). Recent studies of personal selling have examined salespeople's knowledge as a determinant of their performance. These studies have revealed that the selling knowledge structure of effective salespeople differs from that of ineffective salespeople (e.g. Leigh & McGraw, 1989; Leong, Busch, & John, 1989; Macintosh, Anglin, Szymanski, & Gentry, 1992; Matsuo & Yoshino, 1996; Sujan, Sujan, & Bettman, 1988). However, this research seems to have only limited managerial implications for the following three reasons: first, past research has yet to reveal the features of effective salespeople's knowledge; second, research on personal selling studies typically analyzes selling knowledge at a specific time and place, typically during business negotiations between a salesperson and the customer; third, because researchers have focused on the difference in the knowledge of effective and ineffective salespeople, they have yet to answer the question: "What determines a salesperson's task-specific knowledge?" To address these limitations in previous studies, we examined the relationship between sales experience and organizational culture. Experience is a key factor in cognitive psychology. In organizational research, organizational culture is thought to have a great impact on its member's attitudes or behavior.

1-1-2 Cognitive Psychology

Although cognition is usually divided into cognitive processes such as attribution (Matsuo, 1994a; Matsuo 1994b), and cognitive structures such as knowledge, we focused on knowledge. In cognitive psychology, knowledge is usually classified as 'declarative knowledge' and 'procedural knowledge' (Anderson 1980). Declarative knowledge refers to knowledge about facts, which can be expressed by a proposition like "A is B". On the other hand, procedural knowledge is knowledge of a method or skill, which is more difficult to explain simply. Of these two types of knowledge, we examined, in the main, the procedural knowledge of salespeople, that is, their

selling methods and skills. In addition, we also focused on metacognitive knowledge about selling. This is defined as the salesperson's personal belief, philosophy, or model for selling activity. Metacognitive knowledge is higher-order knowledge, one that guides and directs selling methods and skills.

Our exploration of the knowledge acquisition process of salespeople is based on Anderson's (1982, 1983) skill acquisition model and past research on expertise, which suggest the importance of experience. Anderson's model is consistent with the 10-year rule of necessary preparation, which suggests that it requires about 10 years of preparation to attain high performance in several domains (Ericsson 1996). However, 10 years of experience does not guarantee expert performance. Instruction and deliberate practice are needed to become a high-performing expert (Ericsson 1996). Therefore, organizational factors are expected to have a great impact on salespeople's knowledge acquisition.

1-1-3 Organizational Research

Empirical studies on knowledge acquisition and metacognitive knowledge have generally been undertaken in a laboratory setting. To date, few studies of this nature have been undertaken in a managerial context. Therefore, we examined salespeople's knowledge acquisition process in an organization. Our methodology, however, has several limitations. In our investigation of organizational factors, we focused on organizational culture, because past research suggests that organizational culture and climate have a strong impact on organizational members' attitudes or behaviors. However, there is little agreement on the relationship between organizational culture and performance, and the effect of organizational culture on member's knowledge remains unclear. In addition, some researchers have insisted that the culture-performance relationship depends on environment. In this study, we investigated the effect of organizational culture on salespeople's knowledge at an individual level. We also examined the moderating effect of environment on the relationship between organizational culture and performance through sales styles. These analyses may contribute to research on personal

selling , cognitive psychology, and organizational culture.

Even if the precise effect of organizational culture on salespeople's knowledge could be determined, it would not constitute a managerial breakthrough, because the determinants of organizational culture remain unclear. In order to manage salespeople's knowledge effectively, we need to know the determinants of the specific organizational culture that promotes salespeople's knowledge.

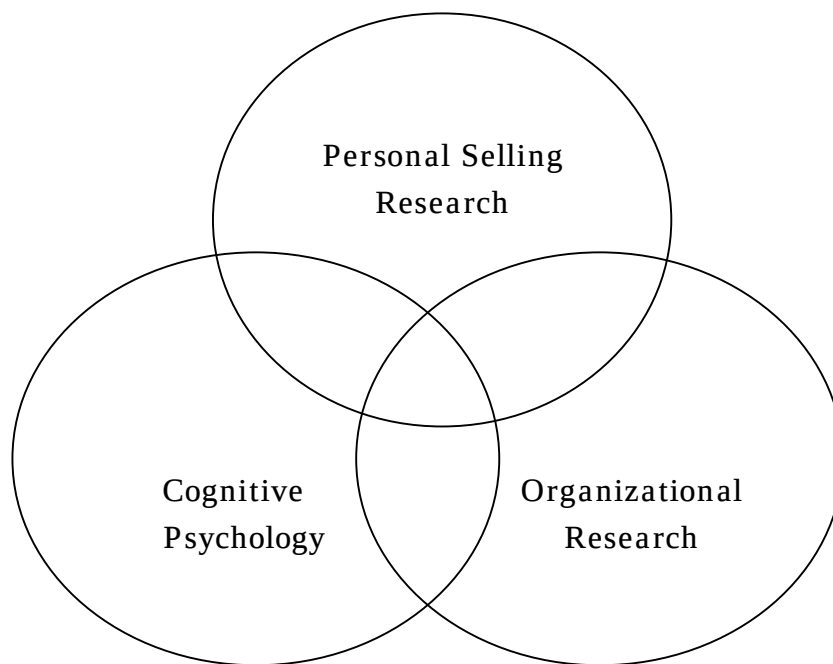


Fig. 1-1 Interdisciplinary Characteristic of This Study

1-2 Outline of the Thesis

This thesis consists of eight chapters including four questionnaire surveys and one case study. We briefly outline of this thesis in the following sections.

Chapter 2

We reviewed the literature related to the following two topics; 1) selling knowledge

and its acquisition process; 2) the influence of organizational culture. The former is related to an individual level of knowledge, while the latter refers to knowledge about a larger concept; a department or an organization. First, we offered an overview of research according to the following fields: the cognitive approach in personal selling studies, metacognitive knowledge, skill acquisition and expertise research. Then we review research on organizational culture-performance relationship, on market orientation, and on the determinants of organizational culture. On the basis of this investigation into past research, we have constructed a general research question, and four research questions, to make the purpose of this study clear. In each chapter from 3 to 7, we proposed specific research questions, or hypotheses that are related to these four research questions, and we conducted empirical surveys and a case study to test them.

Chapter 3

We explore the knowledge acquisition process of car dealership salespeople by examining the effect of sales experience on the knowledge-performance relationship. Specifically, salespeople were classified as “Newcomer group”, “Associate group”, and “Veteran group” on the basis of their sales experience, and we investigated the relationship between salespeople’s procedural knowledge and their performance in each group. The moderating effect of sales experience on the knowledge – performance relationship was identified. It was determined that the more experience salespeople gain, the stronger the relationship between salespeople’s knowledge and their performance becomes.

Chapter 4

We analyzed survey data of real estate salespeople, in order to confirm the findings of chapter 3. The same research procedure was employed, although we substituted salespeople’s age for sales experience as the basis for classification. Salespeople were categorized into a Newcomer/Associate group and a Veteran group. The result showed the moderating effect of sales age on the knowledge – performance

relationship. This result confirmed the findings of chapter 3. The features of high-performing salespeople were identified by comparing the results of chapters 3 and 4.

Chapter 5

We focused on the salespeople's metacognitive knowledge, that is, knowledge that is thought to direct or control procedural knowledge, and we investigated the impact of sales experience and branch office culture on this metacognitive knowledge using survey data from car dealership salespeople. We determined the moderating effect of sales experience on the knowledge – performance relationship. This result confirmed the findings of chapters 3 and 4. We also found the moderating effect of sales experience on the branch office culture – meta-knowledge relationship. Specifically, an internally competitive culture has a different effect on different experienced salespeople.

Chapter 6

We conducted a questionnaire survey of sales departments in Japan, and examined the moderating effect of market uncertainty on the relationship between the sales department culture, sales styles, and performance. Although this study did not deal with salespeople's knowledge directly, sales styles are thought to reflect the knowledge in sales departments. The results suggested that in a highly uncertain market, a competitive and cooperative sales department culture influences sales styles. This in turn, enhances customer satisfaction and financial performance.

Chapter 7

In order to examine the findings of chapter 5 in more detail, we conducted a case study of the ORIX Corporation, a Japanese leasing company. The results revealed that a competitive and cooperative organizational culture influences selling innovation by knowledge creation. We also found that such factors as the leadership of top management, uncertainty of the market, corporate strategy, and

organizational systems combine to determine a competitive and cooperate organizational culture in the ORIX Corporation.

Chapter 8

We summarized the main findings and their theoretical implications according to the four research questions. We also addressed the practical implications of these findings. Based on our findings we proposed a model for the determinants of knowledge in sales organizations. Finally, the limitations of our project and some future directions were discussed.

Chapter 2

Review of the Literature

This chapter reviews the literature related to this thesis. The literature is divided into the following two parts: research on selling knowledge and its acquisition, and research on organizational influence on this knowledge. The former is mainly related to personal selling studies and cognitive psychology. This kind of research deals with knowledge at an individual level. The latter is associated with research on organizational cultures. This kind of research deals with factors at the corporate or organizational level. The outline of this chapter is shown in Fig.2-1. In the process of reviewing the literature, we point out the problems of past research, and we propose four research questions.

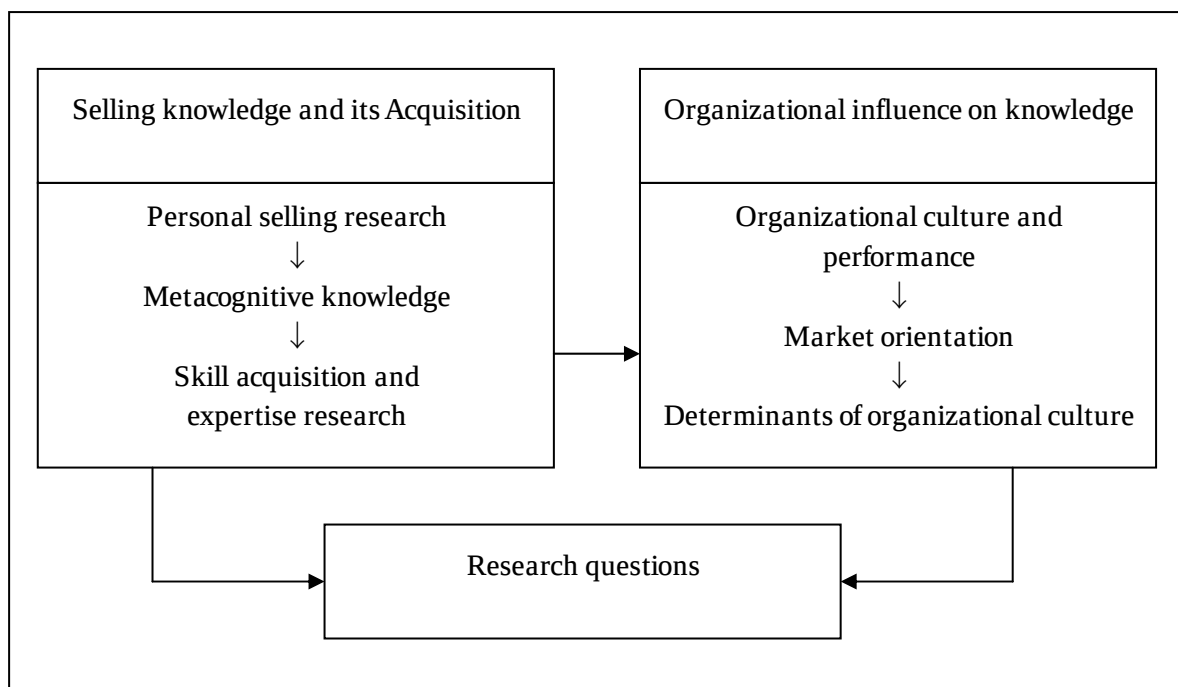


Fig.2-1 Outline of this Chapter

2-1 Selling knowledge and its acquisition

2-1-1 Personal Selling Research

Types of Selling Approach

Churchill, Ford, & Walker (1993) indicate that most selling techniques conform to one of four philosophical orientations: (1) The stimulus-response approach, (2) mental-state approach, (3) need-satisfaction approach, and (4) problem-solution approach. The stimulus-response approach uses a canned sales presentation that ignores differences in the needs and interests of different customers. The mental-state approach refers to a standardized sales presentation, based on a customer's state of mind. Both approaches are salesperson-oriented, rather than customer-oriented. In contrast, the need-satisfaction approach emphasizes the customer's needs and involves two-way communication between the seller and the buyer. The problem-solving approach goes one step further by helping customers to analyze their problems and select the best solution. Churchill et al. (1993) suggest that both approaches are customer oriented, and tend to be used mainly in selling technically complex and expensive industrial goods because both approaches need competent, well-trained, and experienced salespeople.

Customer-oriented selling corresponds to both a need-satisfaction and a problem-solution approach, as mentioned above. Saxe & Weitz (1982) point out that customer-oriented selling refers to the degree to which salespeople practice the marketing concept by trying to help their customers make purchasing decisions that will satisfy the customers' needs. They also indicate that customer-oriented selling incorporates low pressure selling and need-satisfaction/problem-solution selling.

Adaptive selling means that salespeople change their sales strategies according to the sales situation (Weitz, Suja, & Suja, 1986), and this concept seems to develop from customer-oriented selling. Excellent salespeople tend to recognize their sales

situation precisely and select an adaptive sales strategy to fit the situation (Leong, Busch, & John, 1989). In past research, adaptive selling has been analyzed from a cognitive approach, which uses cognitive theory to analyze salespeople's selling behaviors (e.g., Sujan, Sujan, & Bettman, 1988; Leong et al., 1989; Macintosh, Anglin, Szymanski, & Gentry, 1992).

It is notable, however, that customer-oriented selling (e.g., problem-solution or adaptive selling) costs a great deal more than stimulus-response or mental-state selling. Still, customer-oriented selling is positively related to sales performance when its benefits outweigh its costs (Weitz, 1981; Weitz et al., 1986). Few studies have examined the moderating effect on the relationship between customer-oriented selling and performance. Although Saxe & Weitz (1982) reported that customer-oriented selling affects performance when the salespeople are very competent and the salesperson-customer relationship has a long-term basis.

Recently, research on personal selling ("Eigyo" in Japanese) has attracted attention in Japan, and researchers stress the importance of customer oriented or proposal-oriented selling (selling activity that emphasizes a proposal that satisfies customer needs) on the basis of an empirical survey. Ishii (1995) conducted a questionnaire survey of sales departments of Japanese firms and identified the following four factors as features of an excellent sales system: a sales information system, proposal-oriented selling, team selling, and customer-oriented selling. Using the same data, Onzo (1995) reported that proposal-oriented selling enhances market share and profit growth, whereas action-oriented selling, which has traditionally been emphasized in Japan, has no effect on performance. Tamura (1996) also revealed that sales styles that respond swiftly to environmental change have an impact on sales performance rather than the traditional selling style that emphasizes the number of sales offices, salespeople, and sales calls. These studies suggest that customer-oriented or proposal-oriented selling gives a competitive advantage to a sales department. We summarize the types of selling approach in Fig. 2-2.

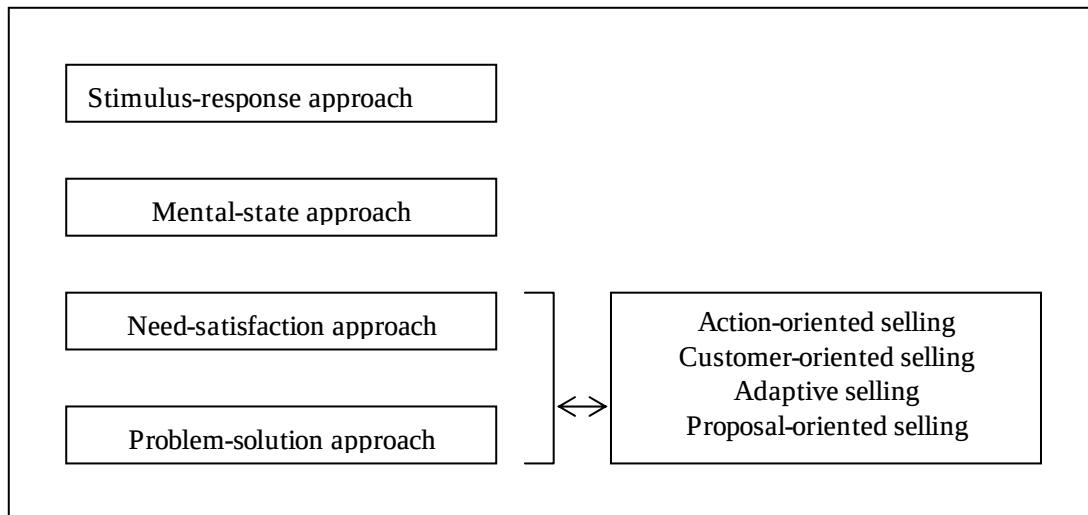


Fig. 2-2 Types of Selling Approach

Cognitive studies of personal selling

Personal selling studies have investigated the determinants of sales performance. Although many factors such as a salesperson's age, education, intelligence, power, and the similarity between the salesperson and the customer have been studied in depth, there is little agreement on what determines effectiveness in selling (Churchill, Ford, Hartley, & Walker, 1985; Szymanski, 1988; Vinchur, Schippmann, Switzer, & Roth, 1998). One of the more recent and most notable contributions in this area is the cognitive approach, which applies cognitive theory to analyze personal selling behavior. This approach assumes that the task-specific knowledge of a salesperson significantly influences the selling effectiveness (Leigh & McGraw, 1989; Szymanski, 1988; Weitz, Sujan, & Sujan, 1986).

As we mentioned earlier, knowledge can be classified into 'declarative knowledge' and 'procedural knowledge' (Anderson 1980). Declarative knowledge refers to knowledge about facts, which can be expressed by a proposition such as "A is B". On the other hand, procedural knowledge is knowledge of a method or skill, which is more difficult to explain simply. This distinction originates in Ryle's (1949) classification of knowledge: knowing what and knowing how. However, it is not easy to draw an exact line between the two types of knowledge (Smith 1994).

Cognitive personal selling studies have posed the following two questions: 1) How does a salesperson understand a situation that he or she is in? 2) How does he or she cope with a situation? Studies examining the first question deal with the salesperson's declarative knowledge or knowledge of the facts, while those focusing on the second deal with the salesperson's procedural knowledge or knowledge about his/her method or skill (Anderson, 1982, 1983).

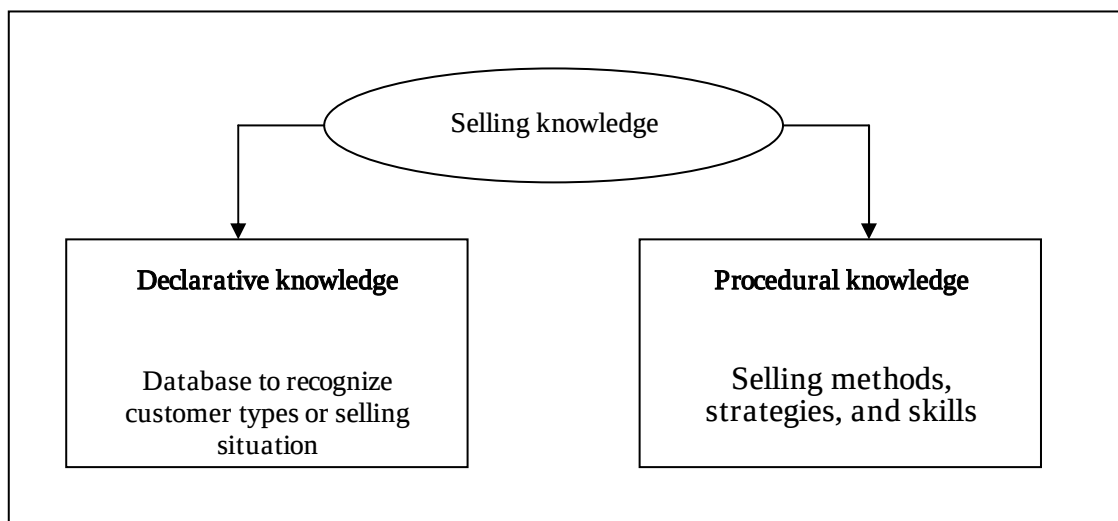


Fig. 2-3 Types of Selling Knowledge

In a sales context, declarative knowledge provides the database for recognizing customer types, needs, and the sales situation, whereas procedural knowledge indicates which selling methods or strategies should be used in specific situations (Weitz et al., 1986; Fig. 2-3). Specifically, a salesperson categorizes customers based on their personality, the down payment, and their intention to purchase. Then, the salesperson plans a strategy to persuade the customer to sign a contract. A salesperson has to categorize the situation and select an adaptive strategy to deal with an uncertain sales environment (Leong et al., 1989). The more effective the salesperson, the larger his/her repertoire of sales strategies linked to various sales situations. One of the purposes of the cognitive approach is to be able to describe the knowledge that effective salespeople have of their selling

method and to distribute it throughout the workplace, so as to improve the overall performance of the sales force. The cognitive perspective stresses that the salesperson should work smarter rather than harder (Weitz et al., 1986). In the following section, we review the empirical research on cognitive personal selling.

Although the empirical research is limited, two types of studies have been conducted. One involves studies of declarative knowledge, and the other studies of procedural knowledge. A salesperson seems to use declarative knowledge to categorize a customer's type or needs (Szymanski, 1988). Szymanski (1987) examined the evaluation cues salespeople use to classify prospective clients (Macintosh et al., 1992). He reported that both high- and low-performing salespeople in a financial services firm agreed on the most and least important cues. The true differences occurred at the intermediate level. Sujan et al. (1988) studied salespeople working for a telephone marketing operation, and found that effective salespeople had richer, more interrelated knowledge structures about their customers than ineffective salespeople did.

In personal selling research, procedural knowledge has been examined as the 'script' that refers to organized knowledge, which describes the appropriate sequence of events or activities to fit a particular situation (Schank & Abelson, 1977). It is like a scenario of ordinary events and is considered a kind of procedural knowledge. Leong et al. (1989) conducted two experiments and concluded that highly effective salespeople provided more elaborate, distinctive, contingent, and hypothetical scripts than ineffective salespeople did. Anglin (1990) elicited scripts from salespeople and converted them into a quantitative questionnaire to rate the importance of these activities. However, he found no difference in the perceived importance of sales activities between effective and ineffective salespeople (Macintosh et al., 1992).

These results indicate that there seem to be differences in the knowledge of effective and ineffective salespeople. However, few cognitive studies of personal selling have been conducted. One reason may be that past research has mainly analyzed knowledge, such as the script, which is limited to a particular time and

situation, and has paid little attention to (1) more influential knowledge, such as metacognitive knowledge or (2) the determinants of salespeople's knowledge. Investigating these two issues may contribute not only to personal selling studies, but also to research on knowledge management.

2-1-2 Metacognitive knowledge

Metacognition is generally defined as knowledge and cognition about anything cognitive (Flavell, 1987). Past research has stressed the potential importance of self-directed processing (Nelson & Narens, 1994). Metacognition is thought to form the basis of people's decision making and planning; thus it influences a wide range of behavior (Morris, 1990). The concept of metacognition remains unclear, but there seems to be agreement that it consists of a knowledge-based aspect (knowledge about cognition) and an activity-based aspect (monitoring or control of the cognitive process) (e.g. Flavell, 1976; Wellman, 1985). The former has generally been called 'metacognitive knowledge', and the latter has been called 'metacognitive experience' or 'metacognitive processing'. Flavell (1976) subdivided metacognitive knowledge into knowledge of person, task, and strategy. Ormond, Luszcz, Mann, & Beswick (1991) examined the metacognitive knowledge of decision making, and defined person knowledge as the decision maker's knowledge of themselves and others, task knowledge as knowledge of task demand factors that influence decision making performance, and strategy knowledge as knowledge of the techniques or procedures involved in competent decision making.

Metacognitive knowledge and metacognitive processing are interrelated. Nelson & Nares (1994) proposed a theoretical model of a metacognitive system containing two interrelated levels: the 'meta-level' and the 'object-level'. The meta-level contains a model of environments and controls the object-level, while the object-level provides feedback to the meta-level. In other words, the meta-level affects behavior and obtains information about what is occurring at lower levels. Metacognitive knowledge about oneself, a task, and strategy are acquired through metacognitive processing, which includes self-monitoring, self-evaluation, and

self-regulating of ongoing tasks (Berardi-Coletta, Buyer, Dominowski, & Rellinger, 1995). In particular, monitoring is essential for efficient knowledge acquisition, to inform learners whether additional effort or changes in strategy are required to accomplish a planned activity (Karabenick, 1996).

Of the two elements of a metacognitive system, we focus on metacognitive knowledge of task and strategy. Some researchers have investigated the relationship between metacognitive knowledge and decision making, problem solving, and task performance. Carr & Jessup (1997) found that childrens' metacognitive knowledge of mathematics strategies is a significant predictor of strategy use. Ormond et al. (1991) reported that three types of metacognitive knowledge of decision making are significantly related to the performance of adolescents and their decision-making style. Pokya & Blumenfeld (1990) reported that students' metacognitive strategy use does not influence their grades early in a semester, but affects them later in a semester. Schoenfeld (1985) found that students' belief in mathematics is related to their problem solving process.

Metacognition is the most frequently investigated construct in contemporary cognitive-instructional psychology (Tobias, 1995), but it has generally been examined in a classroom setting (Ford, Smith, Weissbein, Gully, & Salas, 1998). To date, few studies have examined metacognition in a managerial context. Therefore, we examined salespeople's metacognitive knowledge of selling activities, which is hypothesized to guide and direct their selling strategies, methods and skills. Salespeople may have preconceived ideas about selling activities that integrate and guide a variety of selling skills or methods. These ideas become a personal theory or philosophy that guides the salesperson's behavior. Such a theory or philosophy corresponds to the metacognitive knowledge about task and strategy of Flavell's (1976) classification. It is also equivalent to Nelson & Narens' (1994) model involving 'meta-level'. We call salespeople's metacognitive knowledge 'sales meta-knowledge'. In this paper, sales meta-knowledge is defined as the salesperson's personal belief, philosophy, or model for selling activity. Salespeople are hypothesized to act based on their sales meta-knowledge (Fig. 2-4). For

example, a salesperson who believes that “customer satisfaction is the most important aspect of selling activities” may adopt customer-oriented selling skills and methods. All workers have such metacognitive knowledge about their task. Examining sales meta-knowledge should improve our understanding of salespeople's behavior and performance.

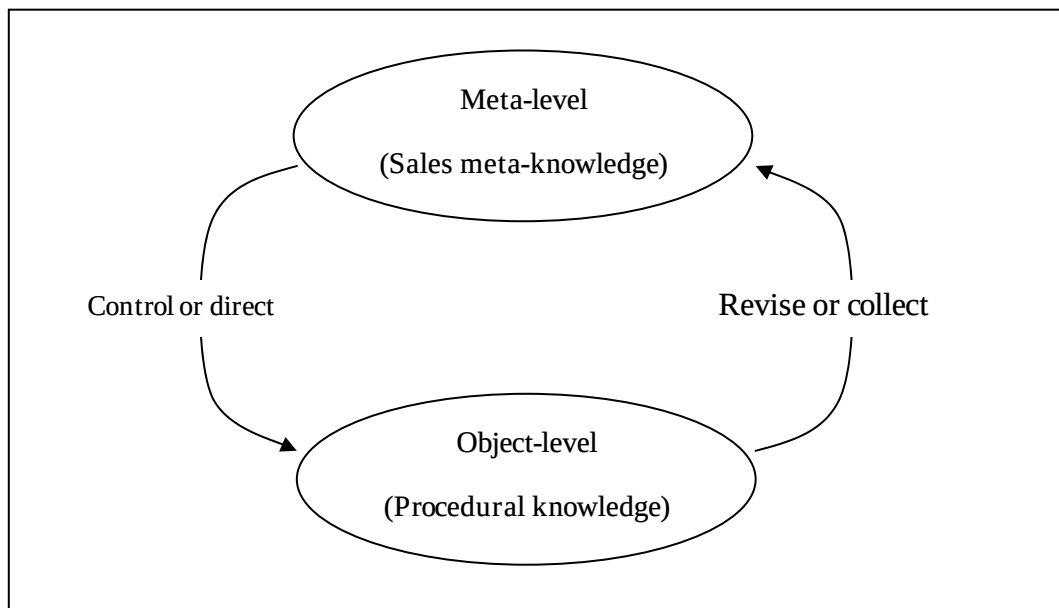


Fig. 2-4 Metacognitive knowledge and procedural knowledge

2-1-3 Skill acquisition and expertise research

Anderson (1982, 1983) proposed three stages of knowledge acquisition on the basis of Fitt's (1964) study: (1) the declarative stage, (2) knowledge compilation, and (3) the procedural stage (Fig. 2-5). This theory proposes that knowledge is acquired as a set of facts at the verbal level (declarative stage) and that the knowledge is then converted into a procedural form with practice (knowledge compilation). Subsequently, there is fine tuning of the knowledge so that it can be applied more appropriately, and there is a gradual process of acceleration (procedural stage). For example, when learning a foreign language, one starts by reading a textbook to acquire knowledge on how to speak or write. Such knowledge is at the declarative stage. Then, the knowledge is converted into knowledge at the procedural stage

through practicing alone or with an instructor. This means that procedural knowledge has several levels, and it cannot be distinguished clearly from declarative knowledge.

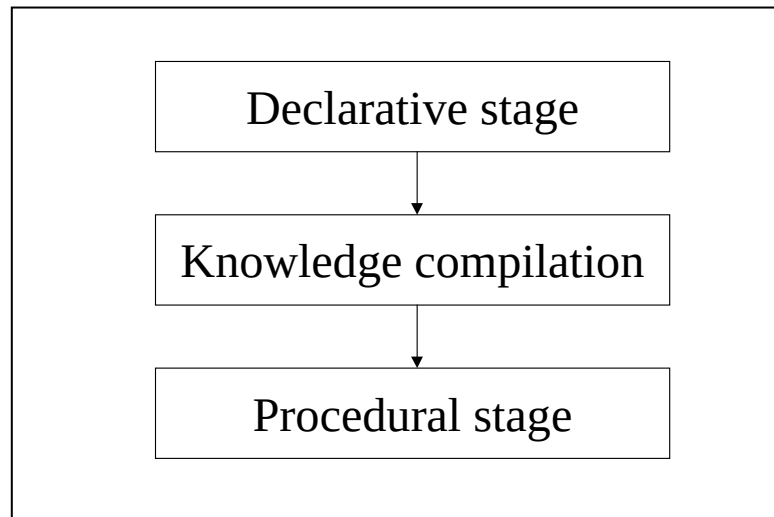


Fig. 2-5 Anderson's (1982, 1983) Skill Acquisition Model

Anderson's skill acquisition theory is consistent with Chase and Simon's (1973) proposal that expert performance in any skilled task is the result of a vast amount of knowledge and pattern-based retrieval, acquired over many years of experience. In considering skill acquisition, it may be useful to review the findings of expertise research. Glaser & Chi (1988) identified seven key characteristics of experts' performances across various domains: Experts (1) excel mainly in their own domain, (2) perceive large meaningful patterns in their domain, (3) are fast at performing the skills and solve problems quickly with little error, (4) have superior short- and long-term memory, (5) see and represent a problem at a deep level, (6) spend a great deal of time analyzing a problem qualitatively, and (7) have strong self-monitoring skills. These characteristics correspond with part of the skill acquisition model proposed by Anderson (1982, 1983), especially the second and third ones. Specifically, experts obtain vast amounts of knowledge with experience and organize it into meaningful patterns, which allow them to analyze a problem in depth and solve problems quickly. According to previous empirical evidence, it

requires about 10 years of preparation to attain high performance in several domains (Ericsson 1996). However, it must be noted that 10 years of experience does not guarantee expert performance. Instruction and deliberate practice are needed to become a high-performing expert (Ericsson 1996).

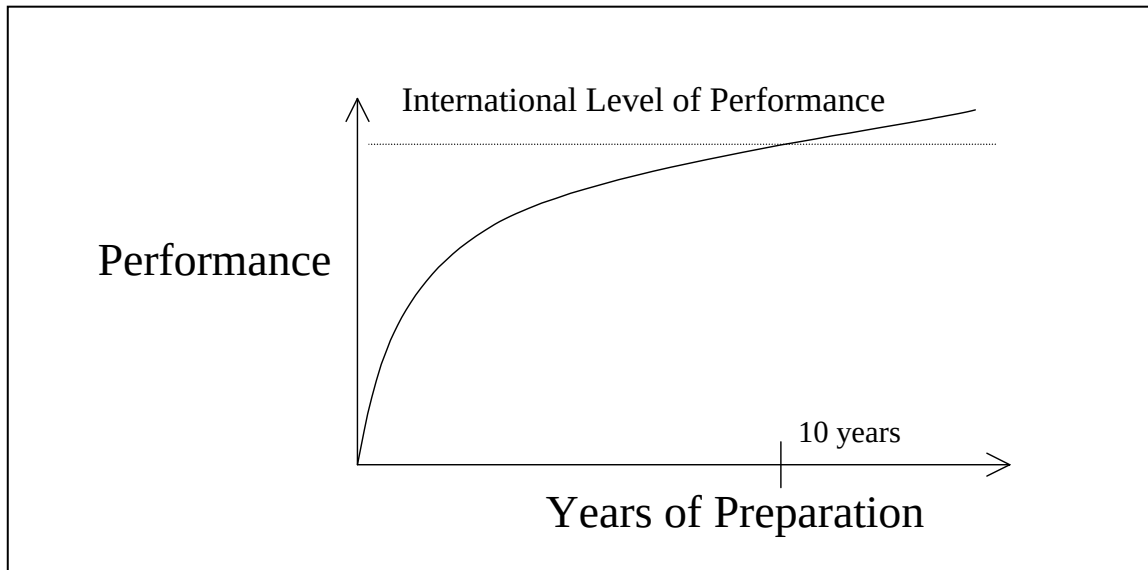


Fig. 2-6 The 10-Year Rule of Necessary Preparation

Anderson's model and the 10-year rule suggest the importance of experience in acquiring task-specific knowledge. However, experience alone is not enough for salespeople to acquire effective knowledge. The work environment may have an impact on knowledge acquisition. In the next section, we consider the influence of organizational culture on task-specific knowledge.

2-2 Organizational influence on knowledge

2-2-1 Organizational culture and performance

Although quantitative research on organizational culture is increasing (e.g., Chatman & Jehn, 1994; Gordon & DiTomaso, 1992; Hofstede, Neuijen, Ohayv, &

Sanders, 1990; Marcoulides & Heck, 1993; Petty et al., 1995; O'Reilly, Chatman, & Caldwell, 1991; Reynolds, 1986), progress in the development of theory has been slow, and the mechanism by which organizational culture enhances performance remains unclear (Denison, 1990; Denison & Mishra, 1995; Saffold, 1988).

In this section, we provide an overview on the relationship between organizational culture and performance on the basis of Kotter & Heskett's (1992) framework. We then examined the effect of organizational culture on member's knowledge, and follow with the definition and dimension of organizational culture.

Kotter & Heskett's (1992) Framework

They classified the theories on culture-performance into the following three hypotheses (Fig. 2-7).

Strong culture hypothesis This perspective stresses that shared values enhance members' motivation and make them committed to the organizational goal. However, Kotter & Heskett (1992) indicated that this hypothesis only emphasizes the strength of sharing values and does not take the direction of cultural influence into consideration. That is, if the influence of the culture is incorrectly directed, then the strong culture may have a negative effect on performance. Saffold (1988) points out that the strong culture hypothesis oversimplifies the relationship between organizational culture and performance. Some empirical evidence reported that the strength of a culture (strength of shared values) could not explain the long-term performance of a firm (Denison, 1990; Kotter & Heskett, 1992; Gordon & DiTomaso, 1992).

Strategically appropriate culture hypothesis This hypothesis stresses that a culture appropriate to the context and strategy of the firm promotes the implementation of strategy and enhances the performance. Davis (1984) emphasizes the importance of culture as a means of guiding and implementing strategy, and claims that organizational culture is an essential component of competitive advantage. Other researchers also indicate that organizational culture

functions to promote marketing strategies (Beatty, 1988; Badovick & Beatty, 1987; Parasuraman, 1987; Webster, 1988). However, Kotter & Heskett (1992) point out that this theory fails to indicate what determines “good fit”, and cannot explain long-term performance. An organization could have a cultural trait that fits its strategy at a particular point in time, but the fit may disappear when the environment changes.

Adaptive culture hypothesis The idea of this perspective is that it is only those cultures that can help organizations anticipate and adapt to environmental change that maintain a high performance over a long period of time. Specifically, risk-taking, trusting, innovation, leadership, and entrepreneurship are thought to be features of an adaptive culture. Some empirical studies found that action orientation and innovation/risk-taking (Gordon & DiTomaso, 1992), teamwork (Petty et al., 1995), and innovativeness (Deshpande et al., 1993) all affect performance. However, Kotter & Heskett (1992) indicate that this hypothesis does not answer the questions: Risk taking for what? Innovation for what? On this point, they emphasize that cultural values related to serving customers, stockholders, and employees are associated with high performance. They also indicated that a number of managers of excellent firms show customer oriented behaviors.

As Kotter & Heskett (1992) suggest, none of these hypotheses is entirely satisfying, but all provide important insights into cultural influence, and there are no conflicts between them. Of these three hypotheses, we focus attention on the second, which stress the fit between culture and environment, and implies that the effect of culture depends on the external environment. Some researchers have pointed out that organizational culture is strongly affected by the industry's environment, which includes the technology of the industry, customer requirements, the competitive environment, and societal expectations (Chatman & Jehn, 1994; Gordon, 1991). The characteristics of the industry were found to moderate the relationship between organizational culture and performance (Gordon, 1985; Gordon & DiTomaso, 1992), although the amount of research was limited. These

findings suggest that we have to consider environmental influence when examining the effect of culture on performance.

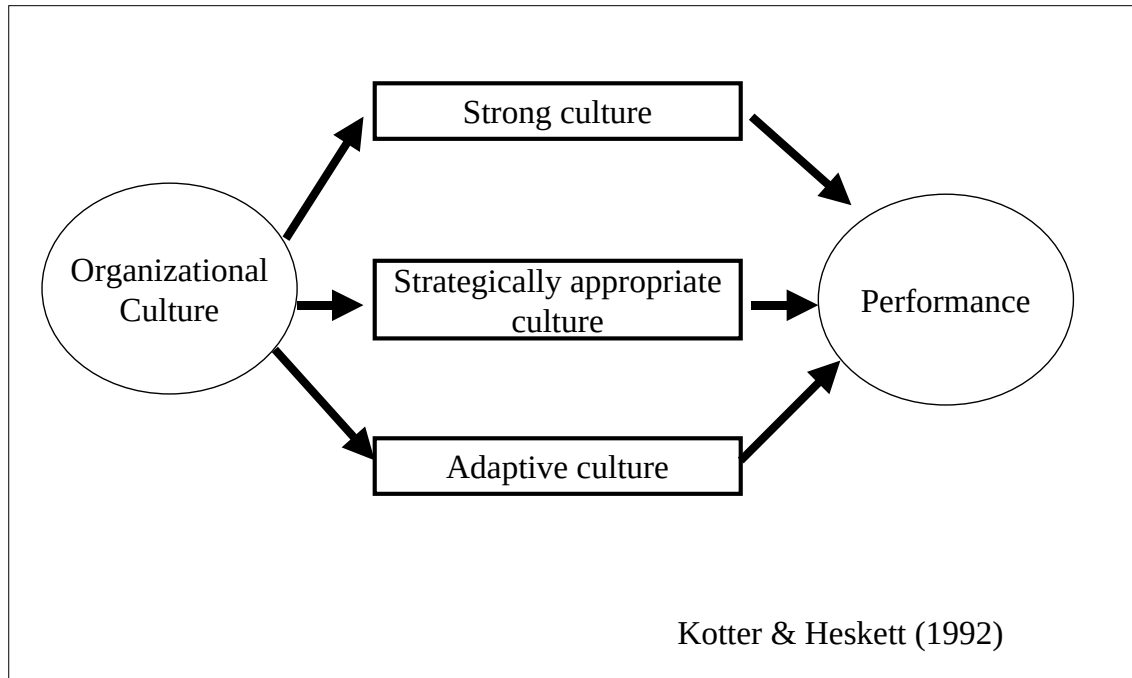


Fig. 2-7 Kotter & Heskett's (1992) Framework

The effect of organizational culture on knowledge

Previous research reported that organizational culture and climate affect workers' attitudes and goals (Marcoulides & Heck, 1993), job satisfaction (Johnson & McIntyre, 1998), and the decision framing process (Qualls & Puto, 1989). Organizational culture has a great impact on members, especially in service organizations. Chatman & Jehn (1994) and O'Reilly (1989) pointed out that service sector firms rely heavily on organizational culture to direct members' actions, because of the difficulty of direct supervision. Schneider et al. reported that quality work environments that promote employees and employees' well being in service organizations are associated with positive customer experience (Parkington & Schneider, 1979; Schneider, 1980; Schneider & Bowen, 1985, 1993). As mentioned above, the influence of organizational culture and climate on a member's attitude or

behavior has been emphasized in service organizations, but its impact on member's knowledge has yet to be examined. Therefore, it is worthwhile investigating the relationship between culture and knowledge in a sales context.

Definition of organizational culture

Organizational culture lacks a widely shared definition, but the various definitions can be categorized as belonging to the ideational or adaptationist schools (Ashforth, 1985; Keesing, 1974; Sathe, 1983). The ideational school stresses latent factors within members, such as shared values or assumptions. The adaptationist school emphasizes observable variables such as patterns of behavior, speech, and the use of material objects. In this study, we define sales department culture as shared behavioral patterns or norms within a sales department. This definition is consistent with those of the adaptationist school. The main reason that we chose this definition is that we can distinguish the concept of culture from other organizational factors such as organizational structure or strategy. Hofstede et al. (1990) examined the values and practices of 20 organizational units using survey data, and reported that the differences in organizational culture as perceived by members were found mainly at the level of practices rather than values. They concluded that shared perceptions of daily practices are the core of an organizational culture. This is consistent with our definition.

As for the difference between organizational culture and climate, Denison (1996) suggests that quantitative culture research bears a strong resemblance to earlier research on organizational climate, and that both literatures actually address a common phenomenon. We take a similar view: there is no significant difference between the concepts of organizational culture and organizational climate. In this study, we examined sales department culture as a sub-culture of an entire organization because it enables us to infer the cultural influence on performance more clearly. Given that there are sub-cultures and counter-cultures within an organization (Martin & Siehl, 1983; Saffold, 1988; Wilkins & Ouchi, 1983), it may be useful to examine culture at the department level in order to obtain valid results.

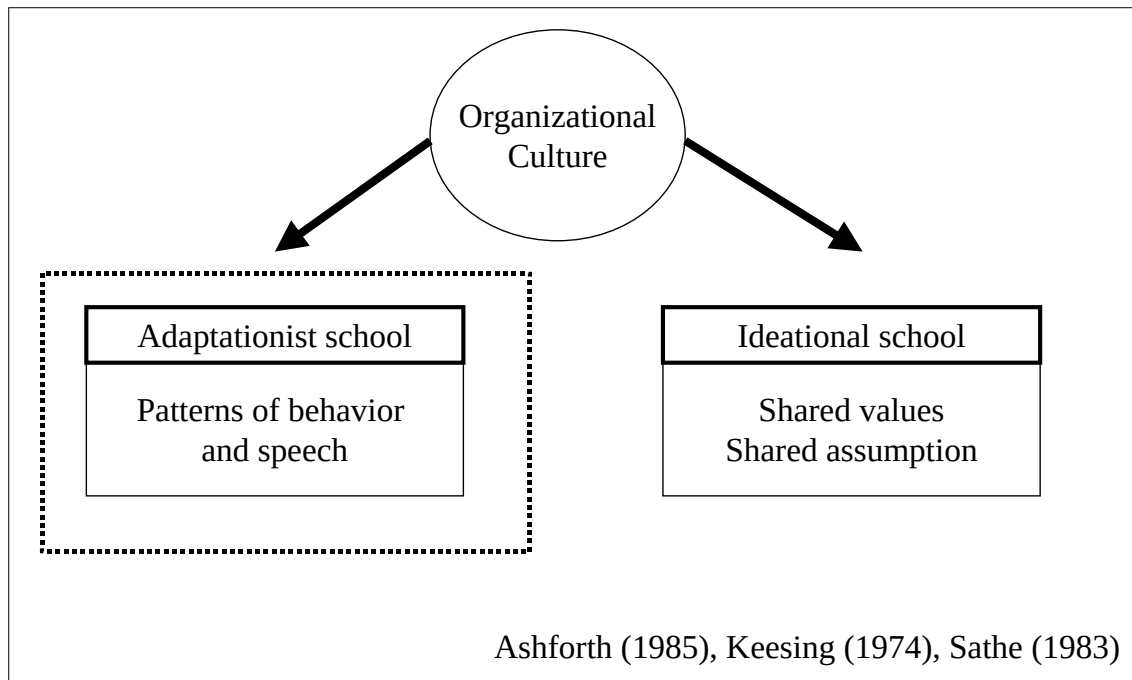


Fig. 2-8 Definition of Organizational Culture

Dimensions of organizational culture

Although a number of dimensions of organizational culture have been examined, Chatman & Jehn (1994) suggested that there are some general similarities between various authors' categories of organizational culture. O'Reilly, Chatman, & Caldwell (1991) and Chatman & Jehn (1994) identified seven similar dimensions of organizational culture: innovation, stability, respect for people, outcome orientation, detail orientation, team orientation, and aggressiveness. In climate research, Koys & DeCotiis (1991) derived eight dimensions of psychological climate from over 80 differently labeled dimensions reported in the literature. These were autonomy, trust, cohesiveness, pressure, support, recognition, fairness, and innovation. In addition to these, customer orientation has recently been emphasized as a source of competitive advantage (Kotter & Heskett, 1992; Deshpande, Farley, & Webster, 1993; Narver & Slater, 1990; Slater & Narver, 1994).

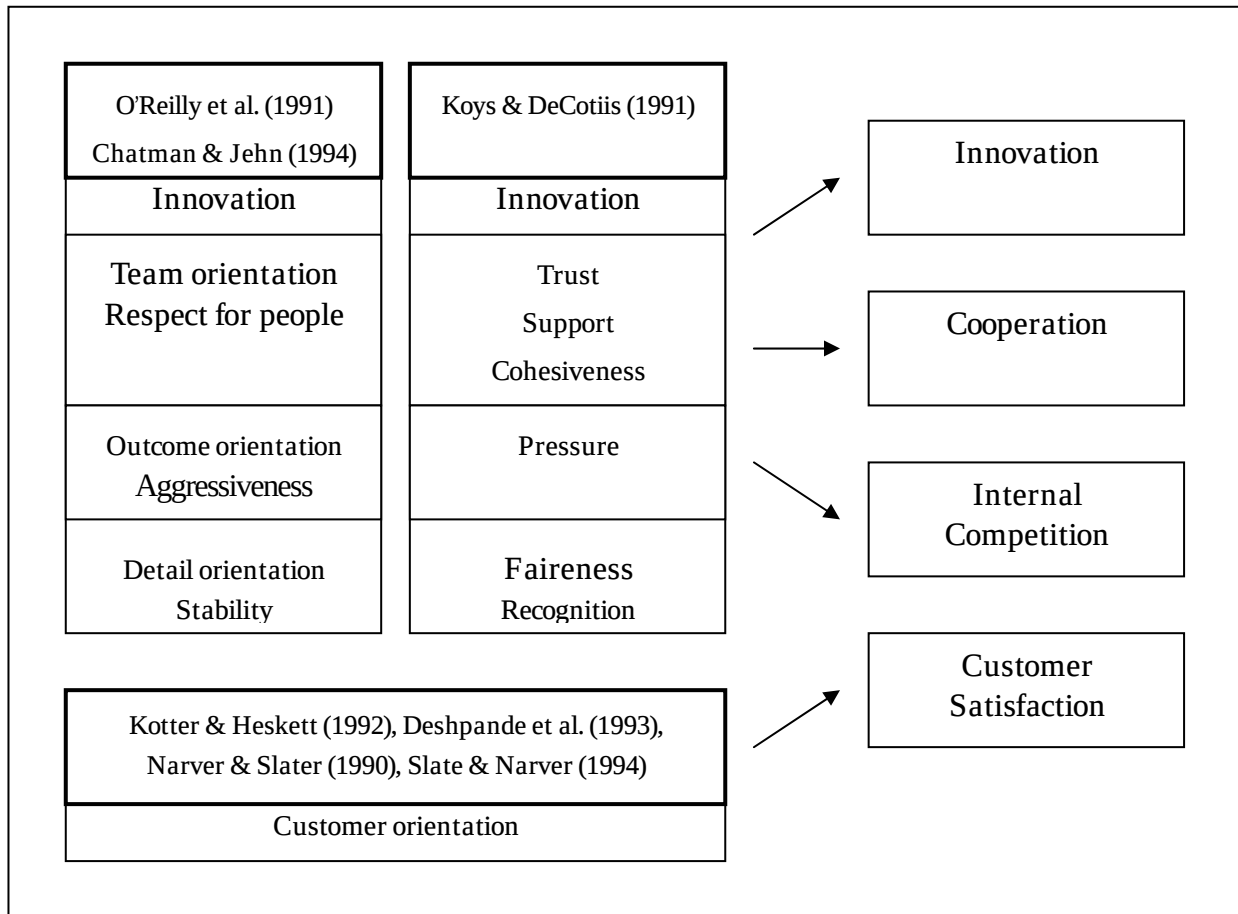


Fig. 2-9 Dimension of Organizational Culture

We focused on the following four dimensions: cooperation, internal competition, innovation, and customer orientation (Fig. 2-9). Some studies have suggested that these dimensions are crucial for service organization members to acquire task-specific knowledge. For example, outcome orientation, which is related to competition and customer orientation, may be generally emphasized in a service sector firm (Chatman & Jehn, 1994). Matuso (1994) points out that the cooperated behavior within a service company is related to customer satisfaction. Tracey, Tannenbaum, & Kavanagh (1995) emphasized the importance of a continuous-learning culture that consists of innovation, competition, and cooperation, in supporting member's knowledge and skill acquisition. Matsuo

(1998a) found that effective sales departments in Japanese firms had an internally competitive and cooperative culture.

2-2-2 Market Orientation

In exploring customer orientation, which Kotter & Heskett (1992) emphasize as an adaptive cultural trait, we must specify the organizational mechanism that supports customer orientation rather than emphasize the customer-oriented norm itself. In order to understand this point more concretely, we summarize market orientation studies.

Market orientation refers to the implementation of the marketing concept in a firm, and it is an important element of organizational culture (Kohli & Jaworski, 1990; Narver & Slater, 1990; Slater & Narver, 1994). Kohli & Jaworski (1990) define market orientation as composed of three sets of activities: (1) organization-wide generation of market intelligence pertaining to current and future customer needs, (2) dissemination of the intelligence across departments, and (3) organization-wide responsiveness to it (Fig. 2-10). Market intelligence includes both customer opinions and careful analysis and interpretation of the forces that impinge on customer needs and preferences. Customer orientation is emphasized in market orientation studies, and some researchers regard customer orientation as a synonym of market orientation (Deshpande et al., 1993; Shapiro, 1988).

Unlike the organizational culture construct that is usually defined as shared values and assumptions by members, the market orientation construct focuses on specific activities. In addition, the role of interdivisional or interfunctional coordination is stressed in market orientation research (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990; Narver & Slater, 1990). That is, interfunctional coordination is necessary to disseminate market information in an organization.

Recently, a scale of market orientation has been developed (Kohli, Jaworski, & Kumar, 1993), and the effect of market orientation on performance has been explored gradually. For example, Narver & Slater (1990) and Slater & Narver

(1994) found that market orientation has a positive effect on the ROA (return on assets), sales growth, and success of a new product. Jaworski & Kohli (1993) reported that market orientation enhanced overall performance. Market orientation influences both financial performance and staff members' job attitudes (Greenley, 1995; Jaworski & Kohli, 1993). On the other hand, there is no consensus on the moderating effect of the market environment on the relationship between market orientation and performance (Greenley, 1995).

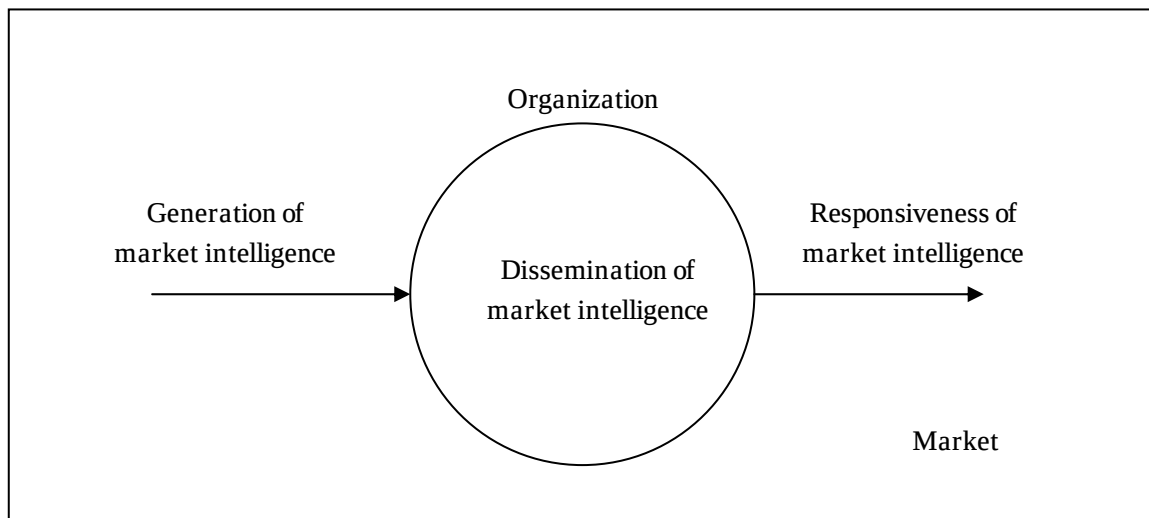


Fig. 2-10 The Concept of Market Orientation

Market orientation studies seem to be based on the information processing paradigm (Galbraith, 1973), as its definition indicates. An organization is an information processing system in which people gather information about the external environment, disseminate it through the organization, and make decisions in order to reduce uncertainty about the environment. From an information processing point of view, the sales department plays an important role in adapting the whole organization to the environment, because its boundary-spanning activities link the organization with the market. Jemison (1984) indicates three activities associated with this boundary spanning role: (1) information acquisition and control, (2) domain determination and interface, and (3) physical input control.

Since salespeople convey information from the market into the firm and vice versa, and decide the kinds of customers to pursue, they are one of the most important boundary spanners in an organization. Therefore, it may be meaningful to analyze the effectiveness of sales department culture.

Despite their significant role, the workings of sales departments have not been examined in organizational research to the same extent as those of R & D or production departments. We can estimate the relationship between culture and performance clearly by studying sales departments, because it is relatively easy to obtain performance data from sales departments.

2-2-3 Determinants of organizational culture

Even if the relationship between organizational culture and performance has become clearer, we cannot yet answer how we should change organizational culture. Therefore, we need to examine how a specific organizational culture is formed, and what factors maintain it. In investigating the determinants of organizational culture, we considered Kotter's (1978) model of organizational dynamics, Field & Abelson's (1982) study on the determinants of organizational climate, and Kohli & Jaworski's study on the antecedents of market orientation (Kohli & Jaworski, 1990; Jaworski & Kohli, 1993). These studies stress 1) the external environment, 2) organizational systems (structure, technology, reward systems, etc.), and 3) top management's leadership, as common factors that influence organizational culture or climate (Fig. 2-11). Matsuo (1994) conducted a questionnaire survey of Japanese firms based on this framework, and found that external environment and reform of organizational systems have impact on the organizational culture. However, there is little empirical research on determinants of organizational culture.

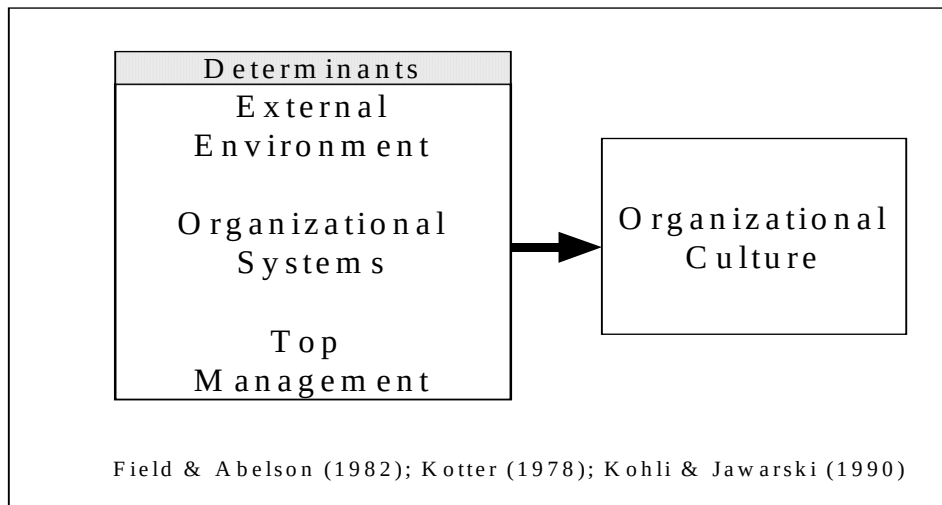


Fig. 2-11 Determinants of Organizational Culture

2-3 Research Questions

This study examined the members of sales organizations and explored ways in which their knowledge can be managed. Our study depended on empirical research in an organizational setting. In other words, the general purpose of this study is to investigate knowledge management in a sales organization. Knowledge management has increasingly attracted attention as an important topic in organizational research. However, emphasis has been placed mainly on the area of product development, and relatively little work has considered the management of knowledge in sales organizations. Although research on personal selling has investigated the relationship between salespeople's knowledge and their performance, the way in which salespeople's knowledge is acquired or determined has yet to be made clear. Therefore, the general research question of this study is as follows:

General Research Question:

What determines salespeople's knowledge in a sales organization ?

In order to answer this question, we have to examine data from an interdisciplinary point of view. We expected to obtain useful insights into how to manage knowledge in sales organization by investigating the knowledge acquisition process of salespeople and the organizational influence on this process. With this expectation in mind, we proposed several research questions, each related to three different areas: personal selling research, cognitive psychology, and organizational research.

Research Question (1):

What kind of knowledge do high-performing salespeople have ?

Past research on personal selling has examined the difference between effective and ineffective salespeople on the basis of salespeople's knowledge, but the specific features of effective salespeople's knowledge still remain unclear. We investigated not only procedural knowledge, or selling methods and skill, but also metacognitive knowledge, that is, knowledge that is thought to guide or direct selling methods and skill. An exploration of the features of high-performing salespeople may contribute to the field of knowledge management in sales organizations. This question was examined in chapter 3, 4, and 5.

Research Question (2):

How do salespeople acquire their selling knowledge ?

In order to develop and share the effective selling knowledge within a sales department, it is necessary to understand the knowledge acquisition process of salespeople. We examined the effect of sale experience and organizational culture on knowledge acquisition. By analyzing the relationship between selling knowledge and performance at each experience level (for example, newcomer level, associate level, and veteran level), we expect to obtain useful data on how to manage selling knowledge at each career stage. This question is examined in chapter 3, 4

and 5.

Research Question (3):

How does the organizational culture affect selling knowledge in sales departments ?

The effect of organizational culture on selling knowledge was analyzed both at the individual level and at the department level. It was important to identify the cultural traits that promote the generation of effective selling knowledge for knowledge management. In this study, we investigated the effect of organizational sub-culture (branch office culture, and sales department culture) on selling knowledge and sales styles. Sales style refers to the selling approach observed within a sales department. Sales style may reflect the selling knowledge of a sales department. We also examined the moderating effect of environment on the culture-performance relationship. Our results suggested that different cultural traits are needed to enhance performance in different environments. This question is examined in chapter 5, 6 and 7.

Research Question (4):

What determines organizational culture ?

It is not enough to simply to identify the cultural traits that generate effective sales knowledge and high performance. In order to manage selling knowledge effectively, we need to know what organizational factors support specific organizational culture. This question was examined in chapter 7.

2-4 Summary

In our review of the literature on personal selling research, cognitive psychology, and organizational culture research, we pointed out the problems of past research, and

proposed four research questions. In the subsequent chapter, we investigate these research questions. In each chapter, we proposed specific research questions and hypotheses, on the basis of empirical surveys or case data.

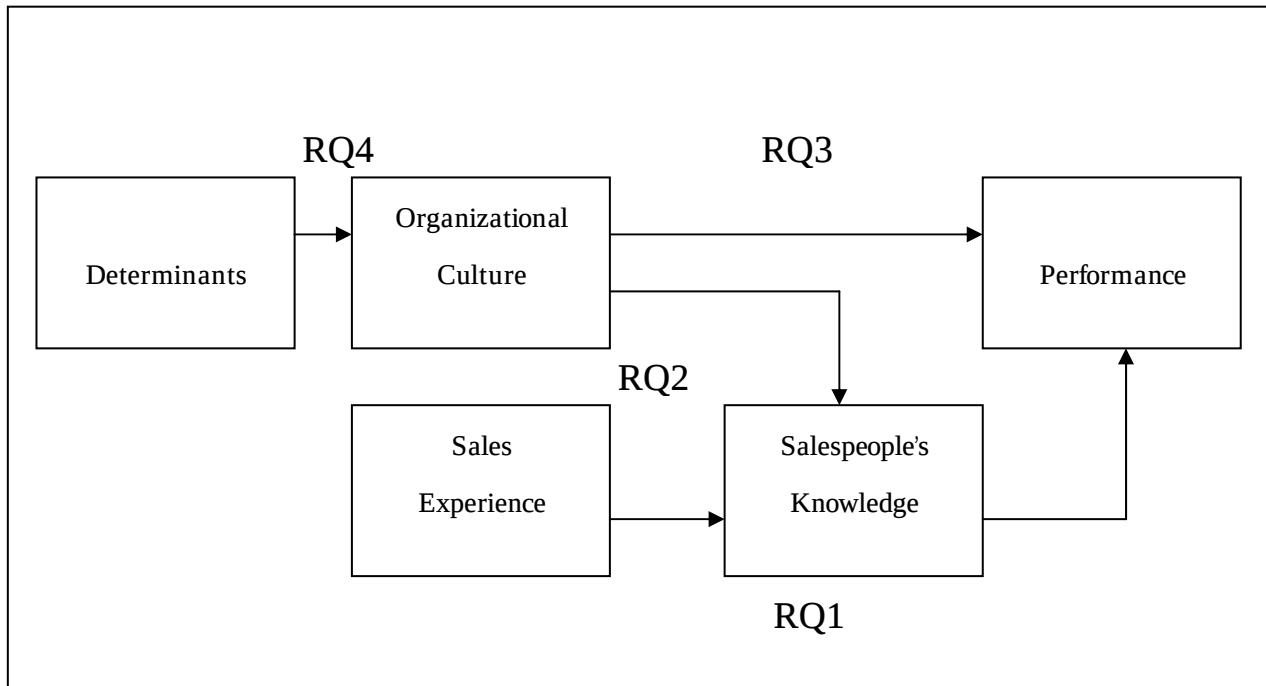


Fig. 2-12 Research Questions

Chapter 3

The Effect of Sales Experience on Procedural Knowledge of Car Dealership Salespeople

The purpose of this chapter is to explore the knowledge acquisition process of car dealership salespeople by examining the effect of sales experience on the knowledge-performance relationship. In a preliminary (open-ended) mail survey of 67 Japanese salespersons in three car dealers, we identified their procedural knowledge of selling strategies according to a nine-step sales process. Based on these data, we conducted a quantitative mail survey and 108 questionnaires were returned. The salespersons were classified into three groups based on their sales experiences: a Newcomer group (under three years, N=27), an Associate group (from three to nine years, N=37) and a Veteran group (over 9 years, N=36). Correlation analyses were conducted to examine the relationship between procedural knowledge and sales performance in each group.

3-1 Hypothesis

The results of past research in cognitive personal selling indicate that there seem to be differences between the knowledge of effective and ineffective salespeople. However, past research has paid little attention to the knowledge acquisition process over the long term. We could obtain useful influences on how to manage the knowledge of salespeople by examining their knowledge acquisition process. In this chapter, we focused on the effect of sales experience on knowledge. Anderson's

(1982; 1983) model and previous result of expertise research suggest that as a person gains experience in a specific task, their task-specific knowledge becomes skilled and effective. Thus, we proposed the following hypothesis:

H: The relationship between a salesperson's procedural knowledge and their performance is moderated by sales experience (Fig. 3-1).

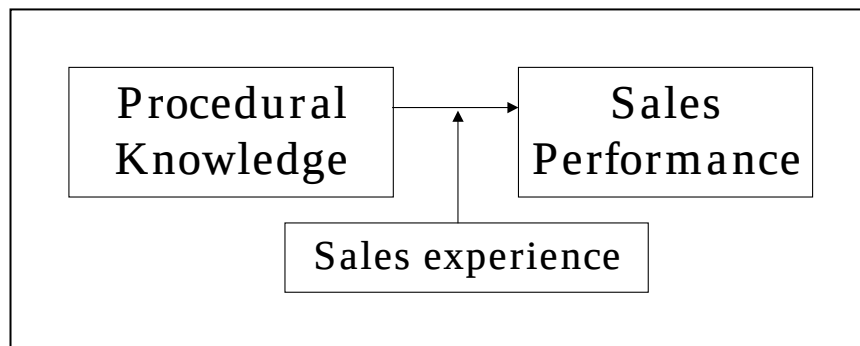


Fig. 3-1 Hypothesis

3-2 Method

We conducted two mail surveys of salespeople working at three car dealerships affiliated with a large Japanese auto manufacturer. In preliminary research, we gathered information on selling strategies, methods, and the skills (or procedural knowledge) of salespeople using interviews and an open-ended mail survey. The subjects were asked to write freely about the activities or tactics used to perform tasks properly at each of the following nine-step sales process plus activities involving the entire process: (1) approach, (2) communication, (3) proposal, (4) closing, (5) receiving an order, (6) delivering the car, (7) follow up, (8) getting a referral, and (9) promoting a replacement. Three researchers examined the surveys and identified 157 examples of selling strategies, methods, and skills

(procedural knowledge). We developed a questionnaire based on the preliminary survey. The main survey was based on these data, and we conducted a quantitative mail survey of the salespeople to measure their procedural knowledge in each of the nine-step sales process. In addition, salespeople's procedural knowledge of the entire process was also measured. Of 150 questionnaires mailed, 108 (95 men, 13 women) were returned for a response rate of 72.0% (the average age was 32; average sales experience was 8.4 years).

The subjects were asked to rate the frequency of using each procedural knowledge presented in the questionnaire (seven-point scales ranging from "7: Always 7" to "1: Never"). The 157 items were presented in each 9 sales steps and the activities involving entire process. Sales performance was measured by adding the number of car sales and service inspections that the salesperson generated in a year ($\alpha = 0.79$). The number of service inspections reflects salespeople's orientation that stresses long-term customer satisfaction.

In this study, we classified salespeople into three experience categories: below 3 years, from 3 to 9 years, and over 9 years. These categories were used because we found a significant relationship between the "from 3 to 9 years experience" group and performance in a correlation analysis of sales experience using the four categories (below 3 years ($N = 27$): $r = -0.12$, n.s.; from 3 to 5 years ($N = 25$): $r = 0.50$ ($p < 0.05$); from 6 to 9 years ($N = 12$): $r = 0.62$ ($p < 0.05$); over 9 years ($N = 36$): $r = -0.22$, n.s). This result shows that salespeople develop their ability in three distinct groups based on the amount of experience: inexperienced (below 3 yrs.), associate (from 3 to 9 yrs.), and veteran (over 9 yrs.).

3-3 Results

We conducted a correlation analysis (Pearson) between the procedural knowledge of the salespeople and the performance in each sale experience group. The results are shown in Table 3-1, and show the moderating effect of sales experience on the relationship between procedural knowledge and performance. We can see that as

salespeople gain experience, their procedural knowledge affects their performance positively. That is, in the Newcomer Group, the relationships between procedural knowledge and performance tend to be negative, in the Associate Group, the relationships tend to be positive but not very strong, whereas in the Veteran Group, the relationships are strongly positive. This result supports Hypothesis.

Table 3-1 Correlation Between Procedural Knowledge and Performance.

	Newcomer Group Less than 3 years of experience (n = 27)	Associate Group 3-9 years of experience (n = 37)	Veteran Group More than 10 years of experience (n = 36)
① Approach	Take care of a customer's schedule (-0.48*)		Create an atmosphere that lets the customer talk freely (0.37*) Read the customer's type (0.35*) Talk to a customer with a smile (0.31+)
② Communication	Talk about topics other than a car (0.45+) Ask the type of a car that the customer wants to examine (-0.55**)	Ask about the customer's priorities (0.34*) Ask about the use of a car (0.33*) Ask about complaints with their present car (0.31+) Ask when the present car was purchased (0.29+)	Read the customer's type (0.42*) Ask about family and hobbies (0.28+) Ask about the customer's workplace or job (0.28+) Don't talk one-sidedly, let the customer talk freely (0.28+)
③ Proposal	Confirm the price and equipment of a car using a price catalog (-0.69***) Present the purchase conditions for examination (-0.37+)	Suggest a product confidently (0.48***) Recommend a test ride (-0.29+)	Suggest a product confidently (0.38*)
④ Closing	Enthusiastically urge a customer to buy a car (-0.46*) Ease the hesitation and anxiety of a customer (-0.34+) Negotiate with the customers to their satisfaction (-0.34+)	Suggest a product confidently (0.42***)	Ease the hesitation and anxiety of a customer (0.42*) Persuade a customer emotionally (0.40*) Take the initiative while siding with a customer (0.39*) Don't pass up the timing of a purchase (0.38*) Make clear whether something is possible or impossible to do (0.38*) Close the deal quickly (0.32*) Suggest a product confidently (0.29+)
⑤ Receiving an order			Receive the registration costs as soon as possible (0.29+)
⑥ Delivering a car	Deliver a car that meets the customer's expectation (0.42*) Be punctual with the delivery time (-0.39*)		Recommend that the customer takes the car to the shop (0.37*) Collect money when delivering a car (0.30*)
⑦ Follow up	Deal with a claim swiftly and appropriately (0.33+)		Be sure that the customer receives free repair service (0.37*) Invite the customer to events (0.37*) Make follow up visits with a purpose (0.28+)
⑧ Getting a referral		Take referral when visiting customer to check the condition of a car (0.34*)	Ask customers to make referrals at their workplace (0.35+)
⑨ Promoting a replacement		Request a replacement when selling a new car (0.39*) Approach half a year before the inspection (0.37*)	Approach on the basis of mileage or years of use (0.29+)
Activities involving the entire process	Manage customer information using information cards (-0.54***) Use time efficiently and systematically (-0.51***) Do not make impossible promises (-0.45*) Visit when it is convenient for the customer (-0.40*) Be punctual (-0.38*)	Use one's own customer card rather than the firm's one (0.32+) Visit customers that buy a competitor's car (0.29+)	Schedule work activities (0.55***) Accept all types of customer (0.45***) Visit several customers on one trip (0.40*) Use time efficiently and systematically (0.38*) Finish jobs that should be done each day (0.35*) Be punctual when meeting with a customer (0.34*) Manage customers using the month registered (0.29+) Manage customer's information with information cards (0.29+) Make a daily schedule the previous day (0.29+)

3-4 Discussion

The result of this study can be interpreted using Anderson's (1982, 1983) model to

mean that selling knowledge is elaborated and skilled with experience and is linked to sales performance (Fig. 3-2). The negative relationship in the newcomer group occurs because their selling knowledge is just at the declarative stage and it is not skilled or automatic; therefore newcomers have a heavy cognitive load, which has a negative effect on performance.

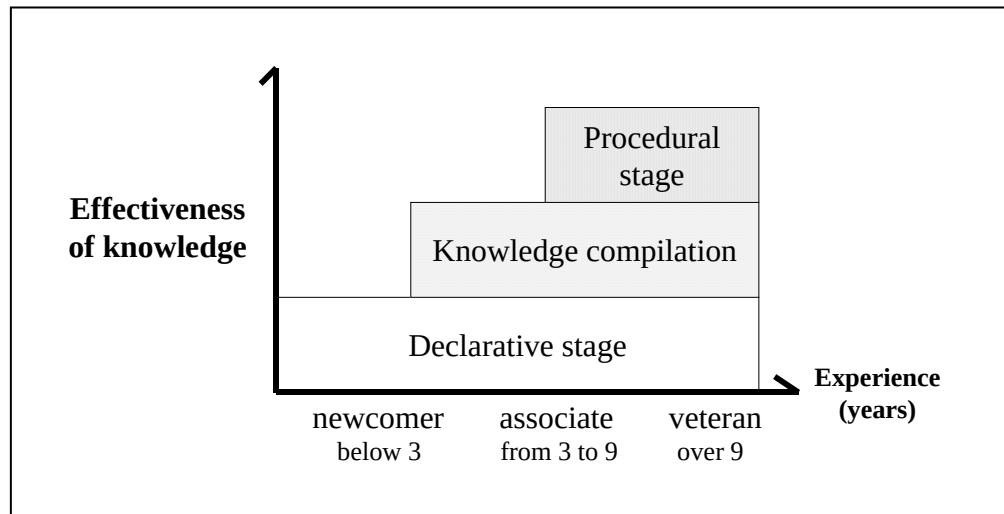


Fig. 3-2 Knowledge Acquisition Process of Car Dealership Salespeople

In addition, Table 3-1 suggests that it takes about 10 years for salespeople to acquire effective selling knowledge. This finding is consistent with “the 10-year rule of necessary preparation”. According to previous empirical evidence, it requires about 10 years of preparation to attain high performance in several domains (Ericsson 1996). However, it must be noted that 10 years of experience does not guarantee expert performance. Instruction and deliberate practice are needed to become a high-performing expert (Ericsson 1996). In addition, our result not only replicates the 10-year rule, but also reveals the mechanism by which experience influences performance. That is, it takes 10 years to attain a high level of performance because it takes 10 years to acquire effective knowledge.

Table 3-1 also shows the features of high-performing veteran salespeople. First, they use customer-oriented selling, especially in the approach and

communication stages. Effective veteran salespeople try to let a customer talk freely and also ask about the customer's needs. This is consistent with the customer-oriented selling concept (Saxe and Weitz 1982). Second, they are active or aggressive in the closing stage, and try to "Take the initiative while siding with a customer" or "Close the deal quickly". Third, high-performing experts have self-management knowledge related to the activities of the entire process. For example, they "Use time efficiently and systematically", or "Finish the jobs that should be done each day." This supports the findings of Barling, Kelloway, and Cheung (1996) and Macan (1994), which suggest that time management skills contribute to sales performance for some individuals.

Table 3-1 also indicates the importance of knowledge at the closing stage for veteran salespeople to attain a high level of performance. At this stage, more sales techniques are related to sales performance than at other stages. This means that the closing stage is the key step for car salespeople.

3-5 Summary

In this chapter, we examined the moderating effect of experience on the relationship between salespeople's procedural knowledge and their performance. The analysis revealed that the more experience a salesperson gains, the stronger the positive relationship between his/her procedural knowledge and performance becomes. This tendency may represent a knowledge acquisition process in which a salesperson's knowledge is transformed from the declarative level into the procedural level. This supports Anderson's (1982, 1983) learning model of cognitive skill, and indicates that it takes 10 years for a salesperson to acquire an effective procedural knowledge, which is consistent with the 10-year rule in expertise research (Ericsson, 1996).

Chapter 4

The Effect of Sales Experience on the Procedural Knowledge of Real Estate Salespeople

The purpose of this chapter is to confirm the finding of chapter 3. We investigated the knowledge acquisition process of real estate salespeople. A sample of 98 salespeople working at a real estate agency was used to examine the moderating effect of sales experience on the relationship between salespeople's procedural knowledge and their performance. The salespersons were classified into two groups based on their age: the Newcomer/Associate Group (20-29 years old, N=44) and the Veteran Group (more than 30 years old, N=54). Correlation analyses were conducted to examine the relationship between procedural knowledge and sales performance in each group.

4-1 Hypothesis

This chapter examined the knowledge acquisition process of real estate salespeople to confirm the findings of chapter 3 by reanalyzing the data of Matsuo and Yoshino (1996), who investigated real estate salespeople using the same procedure. Following chapter 3's analysis, we used a correlation analysis to examine the relationship between salespeople's knowledge and performance in both Newcomer/Associate and Veteran Groups. We proposed the same hypothesis as the study of chapter 3:

H: The relationship between a salesperson's procedural knowledge and their performance is moderated by sales experience.

Specifically, we can predict that the relationship between procedural knowledge of selling and performance is stronger in the veteran salespeople group than that in the newcomer or associate salespeople groups. In addition, we compared the results of this study with those of chapter 3 to find differences and common factors between car dealership salespeople and real estate agents in terms of features of high-performing salespeople and key stage of sales process.

4-2 Method

We conducted two questionnaire surveys. First, we administered an open ended questionnaire survey to 104 salespeople that worked for a large real estate agency. The subjects were all men and the survey was completed anonymously. The sales management department distributed the questionnaires. The subjects were asked to write freely about the activities or tactics used to perform tasks properly at each of the 10 steps involved in the sales process. Two researchers examined the surveys and ultimately identified 88 examples of selling strategies, methods, and skills (or procedural knowledge). The main survey was based on the preliminary research and given to 98 salespeople at the same company. All the subjects took part in the preliminary survey. The subjects were all men (20-29 years old, N = 44; 30-39 years old, N = 42; more than 40 years old, N = 12) and the survey was anonymous. The sales management department distributed the questionnaires.

The subjects were asked to rate the frequency of using the selling strategies, methods, or skills (or procedural knowledge) presented in the questionnaire (seven-point scales ranging from "7: Always 7" to "1: Never"). The 88 items examining procedural knowledge of selling were presented in 10 sales stages: (1) looking for a buyer, (2) meeting the buyer, (3) introducing products, (4) follow up with the buyer, (5) guiding the buyer on the spot, (6) negotiating between the buyer

and the seller, (7) on-the-spot investigation, (8) preparing a contract, (9) signing the contract, and (10) receiving the balance and registering the deed.

Sales experience data was not involved in the questionnaire. Therefore, we substituted the salesperson's age for sales experience. Since most of the salespeople at the company started after graduating from college and have worked only in this company, age is approximately equivalent to sales experience. We obtained salespersons' performance data based on their sales volume from the sales management department (5-point scales).

4-3 Results

First, we classified salespeople into two groups: the Newcomer/Associate Group (20-29 years old, N=44) and the Veteran Group (more than 30 years old, N=54). The Veteran Group may correspond to the veteran group (more than 10 years of sales experience) in chapter 3.

We conducted a correlation analysis (Pearson) between the selling knowledge of the salespeople and the performance in each experience group. The results are shown in Table 4-1, which indicates the moderating effect of sales experience on the relationship between procedural knowledge and performance. That is, as salespeople gain experience, their selling knowledge positively affects their performance. In the Newcomer/Associate Group, only a few items of procedural knowledge are negatively related to performance, while in the Veteran Group, a number of items of procedural knowledge affect performance positively. Thus, the hypothesis was supported. Since this result is similar to that of chapter 3, it can be interpreted to mean that selling knowledge is elaborated and skilled by experience and is linked to sales performance using Anderson's (1982, 1983) model. The negative relationships in the Newcomer/Associate Group can be explained by the fact that the selling knowledge of newcomers is just at the declarative stage and it is not skilled or automatic. Therefore, newcomers require a heavier cognitive load to use these selling methods, which has a negative effect on performance. In

addition, Table 4-1 also supports the 10-year rule of necessary preparation (Ericsson 1996). That is, it takes about 10 years for salespeople in a real estate company to acquire effective selling knowledge.

The features of the high-performing experts also agree with the findings of chapter 3 on two points. First, effective veteran salespeople show customer-oriented sales styles (for example they “Understand the buyer’s needs and motives” or “Investigate a product from a buyer’s point of view”). Second, they occasionally take an active role (for example they “Lead the buyer with an active proposal” or “Give a moving sales talk”). We could not examine their self-management knowledge because the questionnaire did not cover this item.

Sales process	Newcomer/Associate Group 20-29 years old (n = 44)	Veteran Group More than 30 years old (n=54)
① Looking for a buyer	Deliver sales leaflets periodically (-0.27+)	React to the buyer quickly (0.32*)
② Meeting the buyer		Understand the buyer's needs and motives (0.35*) Make the buyer's priorities clear (0.38**) Understand the buyer's actual situation (0.31*) Limit the range of product price (0.29*) Be good at listening to the buyer (0.33*) Direct the buyer at the first contact (0.31*)
③ Introducing products		Turn the buyer's needs into feasible ones (0.24+) Inform the customer of the problem with a product at the first meeting (0.23+) Impress oneself on the buyer (0.32*) Lead the buyer by making an active proposal (0.37**)
④ Following up with the buyer		Change the approach according to the buyer's interest (0.26+) Give a good impression while following up with the buyer (0.26+)
⑤ Guiding the buyer on the spot	Inspect a product in advance to understand its features (-0.36*)	Give a moving sales talk (0.37**)
⑥ Negotiating between the buyer and the seller	Negotiate speedily (0.34*)	Try to minimize the range of the limits (0.26+) Make the customers realize that they are on their side (0.25+)
⑦ On-the-spot investigation		Review a product using a manual (0.29*) Investigate a product from a buyer's point of view (.27+)
⑧ Preparing a contract	Review a contract to prevent any omission (-0.28+)	
⑨ Signing the contract		
⑩ Receive the balance and register	Keep in contact with the customer after signing the contract (-0.29+)	

Note : Only significant coefficients are shown ($p < 0.10$ +; $p < 0.05$ *; $p < 0.01$ **; $p < 0.001$ ***)

Table 4-1 Correlation Between Procedural Knowledge and Performance

4-4 Discussion

The purpose of this chapter was to investigate the moderating effect of sales experience on the relationship between procedural knowledge and performance. The hypothesis was supported. Our study obtained three main results: (1) As salespeople gain experience, their procedural knowledge affects their performance. (2) Effective salespeople have both customer-oriented and active selling knowledge. (3) Knowledge at an earlier stage of the sales process is strongly related to sales performance. In the following sections, we compare the results of this study with that of chapter 3, and discuss them theoretically and practically.

4-4-1 Theoretical Implications

Knowledge Acquisition Process

Our results are quite similar to those of chapter 3, and support Anderson's (1982, 1983) skill acquisition model and the 10-year rule of necessary preparation in expertise research (Ericsson 1996). Therefore we could generalize our findings to some extent. Our results can be interpreted to mean that salespeople acquire selling knowledge as a set of facts at the declarative level in the early stage of their careers, and later in their careers this declarative knowledge is converted into a procedural form through practice (Anderson 1982, 1983). As salespeople gain experience, their selling knowledge may be compiled, elaborated, and structured (Fig. 4-1). And it takes about 10 years for salespeople to acquire effective procedural knowledge. This means that the 10-year rule of necessary preparation (Ericsson 1996) is applicable to salespeople in different domains. Our result not only confirms the 10-year rule but also suggests that 10 year is necessary to gain effective procedural knowledge. However, we must not forget that 10 years of experience does not guarantee an excellent performance and effective knowledge. As Ericsson (1996) points out, deliberate practice and instruction in the first 10

years are necessary to become a high performing expert. Our finding also means that salespeople with effective selling knowledge serve as important intellectual capital and a key source of competitive advantage, because it takes such a long time to develop salespeople's knowledge that it is not easy for a firm to imitate a competitor's sales know-how.

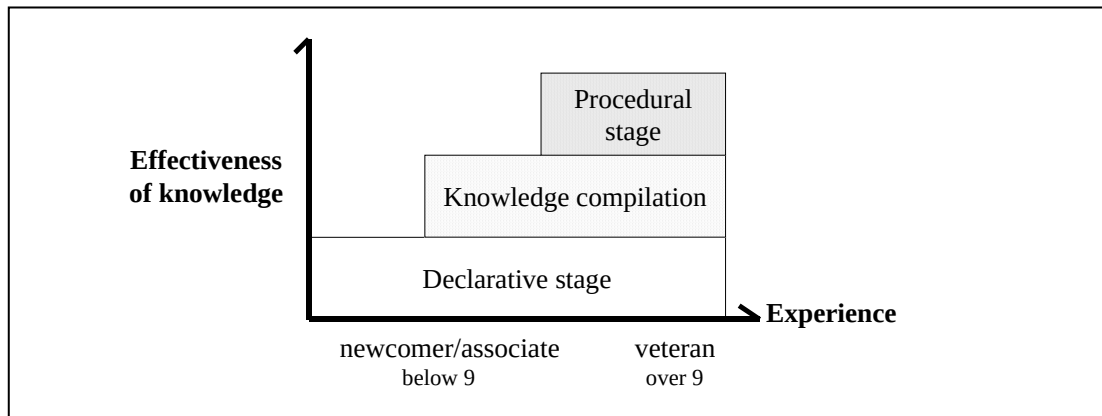


Fig. 4-1 Knowledge Acquisition Process of Real Estate Salespeople

Features of high-performing sales experts

High-performing sales experts in both the car dealerships and the real estate company commonly have customer-orientated and active selling knowledge. Specifically, customer-oriented selling can be seen in the early stages of the sales process (the approach and communication stages), and active selling knowledge is noticeable in the middle stages, when a customer decides to buy (proposal or closing stages). This finding suggests that customer-oriented selling alone is not enough to become a high-performing expert. Saxe & Weitz (1982) indicated that customer-oriented selling incorporates both a low pressure selling and a satisfaction/problem solution selling approach. However, our result shows that a combination of customer-oriented and high pressure or active selling methods is needed to become a high-performing expert. In this case, active selling means taking the initiative or interacting positively with the customer at a critical point in the sales process when salespeople collect information about customer's needs or

problems. A positive proposal or a confident attitude may be necessary for producing customer satisfaction. Crant (1995) reported that salespeople's proactive personality affects their performance. Although past research has focused mainly on customer-oriented or problem-solving selling, active selling is a subject worth examining more closely.

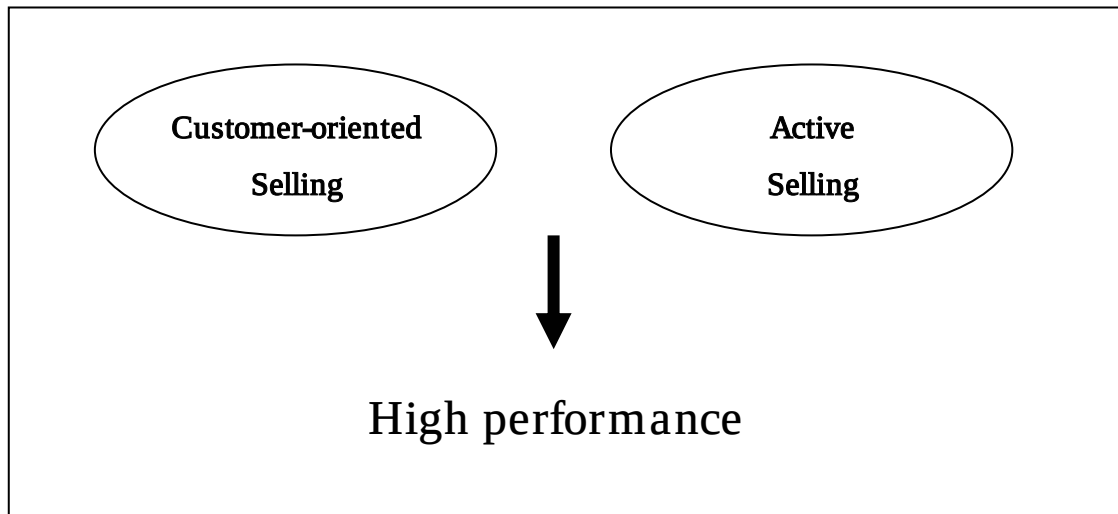


Fig. 4-2 Features of High-performing Salespeople

The key stage of the sales process

The difference between our study and that of chapter 3 is in the key stage of the sales process. Knowledge at the approach stage is critical for real estate sales, while knowledge at the closing stage is important for car salespeople. The reason for this difference may be that real estate sales tends to be one-shot sales, while car salespeople stress a long-term relationship with customers, especially in Japan. The first impression is important for real estate salespeople, because they have no previous relationship with the customer. On the other hand, since most veteran car salespeople sell cars to repeat customers or to customers' acquaintances, they make their main effort at the closing stage. These results suggest that each sales domain has its own key stage of the sales process.

4-4-2 Practical Implications

Based on these theoretical implications, we discuss the management of sales departments.

First, the sales manager should develop salespeople's knowledge, especially during the first 10 years of their sales careers, by improving job design and training and by using an incentive system. One of the focuses of the cognitive approach in personal selling is the transfer of knowledge from effective salespeople to ineffective salespeople through training (Weitz et al. 1986). However, the results of this study suggest that sales training has no immediate effect on acquiring effective procedural knowledge. The company studied is putting a great deal of effort into sales training and developing sales manuals, especially for newcomer and associate members, but the selling knowledge of newcomers and associate salespeople had no significant effect on their performance. This means that the sales department manager should pay attention to both formal training and on-the-job training or team-oriented selling, which give inexperienced salespeople the opportunity to experience the skill of excellent salespeople. This is related to the concept of "cognitive apprenticeship" that stresses situated learning (Brown, Collins, and Duguid, 1989). Salespeople in both real estate companies and car dealerships essentially conduct selling activities independently; knowledge transfer is therefore limited and individual effective salespeople retain their knowledge. Thus, team-oriented selling, in which an ineffective salesperson works with an effective one, may promote knowledge sharing within a sales department. However, it must be noted that team-oriented selling has some problems. First, it may decrease salespeople's motivation, because the performance appraisal criteria become unclear. Second, the effect of team-oriented selling is slow, because it takes time for salespeople to acquire effective knowledge. Third, not all effective salespeople are good instructors. To deal with these problems, the sales manager should develop a team-oriented incentive system, long-term performance criteria, and a manual to help effective salespeople to instruct efficiently.

Second, high-performing salespeople tend to be both customer-oriented and active. Therefore, the sales manager should maintain a good balance between these two types of selling style. In order to maintain the balance, evaluation criteria may be essential. Specifically, evaluation by sales volume promotes active selling, while stressing customer satisfaction enhances customer-oriented selling. It is important to measure salespeople's performance with multiple criteria. In addition, we should not forget this balance when transferring effective knowledge from effective to ineffective salespeople.

Finally, the sales manager should invest intensively in developing knowledge of the key stage of the sales process, because knowledge of the key stage is strongly related to sales performance. The key stage may depend on the characteristics of each sales field. The closing stage is the key step for car salespeople, while the approach stage is important for real estate salespeople. Each sales field has its own key step.

4-4-3 Limitations and Future Directions

We examined the process by which salespeople acquire their knowledge, and revealed some features of high-performing sales experts. However, this study has some limitations. First, we analyzed the knowledge acquisition process, but it was not a longitudinal study. Second, we had difficulty measuring the validity of procedural knowledge. We only inferred the acquisition process of procedural knowledge from correlation data. More valid tools to measure procedural knowledge need to be developed. Collecting real-time data about the interaction between a customer and a salesperson with videotape may be effective. Third, we must investigate the mechanism by which knowledge is acquired or transferred in more detail, and we should examine the influence of the training system, incentive system, and team-oriented selling on knowledge transfer. Finally, the result of this study can, to some extent, be generalized, because the result supports the theory of cognitive psychology and expertise research. However, we need to conduct research in other industries and countries in order to confirm this generalization.

4-5 Summary

In this chapter, we examined the moderating effect of experience on the relationship between procedural knowledge and performance to confirm the finding of chapter 3. The results supported the hypothesis that the relationship between the salespeople's procedural knowledge and their performance is stronger in the Veteran salespeople group than in the Newcomer/Associate salespeople group. These findings are consistent with those of chapter 3 (the study of car dealership salespeople) in two ways. (1) It takes 10 years to acquire expert selling knowledge, and (2) a high-performing sales expert has customer-oriented and active selling knowledge. The difference between our study in this instance and that of chapter 3 was in the key stage of the sales process. That is, each sales domain has its own key stage of the sales process.

Chapter 5

The Effect of Branch Office Culture on Salespeople's Metacognitive Knowledge

Chapter 3 and 4 examined the procedural knowledge of salespeople. This chapter focused on the metacognitive knowledge, or the higher-order knowledge directing procedural knowledge, and investigates the influence of sales experience and the work environment on this knowledge, using the same survey data used in chapter 3. 108 salespeople working in car dealerships were classified into three groups (Newcomer, Associate, and Veteran) based on the same criteria used in chapter 3. We conducted correlation analyses to examine the relationship between metacognitive knowledge and performance in each group. We also conducted moderated regression analyses to investigate the moderating effect of experience on the relationship between branch office culture and metacognitive knowledge.

5-1 Research Question and Hypotheses

Based on the arguments mentioned section 2-1-2, we proposed one research question and two hypotheses. Past cognitive psychology research has examined the role of metacognitive knowledge on decision making, problem solving, and behavior, particularly in an educational setting. However, metacognitive knowledge has yet to be investigated in marketing or organizational studies. Therefore, this chapter sought to reveal the metacognitive knowledge of salespeople at car dealerships.

RQ: What kind of sales meta-knowledge do car salespeople have?

We predicted that experience moderates the effect of sales meta-knowledge on performance, based on Anderson's (1982, 1983) skill acquisition model and the results of expertise research (Ericsson, 1996; Glaser & Chi, 1988). As salespeople gain experience, their sales meta-knowledge may be elaborated upon and linked to a variety of procedural knowledge about selling, and this would affect their sales performance. Therefore, we proposed the following hypothesis.

H₁: The more experience salespeople gain, the stronger the positive relationship between sales meta-knowledge and performance.

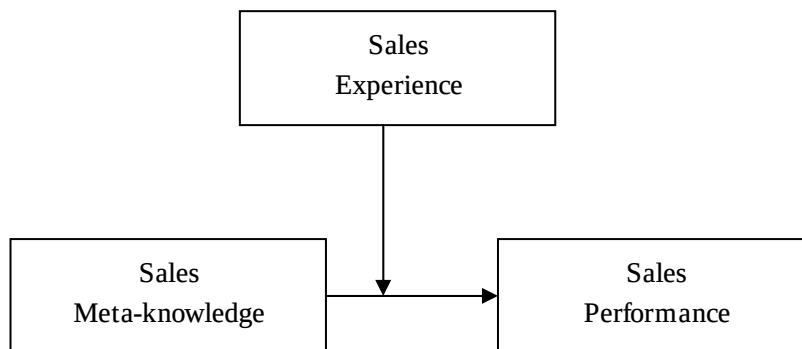


Fig. 5-1 Hypothesis 1

Experience alone is not enough to become expert; it also requires instruction and deliberate practice (Ericsson, 1996). One of the major factors that influence salespeople's practice is their work environment. In this study, we examined branch office culture as a work environment. Considering the cultural influence on salespeople's task-specific knowledge, we do not expect that branch office culture affects every salesperson in an office equally, because the structures of their task-specific knowledge are different. That is, when salespeople have more experience, their sales meta-knowledge may become so fixed and robust that they

are not susceptible to pressure to conform in the workplace. On the other hand, an inexperienced salesperson's meta-knowledge is in the formative stage and may be influenced by external pressure. Thus, we can predict that experience moderates the influence of branch office culture on salespeople's meta-knowledge. We proposed a second hypothesis.

H₂: The more experience salespeople gain, the weaker the influence of branch office culture on their sales meta-knowledge.

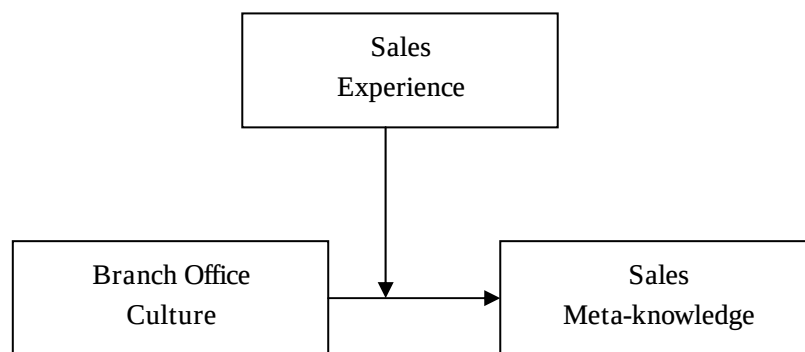


Fig. 5-2 Hypothesis 2

5-2 Method

5-2-1 Procedure

We conducted two questionnaire surveys. First, we administrated an open-ended mail survey of the salespeople of car dealerships, and the questionnaires were distributed to salespeople at each head office. Of the 100 questionnaires mailed, 63 were returned directly to the researcher, for a response rate of 63.0%. The subjects were asked to respond openly to the following question: "What sort of belief or philosophy do you follow in conducting selling activities?" We obtained 68 answers on sales meta-knowledge from salespeople. Two researchers examined the answers and ultimately specified 14 examples of sales meta-knowledge. In

specifying the sales meta-knowledge, we tried to cover all the answers proposed by the subjects without duplication. To test the validity of this procedure, we had two independent raters (graduate students) classify the original 64 answers into 14 groups. The inter-rater reliability was 79.4%, which seemed relatively high in terms of a complicated rating task.

Next, we conducted a quantitative mail survey of the salespeople to measure their sales meta-knowledge and the branch office culture. The procedure was the same as that used for the preliminary survey; questionnaires, designed on the basis of the preliminary research, and literature were distributed to salespeople by each head office. Of 150 questionnaires mailed, 108 (95 men, 13 women) were returned directly to the researcher, for a response rate of 72.0%. The subjects of the main survey included 33 salespeople who participated in the preliminary survey. Their average age and sales experience were 32.0 and 8.4 years, respectively. We used the t-test to check for systematic error caused by using the same salespeople from the preliminary research, and found that there was no significant difference between the responses of salespeople who participated in the preliminary research and those who did not.

5-2-2 Measures

Branch office culture

Branch office culture was measured using a scale examined in Matsuo's (1998a) study of the culture of sales departments in 181 Japanese firms. The scale was developed from previous research on organizational culture and climate (Field & Abelson, 1982; Hofstede et al., 1990; Kagono, 1993; Koys & DeCotiis, 1991; Narver & Slater, 1990; O'Rielly et al., 1991; Reynolds, 1986), and consisted of three dimensions: cooperation, customer-driven innovativeness, and internal competition. The scale originally included cooperation, autonomy, customer orientation, innovation, and internal competition. In our survey, the subjects were asked to rate the extent to which each climate was observed in their branch office on a

seven-point scale ranging from “7: strongly agree” to “1: strongly disagree.” We conducted a factor analysis with Varimax rotation on the data obtained. As Table 5-1 indicates, we found four factors, which we named: ‘customer driven cooperation’, ‘innovativeness’, ‘supervisory support’, and ‘internal competition’. The alpha coefficients of these dimensions were 0.86, 0.88, 0.82 and 0.81, respectively. Together, the four factors explain 61.9% of the variance. Although these dimensions are not the same as those of Matsuo (1998a), they are similar. Supervisory support means effective communication between the boss and subordinates and consisted mainly of the old dimension, autonomy. The factor scores for each dimension were used in the following analyses.

Sales performance

We obtained information on the number of cars that salespeople sold and the inspection services that they arranged in a year from the head offices of the three car dealers. The inspection service is a safety check that Japanese automobiles must have every two or three years. The income from the service is a significant source of profit for car dealers, and it is also an indicator of long-term relationships between salespeople and customers. The sum of these two scores was used to indicate sales performance in the following analysis ($M = 86.8$, $SD = 62.3$). The alpha coefficient is 0.79.

Sales experience

In this study, we classified salespeople into three experience categories: below 3 years, from 3 to 9 years, and over 9 years. These categories were used because we found a significant relationship between the “from 3 to 9 years experience” group and performance in a correlation analysis of sales experience using the four categories (below 3 years ($N = 27$): $r = -0.12$, n.s; from 3 to 5 years ($N = 25$): $r = 0.50$ ($p < 0.05$); from 6 to 9 years ($N = 12$): $r = 0.62$ ($p < 0.05$); over 9 years ($N = 36$): $r = -0.22$, n.s). This result shows that salespeople develop their ability in three distinct groups based on the amount of experience: inexperienced (below 3 yrs.), associate

(from 3 to 9 yrs.), and veteran (over 9 yrs.). Therefore, we measured sales experience both as continuous and categorical variables in the following analyses.

TABLE 5-1 Factor Analysis with Varimax Rotation on Branch Office Culture

Items of branch office culture	Factor 1	Factor 2	Factor 3	Factor 4
F1: Customer-driven cooperation ($\alpha=.86$)				
	Loadings			
Cooperation and trust between sales and technical department	0.63	0.38	0.18	0.10
Cooperation within the workplace	0.56	0.30	0.39	-0.04
Emphasis on customer satisfaction	0.64	0.30	0.03	0.23
Encouraged after-sales service	0.76	0.13	0.28	0.22
Complaints from customers are resolved rapidly	0.45	0.21	0.27	0.11
Emphasis on meeting customer needs	0.53	0.24	-0.04	0.37
Shared information within the workplace	0.50	0.13	0.51	0.18
F2: Innovativeness ($\alpha=.88$)				
Boss is receptive to ideas from subordinates.	0.29	0.64	0.51	-0.01
Boss encourages new work methods	0.28	0.69	0.24	0.11
Moderate tension within workplace	0.33	0.55	0.21	0.39
Experimental trial encouraged	0.43	0.59	0.15	0.30
Trying interesting ideas even if they are risky	0.22	0.72	0.33	0.12
F3: Supervisory support ($\alpha=.82$)				
Boss easily accepts opinions	0.10	0.32	0.64	0.14
Boss is easy to consult with	0.15	0.21	0.89	0.23
Problems within office are resolved effectively	0.31	0.38	0.48	0.24
F4: Internal competition ($\alpha=.81$)				
Salespersons are strongly aware of competition amongst themselves	0.13	0.07	0.18	0.86
Salespersons are stimulated by each other	0.31	0.22	0.23	0.67
Eigenvalue	7.65	1.20	0.98	0.69
Percent of explained variance	45.0	7.1	5.8	4.0

TABLE 5-2 Factor Analysis with Varimax Rotation on Sales Meta-Knowledge

Sales Meta-Knowledge items	Factor 1	Factor 2
F1: Customer orientation ($\alpha = .88$)	Loadings	
Don't make a customer regret their decision	0.66	0.24
Fulfill promises with customer	0.61	0.18
Always provide sincere service	0.80	0.18
React quickly to customer needs	0.70	0.37
Establish a trustful relationship with customer	0.66	0.27
Try to be fond of the customer	0.54	0.16
Think from a customer's point of view	0.59	0.22
Make the customer satisfied	0.81	0.20
F2: Goal achievement orientation ($\alpha = .82$)		
Continuation is important for selling	0.46	0.48
Self-management	0.43	0.52
Attain goals without fail	0.36	0.72
Give maximum effort towards problem solving	0.24	0.76
Don't lose in competition with others	0.10	0.72
Reject what is impossible	0.11	0.42
Eigenvalue	5.84	1.14
Percent of explained variance	41.7	8.2

Table 5-3 Correlation Matrix of Variables

Variables	1	2	3	4
1. Performance				
2. Experience	0.62 **			
3. Meta-knowledge (goal)	0.28 **	0.07		
4. Meta-knowledge (customer)	-0.12	-0.26 **	0.11	
5. Culture (competition)	0.03	0.15	0.24 *	0.07
6. Culture (cooperation)	0.00	-0.15	0.20 *	0.42 *
7. Culture (innovation)	0.16	0.04	0.11	0.05
8. Culture (supervisor)	0.07	-0.08	0.29 *	0.06

Note1: Meta-knowledge and cultural traits are factor scores with varimax rotation.

Note2: Correlation among cultural dimensions are excluded because these are hypothesized to be independent

5-3 Results

5-3-1 Structure of Sales Meta-knowledge

Sales meta-knowledge items were extracted from the salespeople's responses to the preliminary survey. As mentioned above, 14 items were specified. In the main survey, the subjects were asked to rate the importance of each item on a seven-point scale ranging from "7: strongly agree" to "1: strongly disagree." We performed a factor analysis with Varimax rotation on the data obtained in the survey. As Table 5-2 indicates, we extracted two factors, which we called 'customer orientation' and 'goal achievement orientation'. The alpha coefficients of these dimensions were 0.88 and 0.82, respectively. The two factors together explain 49.9% of the variance. The factor scores for each item of meta-knowledge were used in the following analyses. Table 5-3 shows the correlation matrix of experience, performance, branch office culture, and meta-knowledge.

5-3-2 Sales Experience and Sales Meta-knowledge

Before testing our hypotheses, we examined the direct effect of sales experience on sales meta-knowledge using a one-way ANOVA. The dependent variables were the sales meta-knowledge and the independent variable was the number of years of sales experience. Table 5-4 shows that there was no difference in goal achievement orientation between the groups, whereas there was a significant difference in customer orientation. Specifically, inexperienced salespeople have higher belief scores than the experienced salespeople. This result indicates that sales experience does not increase sales meta-knowledge at the declarative level.

5-3-3 Testing Hypothesis 1: Sales Meta-knowledge and Performance

To test Hypothesis 1, we conducted a correlation analysis of sales meta-knowledge and performance for each sales experience group. The results in Table 5-5 support

Hypothesis 1. That is, the more experience salespeople gain, the stronger the relationship between sales meta-knowledge and their performance. Using Anderson's (1982, 1983) model, this finding can be interpreted to say that as salespeople gain experience, their sales meta-knowledge becomes more elaborate and effective.

TABLE 5-4 The Effect of Sales Experience on Sales Meta-Knowledge^a
(One-way ANOVA)

Sales meta-knowledge (dependent variable)	Sales experience (years)			<i>F</i>
	below 3	from 3 to 9	over9	
Goal achievement orientation	0.11	-0.13	0.04	0.65
Customer orientation	0.50	-0.20	-0.21	6.51 **

^a Figure is mean of factor score.

* $p < .05$, ** $p < .01$

TABLE 5-5 Sales Meta-Knowledge and Performance
(Correlation Analysis)^a

Sales meta-knowledge (independent variable)	total	Sales experience (years)		
		below 3	from 3 to 9	over9
Goal achievement orientation	0.23 *	-0.26	0.35 *	0.46 **
Customer orientation	-0.03	-0.20	0.11	0.37 *

^a Pearson

* $p < .05$; ** $p < .01$

5-3-4 Testing Hypothesis 2:

Branch Office Culture and Sales Meta-knowledge

Using years of sales experience, we conducted a moderated regression analysis that included the interaction terms for sales experience and each of the branch office culture dimensions. Table 5-6 indicates that the interaction terms for sales experience and internal competition with both goal achievement and customer orientation were significant ($p < 0.05$). The main effects of supervisory support on

goal achievement orientation, and of customer-driven cooperation on customer orientation were significant ($p < 0.01$), but these relationships were not moderated by sales experience.

To examine the interaction effects found in Table 5-6 more precisely, we calculated the correlation between the branch office culture dimensions and the two types of meta-knowledge in each sales experience group. As the left side of Table 5-7 indicates, the more experience a salesperson gains, the weaker the effect of an internal competitive culture on the goal achievement orientation becomes. In other words, internal competition influences goal achievement orientation in the early period of a salesperson's career (below 3 years of experience), but not in the middle or later periods (over 3 years of experience). This result partly supports Hypothesis 2. In contrast, the right side of Table 7 indicates that the more experience a salesperson gains, the stronger the effect of an internal competitive culture on the customer orientation becomes. In other words, internal competition does not influence the customer orientation in the early stage of a career, but it does in the later stages. This is the opposite of what Hypothesis 2 indicates. Overall, Hypothesis 2 was not supported, and there was a more complicated relationship than expected. That is, both sales experience and the type of sales meta-knowledge moderate the influence of branch office culture on salespeople's meta-knowledge.

TABLE 5-6 The Effect of Sales Experience and Branch Office Culture
on Sales Meta-Knowledge
(Moderated Regression Analysis)

Dependent variable = goal achievement orientation	
Independent variable	β
Experience	0.14
Supervisory support	0.39 **
Internal competition	0.44 **
Customer-driven cooperation	0.11
Innovativeness	0.18
Supervisory support $\times$ experience	-0.21
Internal competition $\times$ experience	-0.34 *
Customer-driven cooperation $\times$ experience	0.15
Innovativeness $\times$ experience	-0.14
Adjusted $R^2 = .194$, $F = 3.77$, $p < .001$.	
+ $p < .10$; * $p < .05$; ** $p < .01$	

Dependent variable = Customer orientation	
Independent variable	β
Experience	-0.24 *
Supervisory support	0.00
Internal competition	-0.15
Customer-driven cooperation	0.35 **
Innovativeness	-0.10
Supervisory support $\times$ experience	0.03
Internal competition $\times$ experience	0.31 *
Customer-driven cooperation $\times$ experience	0.05
Innovativeness $\times$ experience	0.13
Adjusted $R^2 = .275$, $F = 4.01$, $p < .001$.	
* $p < .05$; ** $p < .01$	

TABLE 5-7 The Branch Office Culture and Sales Meta-Knowledge
(Corelation Analysis)^a

Branch office culture	Sales meta-knowledge					
	Goal achievement orientation			Customer orientation		
	below 3 years N=30	3 to 9 years N=38	over 9 years N=36	below 3 years N=30	3 to 9 years N=38	over 9 years N=36
Internal competition	<u>0.55</u> **	0.23	-0.07	-0.33 +	0.17	0.31 +
Customer-driven cooperation	0.09	0.22	0.32 +	0.13	<u>0.56</u> **	<u>0.48</u> **
Innovativeness	0.10	0.30 +	0.00	-0.02	0.19	0.24
Supervisory support	<u>0.40</u> *	0.22	0.27	-0.28	-0.06	0.29 +

^a Pearson

* $p < .05$; ** $p < .01$

5-4 Discussion

The purposes of this chapter were to extract sales meta-knowledge of car dealer salespeople, and to examine its determinants. Although our data was from a cross-sectional survey, we were able to infer the knowledge acquisition process. We made the following three observations. First, we identified two types of sales meta-knowledge: goal achievement orientation and customer orientation. Second, as salespeople gain experience the relationship between their sales meta-knowledge and performance strengthens. In other words, sales meta-knowledge is crucial for achieving high performance, especially in the middle and later periods of salespeople's careers. Third, both sales experience and the type of sales meta-knowledge moderate the effect of a culture of internal competition on the sales meta-knowledge. In the following sections, we will discuss these three findings from both theoretical and practical perspectives.

5-4-1 Type of Sales Meta-knowledge

We identified goal achievement orientation and customer orientation as sales meta-knowledge. Goal achievement meta-knowledge stresses the importance of self-management, doing one's best, winning out over one's competitors, and

attaining one's goal. On the other hand, customer orientation emphasizes providing the customer with quick, sincere service in a long-term relationship. Previous studies of personal selling have examined similar concepts. For example, Brown, Cron, & Slocum (1997) found that goal-directed emotions affect the motivation and performance of salespeople representing a medical supplies distributor. Crant (1995) reported that the proactive personality scale is related to the job performance of real estate agents. Barling, Kelloway, & Cheung (1996) found that short-range time management interacted with striving for achievement to predict the job performance of car dealership salespeople. Saxe & Weitz (1982) stressed the importance of salespeople's customer-oriented selling behavior and developed a scale for measuring customer orientation. Although these studies did not investigate metacognitive knowledge, they emphasized the roles for salespeople of goal achievement and customer orientation.

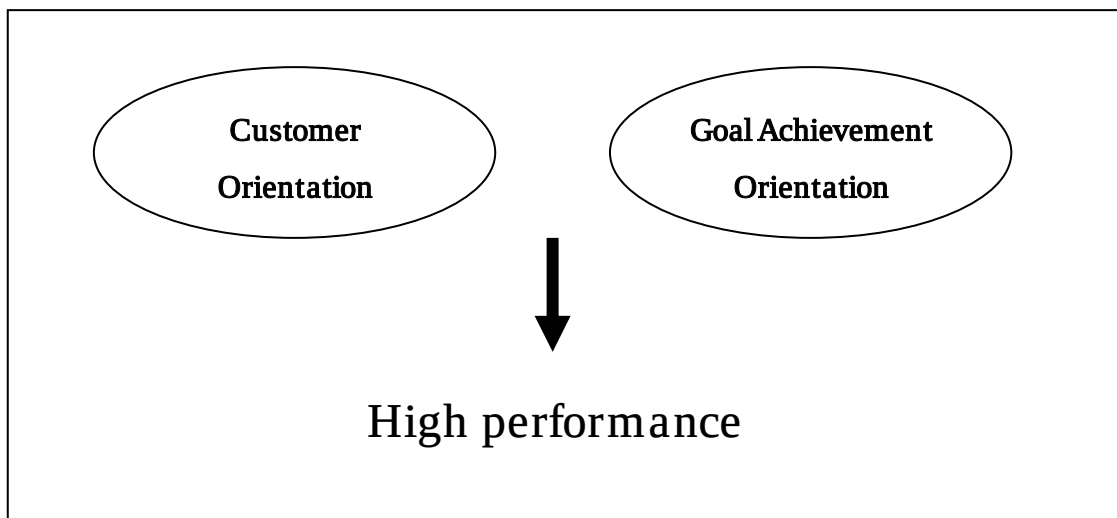


Fig. 5-3 Features of High-performing Salespeople's Meta-knowledge

The two types of sales meta-knowledge also correspond to Wagner and Sternberg's proposed concept of tacit knowledge. Tacit knowledge, which consists of knowledge about managing self, tasks, and others (Wagner, 1987), is the basis for practical intelligent behavior, and is related to job performance (Wagner &

Sternberg, 1985). Goal achievement orientation seems to involve tacit knowledge about managing self, or knowledge of the self-motivational and self-organizational aspects of performance in work-related situations, while customer orientation may include tacit knowledge about managing tasks, or knowledge about how to do specific work-related tasks well (Wagner, 1987). Considering this related research, the two types of meta-knowledge can be generalized and applied to salespeople in other areas to some extent.

5-4-2 Experience and Meta-knowledge

Our results supported Hypothesis 1, from which we can infer the knowledge acquisition process of salespeople on the basis of Anderson's (1982, 1983) learning model of cognitive skill and research of expertise. That is, in the early period (below 3 years of experience), salespeople's selling skill or knowledge may be in a declarative stage, and their sales meta-knowledge has yet to develop fully, because they lack experience. Thus, sales meta-knowledge is not related to their performance. In the middle or later periods (over 3 years), however, their selling knowledge may be proceduralized and the sales meta-knowledge has been developed, which affects performance. These results are consistent with the findings of chapter 3 and 4, which insist that salespeople's procedural knowledge only affects their performance in the veteran group, with over 10 years sales experience. These findings correspond to "the 10-year rule" in expertise research, which states that it requires about 10 years of preparation to attain high performance in several domains (Ericsson, 1996). Table 5-5 indicates that goal achievement orientation affects performance at an earlier stage than customer orientation, and suggests that both goal achievement and customer orientation are necessary for experienced salespeople (with over 10 years of experience) to achieve high performance.

5-4-3 Impact of Branch Culture on Meta-knowledge

The results show that salespeople's meta-knowledge is determined not only by their

experience, but also by their work environment. The effect of branch office culture on meta-knowledge was more complicated than expected. It should be noted that an internally competitive culture promotes goal achievement orientation in the early stage of a career, while it enhances customer orientation in the later stage. However, the competition may lower the customer orientation of newcomers. The results suggest that an internally competitive culture has a different effect on different salespeople. One explanation for these results may be that salespeople acquire goal achievement orientation in the early period of their careers under the influence of a competitive workplace, while customer orientation is formed in the later period in a competitive culture. For newcomers, competition in the workplace may make them aware of the importance of goal-directed behavior in improving performance. On the other hand, a competitive workplace could make veteran salespeople recognize the effectiveness of customer orientation as a tool for enhancing performance. As salespeople gain experience, the concept of competition may become linked to customer orientation. This interpretation is supported by Table 5, which suggests that goal achievement orientation is positively related to performance in the earlier period of salespeople's careers, while customer orientation is only significantly related to performance in the veteran group.

We also identified the effect of supervisory support on goal achievement orientation, and the influence of customer-driven cooperation on customer orientation, regardless of experience. These suggest the importance of support and cooperation in the workplace for salespeople's meta-knowledge. The sales style of a car salesperson is generally believed to be an individual-based activity, but it turns out that the workplace influences salespeople's meta-knowledge, even in the later period of their careers. We can infer that a supervisory support culture promotes knowledge transfer, motivates salespeople, and eases their work-related stress. On the other hand, in a customer-driven cooperative culture, salespeople might have the opportunity to observe good models of customer oriented selling, and receive co-worker's support in solving their customers' problems.

The findings mentioned above indicate that both competitive and cooperative

cultures influence the formation of salespeople's meta-knowledge. For newcomers, a competitive culture may be to the detriment of their knowledge acquisition, as it may damage their customer-oriented meta-knowledge. Therefore, supervisory support and a cooperative culture may be necessary to make up for the disadvantages of competition. It can be said that competition motivates salespeople to work hard and learn about selling, while supervisory support and cooperation promote the sharing of selling knowledge or customer information. Thus, a good balance between competition and cooperation in a branch office may improve performance. Our findings are consistent with past research on firms in the service sector. Chatman & Jehn (1994) insisted that an outcome orientation that emphasizes customer satisfaction and competition is crucial for service firms. Tracey et al. (1995) emphasized the importance of a continuous-learning culture that consists of innovation, competition, and cooperation, in supporting members' knowledge and skill acquisition. Matsuo (1998a) found that effective sales departments in Japanese firms had an internally competitive and cooperative culture. However, the mechanism of these cultural effects on task-specific knowledge has yet to be revealed. We need to further examine the relationship between branch office culture and sales meta-knowledge in detail.

5-4-4 Practical Implications

These theoretical findings have the following three practical implications:

First, sales managers should pay attention to two types of sales meta-knowledge, goal achievement oriented and customer oriented meta-knowledge, as determinants of performance, especially for veteran salespeople. Experienced, high-performing salespeople have a high degree of both types of meta-knowledge. This means that the balance between customer oriented knowledge and goal achievement oriented knowledge is important for effective selling, and the firm's ability to enhance this knowledge may provide a competitive advantage.

Second, it is critical for a sales department to correctly decide which branch office newcomers are posted to in their first three years. Posting inexperienced

salespeople to a branch office with an internally competitive and supportive culture is an effective way of developing superior salespeople. It should be noted that internal competition might damage the customer-oriented meta-knowledge of newcomers. In order to offset this negative effect, newcomers need a workplace that is also cooperative.

Third, the sales manager should mould the branch office culture into one that is both competitive and cooperative, although the two culture dimensions may seem to be opposed. In order to enhance these cultures simultaneously, it may be effective to introduce an incentive system in which salespeople compete with each other in creating and sharing sales knowledge. That is, if salespeople are evaluated not only by their sales volume, but also by the extent to which they share their knowledge with others, then internal competition can become compatible with cooperation.

5-4-5 Limitations and Future Directions

Our study has some limitations. First, the subjects of this study were salespeople at car dealerships that were affiliated with the same company, although other studies have reported results similar to ours. Therefore, we need further analyses in a variety of businesses to generalize the findings of this study, especially the finding of the moderating effect of sales experience on the relationship between branch office culture and sales meta-knowledge. Second, this study is not longitudinal, and we must try to collect longitudinal data. Third, since we used a mail survey, there is a problem of measurement validity. We have to improve the measurement validity by using real time, experimental data. Finally, we should consider the influence of national culture on selling activities. The unique nature of Japanese culture may affect our results.

Although this study has some limitations because of the questionnaire methodology, the framework or approach that we employed can be applied to members of other types of organization with different jobs. We should investigate this topic from a broader perspective in order to answer the question “Where does

job knowledge come from?”

5-6 Summary

We found two types of metacognitive knowledge: customer orientation and goal achievement orientation. Correlation analysis revealed that the more experience salespeople gained, the stronger the relationship between the two types of meta-knowledge and sales performance became. Moderated regression analysis results indicated that both sales experience, and the type of metacognitive knowledge deployed, moderated the effect of an internal-competitive culture on both types of metacognitive knowledge. That is, an internally competitive culture promotes goal achievement orientation in the early stage of a career, while it enhances customer orientation in the later stage. However, the competitive culture may lower the customer orientation of newcomers. The results suggest that an internally competitive culture has a different effect on different salespeople.

Chapter 6

The Effect of Department Culture on Sales Styles and Performance

In chapter 3, 4, and 5, we analyzed salespeople's knowledge at the individual level. This chapter examined the mechanism by which organizational culture affects performance through sales styles at the department level. Using survey data for 181 sales departments in Japan, we conducted a covariance structure analysis to examine the relationship between sales department culture, sales style, customer satisfaction, and financial performance in both highly uncertain and more certain market groups. Since sales styles are closely related to selling knowledge in sales departments, we could expect to find cultural traits influencing selling knowledge through the analyses mentioned above.

6-1 Research Model and Hypotheses

There are two problems with existing research. The first problem is that the relationship between organizational culture and performance is unclear. The second problem is that there is no agreement on the moderating effect of the market environment on this relationship. The latter problem is related to the information processing perspective in organizational theory that claims that the organization should be designed to process information produced by environmental uncertainty (Galbraith, 1973). In order to explore these two problems, (1) we adopted the sales department as the unit of analysis, (2) examined sales style and customer

satisfaction as mediators between organizational culture and performance, and (3) tested the path model (Figure 6-2) with a covariance structure analysis comparing highly uncertain and more certain market groups. Figure 6-1 is the research model, which shows the influence of organizational culture on performance through changing sales style and customer satisfaction, and that market uncertainty moderates the relationship. The author previously examined the effect of sales department culture on performance (Matsuo, 1998a), and the influence of sales style on customer satisfaction and financial performance (Matsuo, 1998b). However, the relationship between sales department culture, sales style, and performance and the moderating effect of market uncertainty have never been examined in one analysis. Such an analysis may help to reveal the culture – performance relationship. Chatman & Jehn (1994) and O'Reilly (1989) pointed out that service-sector firms rely heavily on organizational culture to direct members' actions, because of the difficulty of direct supervision. This view supports the validity of our research model.

Market uncertainty is thought to moderate the relationship between culture, sales style and performance on the basis of a strategically appropriate hypothesis. Gordon (1991) and Gordon & DiTomaso (1992) proposed that the environment affects organizational culture, and that the cultural effect is moderated by the environment.

The main purpose of this chapter is to examine the research model using covariance structure analysis for each of the market uncertainty groups (high and low). We proposed the following two hypotheses.

H1: The influence of sales department culture on sales style is moderated by market uncertainty.

H2: The influence of sales style on customer satisfaction and financial performance is moderated by market uncertainty.

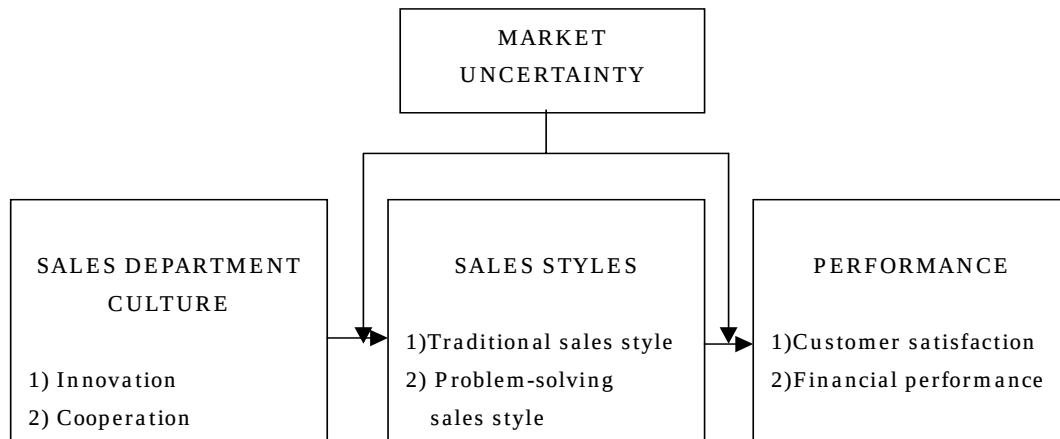


Fig. 6-1 Research Model

6-2 Method

6-2-1 Sample

The sample was drawn from the companies listed in the first section of the Tokyo Stock Exchange, and was limited to the companies with headquarters in Tokyo or Osaka. We conducted a quantitative mail survey of the sales departments of these companies and asked the managers of the main product or service divisions to answer the questionnaires. Of 882 questionnaires mailed, 238 were returned directly to the researcher, for a response rate of 27.0%. Only 181 questionnaires were used in this study because we failed to obtain the culture data for 57 companies because of a printer's error (final response rate 20.5%). A breakdown of the firms is as follows: industry (manufacturer 68.5%; non-manufacturer 31.5%), type of goods (industrial goods 50%; consumer goods 12.8%; mix 35.6%), number of employees (less than 999 = 21.7%; 1,000 – less than 5,000 = 56.1%, more than 5,000 = 22.3%).

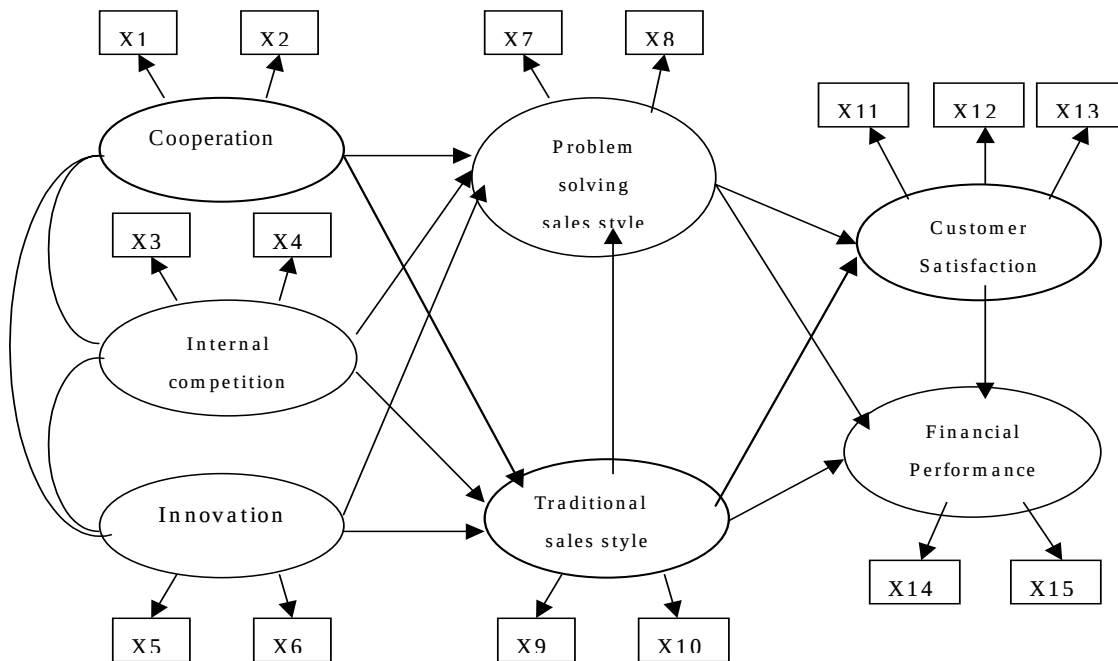


Fig. 6-2 Proposed Model

6-2-2 Proposed Model

Fig. 6-2 shows the proposed model that includes seven latent variables. Each of the latent variables was defined in terms of observable variables. This model assumes that sales department culture influences sales style, which in turn determines customer satisfaction and financial performance.

6-2-3 Measures

In this chapter, we examined the same variables used in the author's past research (Matsuo, 1998a, 1998b); however, we eliminated some of the items so that we could obtain a good fit to the model. Table 6-1 shows the observed variables included in the model constructed with five-point Lickert-type scales ranging from “5: strongly agree” to “1: strongly disagree” (Culture, sales style, and customer satisfaction), from “5: very high” to “1: very low” (Financial performance). Sales department culture dimensions and sales styles were extracted by principal component analysis in

previous studies (Matsuo, 1998a, 1998b). We selected two or three items from the original scales for factor loadings and contents of items, so that we could obtain a good model fit in the covariance structure analysis. The resulting minimum coefficient alpha of the scales of 0.71 indicates relatively good internal reliability.

Sales department culture

Sales department culture is defined here as shared behavioral patterns or norms within a sales department. We chose two items from the original three scales of department culture dimensions (six items for cooperation, four items for innovation, and three items for internal competition). Cooperation means that cooperative behavior and information sharing are evident within a sales department. Internal competition means that salespeople or subgroups compete with each other. Innovation means that the generation of new methods of work and the improvement of working practices are encouraged within a sales department. We chose these dimensions because competition and customer orientation are generally emphasized in a service sector firm (Chatman & Jehn, 1994), and innovation, competition, and cooperation are thought to be important to support member's knowledge and skill acquisition (Tracey, Tannenbaum, & Kavanagh, 1995). The items of our scale were developed from the work of Field & Abelson (1982), Hofstede et al. (1990), Kagono (1993), Koys & DeCotiss (1991), Narver & Slater (1990), O'Reilly, Chatman, & Caldwell (1991), and Reynolds (1986). In this chapter, we define sales department culture as the behavioral pattern or norm seen in a sales department.

Sales style

Sales style is defined as the selling approach to the customer. We chose two items from the original scale of two sales styles (five items for problem-solving sales; four items for traditional sales). A problem-solving sales style means that the salesperson understands the customer's problem and consults with him/her, while a traditional sales style means that the salesperson contacts a customer frequently

and develops a trusting relationship with him/her. Both sales styles are customer-oriented selling, but their approaches to the customer are different. We chose these two sales styles because customer oriented selling has been emphasized in past research. The respondents were asked to determine the extent to which the sales style in their department had changed in the last three years. The items in the original scales were developed from past research on personal selling studies (Saxe & Weitz, 1982; Churchill et al., 1993; Onzo, 1995).

Customer satisfaction

We chose three of the original five items. Customer satisfaction was measured by the extent to which repeated purchases, praise, and referrals from customers had changed in a sales department in the last three years. The items on the original scale were developed from the work of Reichheld & Sasser (1990) and Kohli & Jaworski (1990).

Financial performance

Financial performance was measured with the two original items that measure the rate of growth of sales and profit in comparison with those of competitive firms in the last three years.

Market uncertainty

Market uncertainty refers to the uncertainty of the market experienced by a sales department. This includes uncertainty and variety of demand, technological change, and competitive intensity. We used the same variable as Matsuo (1998a). In the previous research, a cluster analysis was used to examine four market traits. All of these items were measured with a five-point Lickert scale ranging from “5: strongly agree” to “1: strongly disagree”) and two clusters were extracted. Four market trait items were developed from the work of Jaworski & Kohli (1993), Kohli & Jaworski (1990), Nonaka (1974), and Slater & Narver (1994). One cluster was called the ‘highly uncertain market group’ (or high certainty, N = 109), the other was

called the 'more certain market group' (or low certainty, $N = 69$). Sales departments that were included in the highly uncertain market group had a significantly higher score on all the market items (except for competitive intensity) than those included in the more certain market group: demand uncertainty, high = 3.82 vs. low = 3.39 ($p < 0.01$); demand variety, high = 4.37 vs. low = 3.80 ($p < 0.001$); technological change, high = 4.39 vs. low = 2.57 ($p < 0.001$); competitive intensity, high = 4.72 vs. low = 4.67 (n.s.). The highly uncertain market group included the firms that were categorized in the construction (73.7%), chemical, machinery (70.0%), electrical equipment (94.4%), and precision instrument industries (85.7%). The more certain market group included the firms that were categorized in the food (72.7%), textile (100%), and steel industries (66.7%).

Table 6-1 Observable Variables

1) Sales department climate < Cooperation: $\alpha = 0.77$> Cooperation within the workplace. Shared information within the workplace. < Internal competition: $\alpha = 0.86$> Salespersons are strongly aware of competition between themselves. Sales departments compete with each other. <Innovation: $\alpha = 0.86$> Encouraged improvement of work practices. Emphasis on new ideas and work methods.
2) Sales styles <Problem-solving approach: $\alpha = 0.78$> Understands the customer's problem. Consults the customer. <Traditional approach: $\alpha = 0.71$> Increase the number of calls on a customer. Emphasize the importance of the relationship with the customer.
3) Performance <Customer satisfaction: $\alpha = 0.72$> Repeated purchases by existing customers are increasing. Referrals from existing customers are increasing. The customers' praise is increasing. <Financial performance: $\alpha = 0.78$> The rate of growth of sales in comparison with competitive firms. The rate of growth of profit in comparison with competitive firms.

Table 6-2 Mean and S.D of Variables in Market Uncertainty Groups

Variables	Market uncertainty		t-value	p
	High Mean (S.D)	Low Mean (S.D)		
Sales department culture				
Cooperation	3.68 (.73)	3.47 (.67)	1.95	+
Internal Competition	3.18 (.89)	3.05 (.93)	1.20	
Innovation	4.14 (.66)	3.88 (.76)	2.32	*
Sales style				
Problem-solving	3.82 (.69)	3.41 (.73)	3.64	*
Traditional	3.68 (.68)	3.51 (.69)	1.68	+
Perfromance				
Customer satisfaction	3.35 (.55)	3.20 (.56)	1.78	+
Financial performance	3.25 (.81)	2.97 (.81)	2.26	*

Note: + $p < .10$, * $p < .05$

6-3 Results

Table 6-2 shows the means and standard deviations of latent variables in each market uncertainty group. The table indicates that sales departments in the highly uncertain market group show significantly ($p < 0.05$) higher scores for innovative culture, problem-solving sales style, and financial performance than sales departments in the more certain market group.

6-3-1 Model Fit

A covariance structure analysis was conducted to test the proposed model using AMOS 3.6. Figures 6-3 and 6-4 present the parameter estimates (only significant coefficients are presented; $p < 0.05$) and the assessment of fit of the overall model in each market uncertainty group. As can be seen, Goodness of Fit Index (GFI) was 0.907, Adjusted Goodness of Fit Index (AGFI) was 0.851, and Root Mean Square Error of Approximation (RMSEA) was 0.035 for the highly uncertain market group ($N = 109$), while GFI was 0.833, AGFI was 0.733, and RMSEA was 0.086 for the more certain market group ($N = 69$). Although the model fit for the more certain market group was lower than that of the highly uncertain market group, the model fits in both groups seemed to be relatively good because RMSEA was under 1.0 and the minimum coefficient from the latent variables to the observable variables was 0.53 in both groups.

6-3-2 Testing Hypothesis 1

Fig. 6-3 and 6-4 show that market uncertainty moderates the influence of sales department culture on sales styles. In a highly uncertain market, a problem-solving sales style was influenced by a cooperative and internally competitive culture, whereas in a more certain market, it was influenced by an innovative culture. In the highly uncertain market, the traditional sales style was affected by a cooperative culture, whereas in a more certain market, it was affected by an internally competitive culture. These results support hypothesis 1, and are

consistent with the findings of Matsuo (1998a) that an internally competitive and cooperative culture enhances the performance of the sales department when market uncertainty is high.

Although an internally competitive culture has an impact on sales styles in both market groups, its function seemed to differ in each group. That is, competition promoted problem-solving sales in the highly uncertain market, whereas competition enhanced traditional sales in a more certain market. This difference can be explained by examining the relationship between cultural dimensions in each market. In a highly uncertain market, competition was significantly related to innovation ($r = 0.40$), while there was no significant relationship between these factors in a more certain market. These relationships suggest that internal competition promotes an innovative sales department when market uncertainty is high, while internal competition motivates salespeople to work harder when market uncertainty is low.

6-3-3 Testing Hypothesis 2

Fig. 6-3 and 6-4 show that the sales styles affected financial performance by influencing customer satisfaction, regardless of the extent of market uncertainty. The important point to note is that the traditional sales style had a stronger impact on customer satisfaction than the problem-solving sales style in both markets. This means that building a close relationship with the customer by increasing the number of sales calls improves customer satisfaction. The result did not support hypothesis 2; however, it shows the importance of customer satisfaction and traditional sales style.

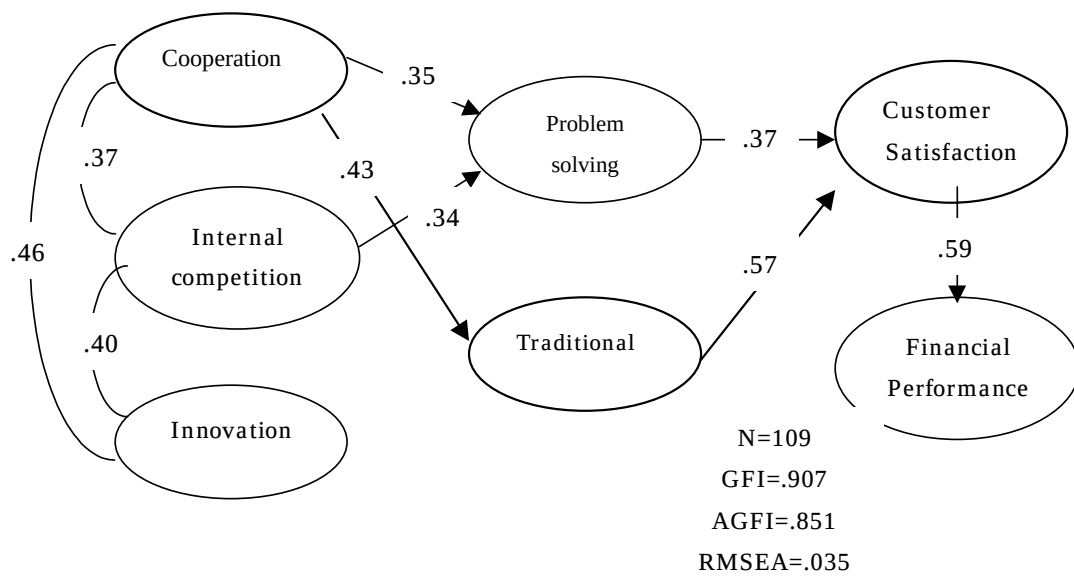


Fig. 6-3 Parameter Estimates for Proposed Model in Highly Uncertain Market

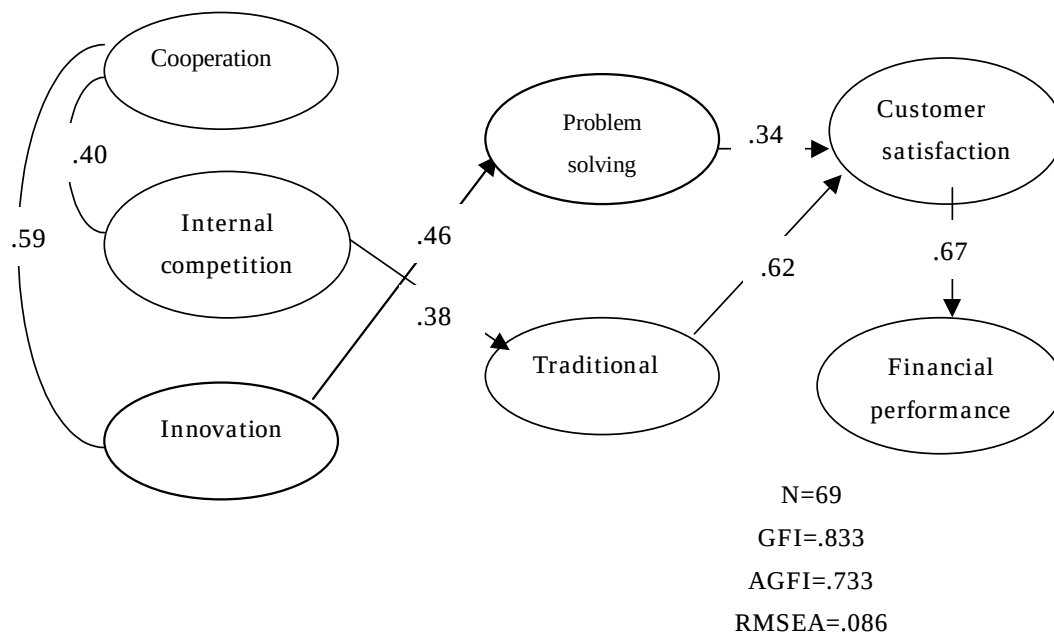


Fig. 6-4 Parameter Estimates for Proposed Model in a More certain Market

6-4 Discussion

The purpose of this chapter was to investigate the mechanism by which organizational culture influences performance. We revealed that sales department culture has an impact on performance by influencing sales style and customer satisfaction, and also showed that the relationship is moderated by market uncertainty.

6-4-1 Sales Department Culture and Sales Styles

The influence of sales department culture on sales styles varies when market uncertainty changes. We obtained the same result as Matsuo (1998a), which indicated that a cooperative yet internally competitive culture plays an important role in a highly uncertain market. In particular, both these cultural traits improve problem-solving selling. This result indicates that a cooperative, internally competitive culture is associated with innovative selling activities. As Matsuo (1998a) claims, we can interpret this to say that internal competition stimulates the generation of new selling methods or skills, and cooperation promotes sharing them within a department. Of these two cultural traits, internal competition promotes the external adaptation of an organization, while cooperation is necessary for an organization to integrate its internal process. Since external adaptation and internal integration are basic problems for an organization (Schein, 1985), an internally competitive yet cooperative culture may be the key feature of an excellent organization.

It is notable that an innovative culture only has an impact on selling activities in a more certain market. In a highly uncertain market, an innovative culture has no impact on sales styles. This result seems to be unreasonable; however, the norm of innovation may not be enough in a highly uncertain market, because the customer's problems are so much harder to solve. This shows that the norm of innovation has limited power to stimulate innovative selling activities. To the contrary, internal competition and cooperation combine to generate innovation

within a sales department in an uncertain market.

We can interpret these results from an information-processing model of organization (Galbraith, 1973). In a highly uncertain market in which the amount of information to be processed is greater than that in a more certain market, the sales department must have a mechanism to process the information. Specifically, a successful sales department in a highly uncertain market may have an internally competitive and cooperative culture to deal with the uncertainty of information.

Regardless of market uncertainty, an internally competitive culture has an impact on the sales styles, although its function may differ. In a highly uncertain market, competition is related to problem-solving selling. On the other hand, in a more certain market, competition is related to traditional selling. These results indicate that competition in a highly uncertain market promotes innovation, but that competition in a more certain market promotes hard work. This means that the same cultural trait works differently when the environment differs. This may occur because the environmental pressure or the amount of information to be processed changes the function of competition in a sales department.

The findings mentioned above suggest the influence of environmental requirements on an organization. In a different environment, it seems as though the same culture has a different effect on its member's behavior. This supports the strategically appropriate culture perspective that Kotter & Heskett (1992) propound.

6-4-2 Sales Styles and Performance

There is no difference between the highly uncertain and more certain markets in the relationship between sales style, customer satisfaction, and financial performance. However, we made two important findings. First, traditional selling has a stronger impact on customer satisfaction than problem-solving selling. This result indicates the importance of building a long-term relationship with a customer by traditional selling, which emphasizes frequent sales calls. Churchill et al. (1993) and Tamura (1993) suggested that once the relationship with a customer

is established and the salesperson becomes a trusted source of information, then customers relay their needs or problems to the salesperson without resistance. That is, a traditional sales style promotes efficient information gathering from the customer.

Second, sales styles affect financial performance by enhancing customer satisfaction. In other words, sales styles does not affect financial performance directly. The result shows the importance of customer satisfaction in personal selling, and this concurs with the results of some empirical research that indicate that customer satisfaction improves profitability by enhancing customer loyalty and retaining customers (Fornell & Wernerfelt, 1987; Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Reichheld & Sasser, 1990). This finding also shows that customer-oriented selling has a great impact on performance. It must be noted, however, that the impact of traditional sales style on customer satisfaction may reflect the uniqueness of Japanese culture, which attaches greater importance to the emotions of human relationship.

6-4-3 Limitations and Future Directions

This study has some limitations. First, our sample was limited to Japanese firms, and the percentage of manufacturers (68.5%) was high because we conducted a survey of companies listed in the first section of the Tokyo Stock Exchange. We have to take this into consideration when generalizing the results of this study. Second, we used a covariance structure analysis. Unlike ANOVA this method cannot analyze the interaction effect. Therefore, our results should be interpreted with those of our previous studies (Matsuo, 1998a, 1998b). Finally, we only obtained one respondent per sales department. Therefore, we need to improve the measurement validity.

This study revealed some of the relationship between sales department culture and performance through sales styles, and also found that the market environment moderates the relationship. We can expand these findings in several directions. First, it may be useful to examine sales styles in more detail. Using

cognitive methods should reveal the mechanism by which salespeople acquire their knowledge or disseminate it in a sales department. Second, we need to explain how internal competition and cooperation combine to promote a problem-solving sales style. Third, we should investigate sales departments in countries other than Japan to generalize these results. The findings of this study may reflect the uniqueness of Japanese culture. Finally, it would be interesting to examine the flow of market information between the sales department and other departments. The organizational culture may influence how information flows. Such an analysis will make the study of organizational culture more dynamic.

6-5 Summary

The results indicate that market uncertainty moderates the influence of sales department culture on the two types of sales style (problem-solving and traditional). That is, in a highly uncertain market, internal competition promotes a problem-solving sales style and cooperation enhances a traditional style, while in a more certain market, internal competition promotes a traditional sales style and innovation enhances a problem-solving one. Traditional and problem-solving sales styles affected financial performance through customer satisfaction, regardless of the level of market uncertainty. These results suggest a contingency model for organizational culture and performance. However, the mechanism by which organizational culture influences sales styles has not been examined, and the determinants of a competitive and cooperative culture remain unclear. We examine these points in the next chapter.

Chapter 7

The Case of ORIX Corporation

Chapter 6 pointed to the importance of a good balance between competition and cooperation in sales departments. However, for effective knowledge management we needed to know how a competitive and cooperative culture affects selling innovation, and how it is possible to keep a good balance between these two cultural traits. The purpose of this chapter is to examine the mechanisms by which a competitive yet cooperative corporate culture influences performance, and to investigate the determinants of that culture, through a case study of ORIX Corporation, which is one of the largest leasing companies in Japan. Based on analyses of this study, we propose a conceptual model for the organizational determinants of selling innovation.

7-1 Research questions

This study investigated the influence of a competitive yet cooperative culture on innovative selling activities, and examined the organizational factors supporting the culture, in a case study of ORIX Corporation. In these analyses, we expect to gain insight into knowledge management in sales organizations. This study asked the following questions:

- RQ1: How is the competitive yet cooperative culture of a sales department related to innovative selling knowledge or activities?
- RQ2: What organizational factors enable competition and cooperation to be compatible?

In this chapter, we do not take organizational culture as a given, because it is thought to be maintained by various factors, such as the external environment, organizational history, management policy, the leadership and vision of upper management, technology, and strategy. Therefore, we need to examine organizational culture in the context of an entire organization.

Definitions of organizational culture are divided into those of the ideational school, which stress latent factors such as shared values or assumptions, and those of the adaptationist school, which emphasize tangible factors such as behavioral patterns (Ashforth, 1985; Keesing, 1974; Sathe, 1983). We employed the definition of the adaptationist school, and defined organizational culture as the behavioral patterns of members of an organization.

7-2 The case of ORIX Corporation

First, we provide an overview of the corporation's history, the nature of its business, and the policy and vision of its management. Then, we focus on the sales department of ORIX Corporation to describe sales strategy, sales styles, and organizational culture. Finally, we examine the organizational factors that maintain the organizational culture of ORIX.

7-2-1 An overview of the ORIX Group ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾

History and content of business

In 1964, Sanwa bank, Nichimen Corporation, and other companies merged with U.S. Leasing Co., Ltd. to form Orient Leasing Co., Ltd. In 1970, the Company listed its shares on the second section of the Osaka Stock Exchange, and in 1973 it listed its shares on the first section of the Tokyo, Osaka, and Nagoya Stock Exchanges. In 1989, the Company changed its name to ORIX Corporation, reflecting its international profile. In 1998, it listed its shares on the New York

Stock Exchange. ORIX has grown to become one of Japan's largest and most innovative financial services companies, with activities spanning the spectrum of corporate and retail finance, including direct financing leases, operating leases, installment loans, investment securities, securities brokerage, life insurance operations, and personal financial services. The company's 1998 operating revenue was 3,669 million dollars, and its before-tax income was 288 million dollars.⁽³⁾ In a stagnant Japanese economy, in which many financial institutions have gone out of business, the stock of ORIX has maintained a high price, and the corporation's bad loans have been disposed of well.

Management policy

In 1964, ORIX adopted the accounting standards of the Securities & Exchange Commission (SEC) to place stricter standards on its own management than those mandated in Japan. The company has stressed cash flow, rather than hidden assets, which many Japanese firms depend on. In addition, ORIX has spurned many normal Japanese management practices such as cross-holding shares, hiring retiring high-ranking bureaucrats for well-paid jobs, and leasing employees from parent companies. The company has also kept its distance from the business leasing community, and fought for deregulation of the industry. Although ORIX seems to have a Western-style management policy, the company also maintains the importance of a long-term strategy and of respect for its employees, which are advantages of the Japanese management style. On this point, Mr. Yoshihiko Miyauchi, President and Chief Executive Officer of ORIX Corporation stated, "I think the innovation occurred when we blended Japanese ways with an American style of management. For example, firms in the U.S. have effective management tools or policies on accounting management, corporate governance, and information disclosure. We should introduce these excellent tools and policies [into Japanese companies], while respecting the advantages of Japanese management, such as the long-term orientation and lifetime employment."⁽⁴⁾

Management vision

In its operations, ORIX has emphasized innovative products and services, and has expanded its business to include investment securities, securities brokerage, life insurance operations, and personal financial services, as a “diversified financial service company.” President Miyauchi has said, “We don’t have a long-term strategy,”⁽⁴⁾ and “It is hard to explain a tangible vision.”⁽²⁾ At other times, he has also remarked, “We want to be an innovator in the financial business and try something unique that others haven’t adopted,”⁽²⁾ and “We will not enter existing businesses such as ordinary bank operations or over-the-counter security sales, because there are too many major dealers in these fields.”⁽²⁾ These remarks show that ORIX aims to be an innovative company in the financial industry.

7-2-2 Sales strategy, sales activities, and organizational culture

In this section, we focus on the selling activities of ORIX Corporation, and examine the influence of the organizational culture on sales knowledge or activities, and investigate the organizational factors that determine ORIX’s culture. The following analyses are based on an interview with a branch manager of ORIX Corporation⁽¹⁾

Sales strategy

Direct financing leases, ORIX’s core business activity, are generally intended for one specific user, and recoup the initial cost of the equipment during the initial lease period.⁽⁸⁾ The practice of leasing was introduced to Japan from the U.S. in 1964, and it spread widely over the next 15 or 16 years. Since a lease only involves an interest rate, a fixed property tax, and a premium, price competition became severe, and the profitability of leasing dropped steadily. To deal with this, ORIX planned a strategy to expand its business to provide general financial services, and emphasized providing differentiated services to its customers. For example, ORIX established a special package called ‘OQL’ (ORIX Quick Lease) that establishes ties

between ORIX and office equipment dealers, and adds value to service by shortening the lead time between a credit check, contract, and payment by the customer to the dealer. ORIX can maintain a competitive advantage, because this service is based on the company's system and expertise.

Developing a financial product

In ORIX, financial products are developed at the branch office level, and there is no product development department. Salespeople usually learn customers' needs or problems, and develop a product to answer them. For example, relying on ORIX's know-how on credit checks, ORIX began to provide home loans to self-employed people such as TV stars, who had sufficient income but could not make use of loan services,. In ORIX, a number of products are developed at each branch office. These spread throughout the company if successful, and gradually disappear if less successful.

Sales style

Salespeople inquire about the financial condition or taxes of their customer's company in order to grasp the customer's financial position. Using this information, they propose financial products to the customer. At this time, the traditional Japanese sales style is useful in collecting customer information. Salespeople call on their customers frequently to build a trusting relationship with them, so that they can gather information from their customers efficiently.

A competitive yet cooperative organizational culture

Services should change with changing customer needs. In ORIX, salespeople are encouraged to make an effort to understand changes in their customer's needs. This leads to an unrestrained, productive atmosphere in which a member's frank opinion can be accepted. For example, once an innovative product is developed in a branch office and proves to be a great success, news of the product spreads to other branches by word of mouth and a rush of telephone inquiries from other branches

follows. In such cases, the salespeople who developed the product are willing to provide information to other branches, because the diffusion of their own product makes them feel proud, whereas concealing their know-how would lead to a negative evaluation by others. The sales information is shared within the company, despite the intense competition between branch offices and between salespeople. A good balance between competition and cooperation among salespeople is a feature of ORIX's culture. We can interpret this to mean that sharing information within the company accelerates the competition among salespeople. It may be said that one of the rules of competition within ORIX is that performance is evaluated by the innovativeness of the products or services, provided that the selling information is shared within the company.

7-2-3 Determinants of organizational culture

The analyses mentioned above show that a good balance between competition and cooperation promotes innovative selling activities. How is it possible to maintain a balance between these two cultural traits in ORIX? In the following sections, we examine the organizational determinants of ORIX's culture.

Independence of the affiliated companies

ORIX's cultural traits may be related to its independence from parent companies. Most leasing companies in Japan are affiliated with banks, manufacturers, or general trading companies, and their management styles reflect those of the parent companies. When ORIX was formed, the board of directors, who came from Nichimen Corporation or Sanwa Bank, was aware of this limitation and transferred their registration from the parent companies to ORIX at that time. They also halted the Japanese system of visiting employees until 1970. After the company's second President, Mr. Tsuneo Inui, promoted the company's independence by listing shares on the Stock Exchange, ORIX gradually became free of the control of its parent companies. Since other leasing companies are firmly incorporated into business groups, they tend to have a conservative organizational culture. ORIX's

innovative, customer-oriented culture may come from the demands of independence, which meant that ORIX could not expect support from its parent companies in times of crisis. In other words, the decision by top management to place the company in an uncertain environment may have forced its organizational culture to become customer oriented and innovative.

Employment system

ORIX has hired various people from other companies to incorporate a diverse point of view. For example, when employees who have had experience in other industries state, “I find ORIX’s way of thinking strange!” it gives rise to internal discussion, which promotes understanding of the customer. Unlike most Japanese firms, in which new male graduates have an advantage in promotion and other personnel matters, in ORIX, there is no discrimination between the treatment of employees hired in mid-career and new graduates. Members are evaluated on their performance, which produces an open, but tense, atmosphere in the company. ORIX’s policy, which stresses the diversity of human resources, is reflected in a remark by President Miyauchi: “In an information society, a company is stimulated when many people display their originality. Therefore, it is meaningful to incorporate a foreigner’s unique perspective into our company. Concerning personnel matters, we treat all our employees alike, regardless of their sex or nationality.”⁽⁴⁾

Team selling and system-oriented evaluation

A salesperson in ORIX cannot work alone. Initially, salespeople begin negotiations with a customer, but gradually the focus shifts to a company-to-company relationship. Salespeople have to work as a team in order to develop financial products, which requires the cooperation of the department’s staff. In addition, the evaluation of salespeople is based on their development of profitable financial products. Therefore, it is difficult for salespeople to hide information or expertise. The selling activities and knowledge of each branch are transformed into financial

products, which promotes the diffusion and sharing of selling expertise throughout the company. Each new product also provides cues for the next innovative product.

Leadership of top management

Strong leaders have run ORIX since its inception. On gaining independence from its parent companies, former President Inui decided to transfer the executives' register to ORIX, to stop the visiting employee system, and to list ORIX's shares on the Stock Exchange. This decision by the CEO to place the company in an uncertain environment by promoting its independence may be the basis of ORIX's culture. Since Mr. Miyauchi was installed as president in 1980, he has repeatedly encouraged the administration to deregulate the financial system, and his actions initiated the liberalization of commercial paper and commodities investment funds in Japan. Top management's leadership in seeking independence from affiliated companies and breaking down the industry's customs and regulations may have a strong impact on a company's strategy and organization, which are the basis of a competitive and cooperative organizational culture.

7-3 Discussion

The case of ORIX Corporation shows that a competitive yet cooperative culture is the basis for innovative selling activities, and that the culture is supported by various organizational factors. The mechanism is shown in Fig. 7-1. This model incorporates past research on the determinants of organizational culture (Kotter, 1978; Field & Abelson, 1982; Kohli & Jaworski, 1990; Jaworski & Kohli, 1993) and the empirical results of Matsuo (1998) and chapter 6. In the following sections, we discuss the case of ORIX using this model.

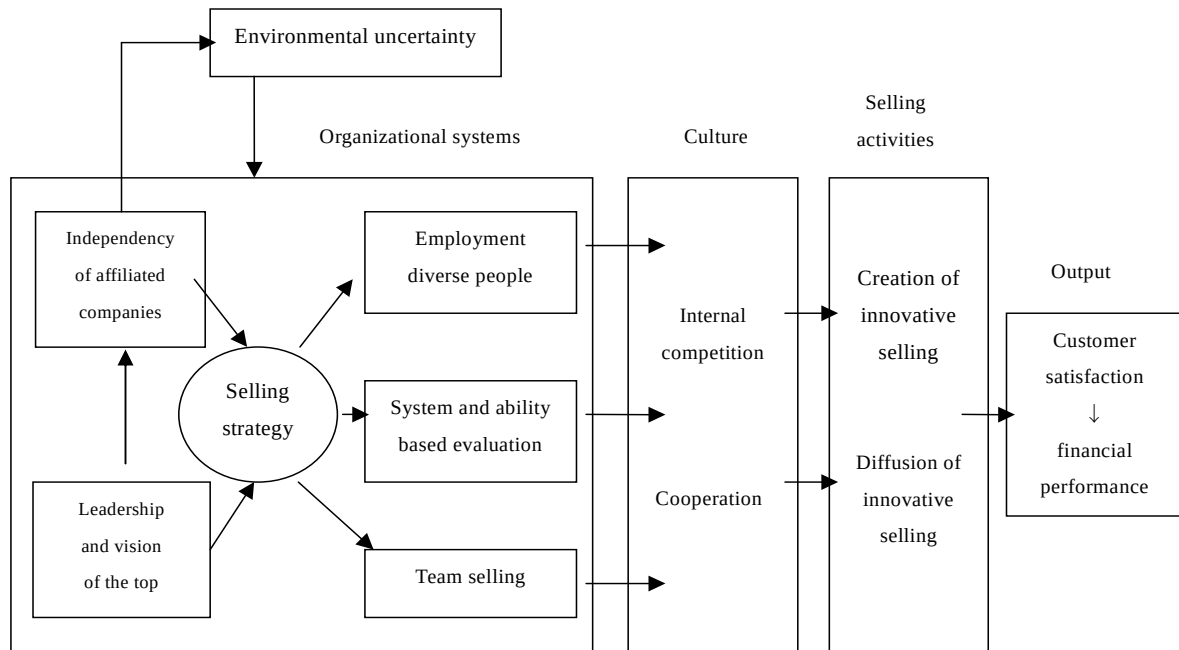


Fig. 7-1 Conceptual Model based on Case of ORIX Corporation

7-3-1 A competitive yet cooperative culture and innovative selling

The mechanism by which a competitive yet cooperative culture influences innovative selling activities can be interpreted to say that competition stimulates salespeople to come up with innovative selling approaches and cooperation promotes the diffusion of the selling knowledge within the company. This interpretation suggests that ORIX is a market-oriented organization, in which salespeople collect market information, which is then diffused throughout the organization, and members respond to it appropriately. Therefore, we can say that a competitive yet cooperative culture supports a market-oriented organization. Past research indicates that competition and cooperation each play important roles for service organizations and in the acquisition of knowledge (Chatman & Jehn, 1994; Tracey, Tannenbaum, & Kavanagh, 1995). The case of ORIX not only shows the relationship between organizational culture and performance, but also illustrates the characteristics of a market-oriented organization.

7-3-2 Determinants of a competitive yet cooperative culture

The results of this case study suggest that a competitive yet cooperative culture is supported by various organizational factors, including the corporate history, top management's leadership, vision and selling strategy, and employment practices, evaluation systems, and team selling. Of these determinants, the top management's leadership and independence from affiliated companies have a central and fundamental effect on ORIX's culture. These two factors not only impart a sense of crisis and tension to the organization's members, but also have an impact on the selling strategy, human resource management, and job design. In order to adapt to the environmental uncertainty caused by its independence from affiliated companies, ORIX was forced to adopt a strategy of developing innovative products. To develop innovative products, it may be necessary to hire very well-qualified people from other companies, to spread their know-how throughout the corporation by using a team selling approach, and to evaluate them on the basis of whether they develop a profitable product. All these factors enable competition and cooperation to coexist. Employing very different people and evaluating employees on merit stimulate the competition between salespeople to sell in an innovative fashion. Team selling and system-based evaluation prevent salespeople from hiding their information or knowledge, and promote the diffusion of innovative selling knowledge.

This model has three features. First, of the four hypotheses in Denison's (1990) organizational culture-effective model, this model corresponds to the 'the adaptability hypothesis', which emphasizes the interpretation and conversion of external information. Second, our model defines the organizational culture as a behavioral pattern rather than a shared value, and we focus on a competitive yet cooperative culture. Third, we do not accept the organizational culture as a given. The case study showed that various organizational factors determine the culture. Considering these three features, this study may provide clues to the mechanism by which organizational culture influences performance, and to the determinants of

organizational culture.

7-3-3 Practical implications

We make several practical proposals based on this case study. First, in order to diffuse selling expertise throughout a department, the manager should make the organizational culture competitive and cooperative. However, it is not easy to keep a good balance between competition and cooperation, because the culture is supported by various organizational factors such as employment, evaluation, job design, relationships with affiliated companies, and top management's leadership or vision. Therefore, a manager should consider using information technology, such as computer networks, to disseminate selling expertise within a company, and also change the organizational culture and its determinants. That is, managers have to focus on the relationship between salespeople's knowledge, organizational culture, and organizational systems. Finally, the case of ORIX shows that a close relationship with affiliated companies can harm a subsidiary and prevent it from developing entrepreneurial skills if its parent company is not innovative.

7-4. Limitations and Future Directions

This chapter investigated the determinants of organizational culture and its influence on innovative selling activities, and proposed model based on a case study of only one company. Therefore, we have to conduct case study of other companies and quantitative survey in order to validate and generalize findings of this chapter. However, the model can be generalized to some extent for service firms operating in an uncertain market.

7-5 Summary

There is intense competition among branch offices in ORIX, and salespeople

compete with each other. Information about a new and innovative product developed in one branch spreads to other branches by word of mouth, and there is then a rush of inquiries from the other branches by telephone. This means that competition stimulates salespeople to generate innovative selling knowledge, and cooperation promotes diffusion of the knowledge. The organizational factors that produce a good balance between competition and cooperation are as follows: (1) independence from affiliated companies, (2) an employment system, (3) team selling and system-based evaluation, and (4) leadership style of top management. Among these factors, top management's leadership style is the most fundamental determinant of ORIX's culture.

Notes:

- (1) Interview with Yujiro Teramoto, branch manager of ORIX Corporation (2/10/1997)
- (2) Syukan Diamond 18/4/1998
- (3) Nikkei Business 16/2/1998
- (4) Nikkei Business 18/5/1998
- (5) Nikkei Business 6/7/1998
- (6) <http://www.ORIX.co.jp>

Chapter 8

Conclusion

This chapter summarized the findings of this study, and proposed a model for determinants of knowledge in sales organizations. We began by summarizing our findings according to the research questions, and followed with theoretical implications of these results. Then we proposed a model based on these findings. Finally, we addressed some of the practical implications of our study, as well as a number of its limitations. We concluded by suggesting some possible future directions for this kind of study.

8-1 Main Findings

In order to investigate the general research question; “What determines salespeople’s knowledge in a sales organization?”, we proposed four research questions. We summarize the findings of this study according to the four research questions.

Research Question (1):

What kind of knowledge do high-performing salespeople have?

Findings

- (1) High-performing veteran salespeople have customer-oriented and active selling knowledge. (Chapter 3 and 4)
- (2) High-performing veteran salespeople have two types of sales meta-knowledge: customer orientation and goal achievement orientation. (Chapter 4)

(3) Each sales domain has a key sales process. Selling knowledge at the approach stage is critical for real estate salespeople, while selling knowledge at the closing stage is important for car dealership salespeople. (Chapter 3 and 4)

These findings suggest that it is important for salespeople to keep a balance between customer-oriented knowledge and goal achievement or active selling knowledge. This means that salespeople must both enhance customer satisfaction and control or motivate themselves, if they are to achieve a high performance. Past research on personal selling has pointed out the significance of these two types of orientation (Crant, 1995; Saxe & Weitz, 1982). Our research, however, has pointed out the importance of a balance between them. In addition, key sales processes differ between car dealerships and real estate sales, which means that salespeople need different procedural knowledge in different sales domains.

Research Question (2):

How do salespeople acquire their selling knowledge ?

Findings

- (1) It takes 10 years to acquire expert selling knowledge. (Chapter 3,4 and 5)
- (2) An internally competitive branch office culture promotes goal achievement orientation in the early stage of a career, while it enhances customer orientation in the later stage. However, such competition lowers the customer orientation of newcomers. (Chapter 5)

Sales experience has a strong impact on the knowledge acquisition of salespeople. This result is consistent with the 10-year rule of necessary preparation that it requires about 10 years of preparation to attain high performance in several domains (Ericsson, 1996). This rule can be explained by Anderson's (1982, 1983) model. Our result confirmed the 10-year rule. We found that 10 years of experience is necessary to gain effective procedural knowledge. Nevertheless, we

must not forget that 10 years of experience does not guarantee high-performance. We found that the work environment or branch office culture influences salespeople's knowledge acquisition. In particular, an internally competitive culture has double-edged effect on newcomer salespeople. That is, a internally competitive culture promotes the goal achievement type of meta-knowledge, but it lowers the customer oriented type of sales meta-knowledge. Therefore, it is necessary to keep a balance between internal-competition and cooperation within a branch office.

Research Question (3):

How does the organizational culture affect selling knowledge in sales departments ?

Findings

- (1) Market uncertainty moderates the influence of sales department culture on sales styles. That is, in a highly uncertain market, a competitive and cooperative organizational culture affects sales styles, while in a more certain market, a competitive and innovative organizational culture affects sales styles. (Chapter 6)
- (2) In a different environment, a competitive culture has different impact on sales styles. That is, in a highly uncertain market, a competitive culture promotes problem solving sales styles, while in a more certain market, a competitive culture promotes traditional sales style. (Chapter 6)

The contingency model of culture-performance relationship (Gordon, 1985; Gordon & DiTomaso, 1992) was supported. It was notable that in a highly uncertain market, a competitive and cooperative culture enhances performance through sales styles. This result may mean that competition stimulates salespeople to generate innovative selling knowledge, while the cooperation promotes knowledge sharing. That is, competitive and cooperative cultures may be combined to enhance selling innovation through knowledge creation. This means that in a highly uncertain

market, the generation of innovative approaches through interaction between salespeople is needed to counteract the uncertainty of the environment. Since this mechanism is related to the features of a market oriented organization (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990), a competitive and cooperative culture may be constitute the basis of market orientated organization.

Research Question (4):

What determines organizational culture ?

Findings

(1) In ORIX, a competitive culture stimulates salespeople to generate innovative selling knowledge, and a cooperative culture promotes knowledge sharing. (Chapter 7)

(2) Several organizational systems such as the employment system, evaluation system, and team selling influence a competitive and cooperative culture. (Chapter 7)

(3) Interaction between the entrepreneurial leadership of top management and the external environment has had a strong and fundamental impact on ORIX's culture. (Chapter 7)

This interpretation of the relationship between a competitive and cooperative culture and selling innovation is confirmed in ORIX case study. That is, competitive and cooperative cultures are combined to promote selling innovation through knowledge creation. Therefore, it is important for sales department to keep a good balance between the competition and cooperation. It is important to note that this cultural balance is supported by several organizational systems, corporate strategies and the leadership of top management. Entrepreneurial leadership, in particular, seems to be a fundamental determinants of ORIX's culture. These findings suggest that it is not easy to keep a good balance between

competition and cooperation.

8-2 Proposed Model

Based on the above findings, we proposed a model for determinants of selling knowledge. This knowledge consists of two levels: an individual level and an organization level. We offered models for both levels (Fig. 8-1). The former describes the knowledge acquisition process of salespeople, and the latter describes the determinants of selling innovation. Both models include organizational culture or sub-culture. Salespeople's procedural and meta-knowledge at the individual level corresponds to selling innovation at the organizational level.

The model at the individual level suggests that branch office culture influences salespeople's procedural and meta-knowledge, and that this affects their performance. Sales experience moderates not only the relationship between branch office culture and salespeople's knowledge, but also the relationship between salespeople's knowledge and their performance. That is, the effect of branch office culture on salespeople's knowledge is dependent on the sales experience, and salespeople's knowledge is skilled and elaborated by sales experience. Sales meta-knowledge is thought to direct or control procedural knowledge.

The model at the organizational level suggests that top management decision-making influences environmental uncertainty, which, in turn, affects the company's strategy and organizational systems. All these factors enable a competitive culture and a cooperative culture to coexist. In this instance, competitive and cooperative cultures combine to enhance selling innovation through knowledge creation in a highly uncertain environment. Selling innovation enhances both customer satisfaction and financial performance.

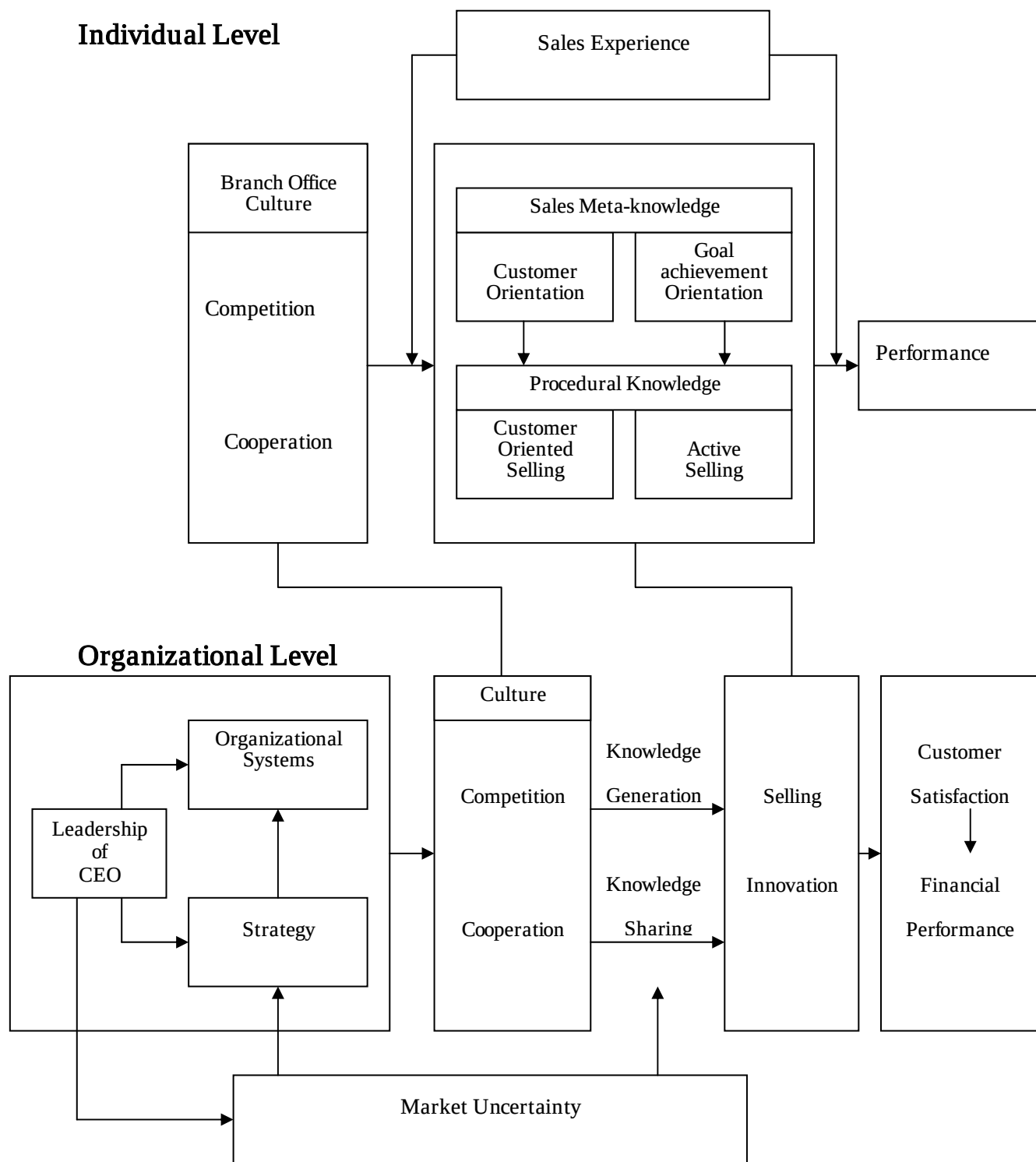


Fig. 8-1 A Model on Determinants of Selling Knowledge

8-3 Practical Implications

Based on these findings and theoretical implications, we address some practical implications.

8-3-1 What knowledge should be developed ?

Keep a good balance

The sales manager should maintain a good balance between customer-oriented knowledge and goal achievement or active knowledge. In order to maintain this balance, it is important to measure salespeople's performance with multiple criteria. Specifically, evaluation by sales volume promotes active selling, while an emphasis on customer satisfaction enhances customer-oriented selling. In addition, this balance should be kept in mind when transferring effective knowledge from effective to ineffective salespeople.

Focus on knowledge at key stage

The sales manager should invest resources into developing knowledge of the key stage of the sales process, because knowledge of the key stage is strongly related to sales performance. Thus, it is critical for sales managers to identify a key sales stage. It is also important to extract high-performing salespeople's knowledge of that stage, and to disseminate that knowledge within a sales department.

8-3-2 How should we develop salespeople's knowledge?

First 10 years is important

The sales manager should develop salespeople's knowledge, especially during the first 10 years of their sales careers, by improving job design and training and by using an incentive system. The manager should not forget that only 10 years of

experience does not guarantee a high performance.

Post newcomers into proper branch

Sales managers should make correct decisions about which branch office newcomers are posted to in their first three years. It should be noted that internal competition might damage the customer-oriented meta-knowledge of newcomers. In order to offset this negative effect, newcomers need a workplace that is also cooperative. Therefore, it is effective to post inexperienced salespeople to a branch office with an internally competitive and supportive culture.

Keep a balance of competition and cooperation

The sales manager should shape the department culture into one that is both competitive and cooperative, despite the fact that the two culture modes seems to conflict. A competitive and cooperative culture promotes knowledge generation and knowledge sharing, which enhance organization-wide knowledge creation. Such culture helps the organization to deal with uncertainty, especially when operating in a highly uncertain market.

8-3-3 What should manager do to keep a balance of competition and cooperation ?

Pay attention to organizational systems

Sales managers should pay attention to organizational systems such as the employment system, the evaluation system, and the job design system. Each system should be designed to promote both competitive and cooperative cultures. The employment of various types of employee, and a performance-based evaluation system, may stimulate competition within a sales department. On the other hand, a system-based evaluation and team oriented selling may promote cooperation within a department.

Entrepreneurial leadership is a basis of organizational culture

The organizational systems mentioned above should be directed by entrepreneurial leadership of top management. In order to generate a competitive and cooperative culture, top management should decide to place the company into uncertain market, which generates the feeling of crisis within a firm. Such a feeling of crisis forces the company's strategy to become innovative and customer-oriented. These strategies require a number of specific organizational systems to support them. Thus, an entrepreneurial leadership style of top management is the most important and fundamental determinant of a competitive and cooperative culture.

8-3 Limitations and Future Directions

Measurement Validity

In chapter 3 and 4, we had difficulty measuring the validity of procedural knowledge, because we used a mail survey. We only inferred the acquisition process of procedural knowledge from correlation data. More valid tools to measure procedural knowledge need to be developed. It may be useful to collect real-time, experimental data about the interaction between a customer and a salesperson using videotape equipment. In addition, in chapter 5, we only obtained one respondent per sales department. Therefore, we need to improve the measurement validity in future research.

Sample and Generalization

Our sample were limited to car dealerships salespeople, real estate salespeople, and Japanese sales departments. We should consider the influence of national culture on selling activities. The unique nature of specific industries, or of Japanese culture, may affect our results. Thus, we need to conduct research in other industries and countries in order to generalize our findings.

More Detailed Analysis

We must investigate the following points in more detail. First, the mechanism by which knowledge is acquired or transferred should be examined using a longitudinal study. Second, it may be useful to examine sales styles in more detail using cognitive methods. Third, we need to explain how internal competition and cooperation combine to promote a problem-solving sales style. Finally, it would be interesting to examine the flow of market information between the sales department and other departments. The organizational culture may influence how information flows. Such an analysis will focus more closely on the dynamics of organizational culture.

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List of Publications

- (1) Matsuo, M. (1994a) An exploratory study on the cognition of social phenomena. *Research in Social Psychology*, 9, 2, 87-96. (in Japanese)
- (2) Matsuo, M. (1994b) Effort reduction and task choice as self-handicapping strategies. *The Japanese Journal of Experimental Social Psychology*, 34, 1, 10-20. (in Japanese)
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- (5) Matsuo, M (1998a) Cultural characteristics and performance in sales organizations. *Journal of the Japan Society of Marketing and Distribution*, 1, 51-65. (in Japanese)
- (6) Matsuo, M (1998b) The effectiveness of selling behavior patterns and the market environment. *Organizational Science*, 32, 1, 76-88. (in Japanese)
- (7) Matsuo, M., Hosoi, K., Yoshino, Y., & Kusumi, T. (1999) A salesperson's procedural knowledge and performance : The moderating effect of sales experience and the knowledge acquisition process. *Journal of the Japan Society of Marketing and Distribution*, 2, 1, 43-57. (in Japanese)
- (8) Matsuo, M. & Kusumi, T (1998a) The effect of organizational climate and experience on task-specific belief: A cognitive study of salespeople. *Paper presented at the workshop at Academy of Management Annual Meeting*, San Diego.
- (9) Matsuo, M. & Kusumi, T (1999a) A salesperson's procedural knowledge and performance: The moderating effect of sales experience. *Proceedings of the 3rd world congress on the management of intellectual capital*, Hamilton, Canada.

(10) Matsuo, M. & Kusumi, T (1999b) The Influence of Sales Department Culture on

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(11) Matsuo, M. & Kusumi, T (1999c) A cooperative and competitive corporate culture promotes selling innovation: A case study of ORIX Corporation.

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Appendix A

Questionnaire (Chapter 3 and 5)

(1) 営業活動

以下では、一般的な営業の流れ（主に個人客）に沿って、貴殿が普段「どのような活動をしているか」についてお伺いいたします。「常に実施している⑦」から「全く実施していない①」の7段階のうち、当てはまる番号に○をおつけ下さい。

アプローチ段階 (お客様との出会い)							
	常に実施 している	やったり やらなか ったり			全く 実施して いない		
	100%	80%	60%	50%	40%	20%	0%
1. 第一印象を良くする	⑦	⑥	⑤	④	③	②	①
2. 身だしなみに気をつけ清潔な感じを与える	⑦	⑥	⑤	④	③	②	①
3. 言葉遣いを丁寧にする	⑦	⑥	⑤	④	③	②	①
4. お客様の名前を呼びかけるようにする	⑦	⑥	⑤	④	③	②	①
5. 笑顔で対応する	⑦	⑥	⑤	④	③	②	①
6. お客様の話を積極的に聞く態度を示す	⑦	⑥	⑤	④	③	②	①
7. お客様が安心して話せる雰囲気作りをする	⑦	⑥	⑤	④	③	②	①
8. お客様のタイプを見極める	⑦	⑥	⑤	④	③	②	①
9. お客様の車のメーカー、車種、年式をチェックする	⑦	⑥	⑤	④	③	②	①
10. お客様の時間に配慮する	⑦	⑥	⑤	④	③	②	①

コミュニケーション段階 (ニーズの把握)							
	常に実施 している	やったり やらなか ったり			全く 実施して いない		
	100%	80%	60%	50%	40%	20%	0%
1. 現在の車の使用状況、満足点、不満点を聞く	⑦	⑥	⑤	④	③	②	①
2. どのような車を検討しているかを聞く	⑦	⑥	⑤	④	③	②	①

3. 家族、趣味について聞く	⑦	⑥	⑤	④	③	②	①
4. 車の使い方、使用目的について聞く	⑦	⑥	⑤	④	③	②	①
5. 勤務先、仕事について聞く	⑦	⑥	⑤	④	③	②	①
6. 購入時期について聞く	⑦	⑥	⑤	④	③	②	①
7. 予算について聞く	⑦	⑥	⑤	④	③	②	①
8. 何を重視するのかを聞く	⑦	⑥	⑤	④	③	②	①
9. 車以外の話を中心にする	⑦	⑥	⑤	④	③	②	①
10. 車の話を中心にする	⑦	⑥	⑤	④	③	②	①
11. お客様のタイプを見極める	⑦	⑥	⑤	④	③	②	①
12. 日常の会話からさりげなくニーズを聞き出す	⑦	⑥	⑤	④	③	②	①
13. 相手のレベルに合わせた話し方をする	⑦	⑥	⑤	④	③	②	①
14. お客様の立場で話を聞き、共感の姿勢を示す	⑦	⑥	⑤	④	③	②	①
15. お客様からの質問に対しては誠実に対応する	⑦	⑥	⑤	④	③	②	①
16. できるだけたくさん話して頂けるよう一方的な会話をしない	⑦	⑥	⑤	④	③	②	①
17. お客様自身から話した様な気分させる	⑦	⑥	⑤	④	③	②	①
18. お客様に自分を知ってもらう	⑦	⑥	⑤	④	③	②	①
19. お客様の不安を取り除き、心を開いてもらう	⑦	⑥	⑤	④	③	②	①

提案段階 (お客様への働きかけ)	常に実施 している	やったり やらなか ったり		全く 実施して いない			
	100%	80%	60%	50%	40%	20%	0%
1. チラシ、カタログ、価格表で標準価格・装備を確認する	⑦	⑥	⑤	④	③	②	①
2. 競合他車と比較し、セールスポイントを説明する	⑦	⑥	⑤	④	③	②	①
3. 今乗っている車と比較して説明する	⑦	⑥	⑤	④	③	②	①
4. 他社の商品の悪口は言わないようにする	⑦	⑥	⑤	④	③	②	①
5. お客様の不安を取り除くようにする	⑦	⑥	⑤	④	③	②	①
6. 専門用語は使わず、お客様にわかる言葉で説明する	⑦	⑥	⑤	④	③	②	①
7. お客様の性格に合わせた説明の仕方をする	⑦	⑥	⑤	④	③	②	①
8. お客様の考えておられる商品に近いものをお薦めする	⑦	⑥	⑤	④	③	②	①
9. 提案には具体的な根拠をつける	⑦	⑥	⑤	④	③	②	①

10. 商品によって得られるメリットを強調する	⑦	⑥	⑤	④	③	②	①
11. 商品を使用するところを想像してもらうように説明する	⑦	⑥	⑤	④	③	②	①
12. お客様に合った車を一緒に考える	⑦	⑥	⑤	④	③	②	①
13. 提案からはこちらが主導権を握って話しを進める	⑦	⑥	⑤	④	③	②	①
14. 自分の薦める商品に自信を持つようにする	⑦	⑥	⑤	④	③	②	①
15. 具体的な購入条件を提示し検討してもらう	⑦	⑥	⑤	④	③	②	①
16. 試乗車に積極的に乗ってもらう	⑦	⑥	⑤	④	③	②	①
17. 販促商品を活用する	⑦	⑥	⑤	④	③	②	①

クロージング段階

(商談の成立)

(商談の成立)	常に実施 している	やったり やらなか ったり						全く 実施して いない
	100%	80%	60%	50%	40%	20%	0%	
1. お客様の言動から買いそうなタイミングを見逃さない	⑦	⑥	⑤	④	③	②	①	
2. タイミングに注意してクロージングのきっかけ作りをする	⑦	⑥	⑤	④	③	②	①	
3. クロージングに至るまでに一度はお客様の意思を確認する	⑦	⑥	⑤	④	③	②	①	
4. 商品説明だけでなくサービス体制を強調する	⑦	⑥	⑤	④	③	②	①	
5. お客様に納得していただけるように話しをすすめる	⑦	⑥	⑤	④	③	②	①	
6. お客様に話しを合わせながらこちらのペースに引き込む	⑦	⑥	⑤	④	③	②	①	
7. 話しをそらさないようにする	⑦	⑥	⑤	④	③	②	①	
8. お客様の感情への働きかけを積極的にする	⑦	⑥	⑤	④	③	②	①	
9. 実際に乗っている姿を思い浮かべてもらうようにする	⑦	⑥	⑤	④	③	②	①	
10. ひたすらお願いをする	⑦	⑥	⑤	④	③	②	①	
11. 熱意を持ってお客様に決心を促す	⑦	⑥	⑤	④	③	②	①	
12. 訪問頻度をあげ熱心な印象を与える	⑦	⑥	⑤	④	③	②	①	
13. 注文をもらうまで帰らない	⑦	⑥	⑤	④	③	②	①	
14. あまりクロージングを焦らない	⑦	⑥	⑤	④	③	②	①	
15. 短時間でクロージングするように心がける	⑦	⑥	⑤	④	③	②	①	
16. 話しの流れのシナリオを書く	⑦	⑥	⑤	④	③	②	①	
17. 車の決定権者と話しをする	⑦	⑥	⑤	④	③	②	①	
18. 今の時期が最良の決定であると説明する	⑦	⑥	⑤	④	③	②	①	

19. 最後の不安、迷いを解消してあげる	⑦	⑥	⑤	④	③	②	①
20. 商品に自信を持って薦める	⑦	⑥	⑤	④	③	②	①
21. 最後の最後まで値引きは出さない	⑦	⑥	⑤	④	③	②	①
22. 出来る出来ないの返事をはっきりする	⑦	⑥	⑤	④	③	②	①
23. ディーラーの1品サービスで決定を促す	⑦	⑥	⑤	④	③	②	①

受注後、納車まで

受注後、納車まで	常に実施 している	やったり やらなか ったり	全く 実施して いない				
	100%	80%	60%	50%	40%	20%	0%
1. 納車日まで何回か経過を報告する	⑦	⑥	⑤	④	③	②	①
2. 納車時期をお客様に合わせる	⑦	⑥	⑤	④	③	②	①
3. 納車時期を厳守する	⑦	⑥	⑤	④	③	②	①
4. 余裕を持って納期を伝え、早めに納車する	⑦	⑥	⑤	④	③	②	①
5. 少しでも早く納車するように努める	⑦	⑥	⑤	④	③	②	①
6. 納車に対して説明し、理解してもらう	⑦	⑥	⑤	④	③	②	①
7. 途中経過を知らせ、待つ楽しみを共感してあげる	⑦	⑥	⑤	④	③	②	①
8. 登録費用は早めにいただく	⑦	⑥	⑤	④	③	②	①
9. キャンセル防止のための工夫をする	⑦	⑥	⑤	④	③	②	①
10. 受注後は礼状を出す	⑦	⑥	⑤	④	③	②	①
11. 他のお客様の紹介を依頼する	⑦	⑥	⑤	④	③	②	①

納車時

納車時	常に実施 している		やったり やらなか ったり		全く 実施して いない		
	100%	80%	60%	50%	40%	20%	0%
1. お礼をはっきり述べる	⑦	⑥	⑤	④	③	②	①
2. できるだけ店頭納車を薦める	⑦	⑥	⑤	④	③	②	①
3. 納車前に電話連絡を入れる	⑦	⑥	⑤	④	③	②	①
4. 納車の約束時間は厳守する	⑦	⑥	⑤	④	③	②	①
5. お客様との約束事が出来ているかきちんと確認していただく	⑦	⑥	⑤	④	③	②	①

6. 予定時刻より早めに納車する	⑦	⑥	⑤	④	③	②	①
7. 事前に車を掃除しておく	⑦	⑥	⑤	④	③	②	①
8. 納車時に写真を撮る	⑦	⑥	⑤	④	③	②	①
9. 車検証、自賠責保険の確認をしてもらう	⑦	⑥	⑤	④	③	②	①
10. 車両説明に時間をかける	⑦	⑥	⑤	④	③	②	①
11. 保証・点検について細かく説明し疑問点がないか確認する	⑦	⑥	⑤	④	③	②	①
12. 納車時に即集金する	⑦	⑥	⑤	④	③	②	①
13. 万一の場合の連絡先をお知らせする	⑦	⑥	⑤	④	③	②	①
14. 待ちに待ったお客様の高まる気持ちを演出してあげる	⑦	⑥	⑤	④	③	②	①
15. 紹介を依頼する	⑦	⑥	⑤	④	③	②	①

アフターフォロー

	常に実施 している		やったり やらなか ったり			全く 実施して いない	
	100%	80%	60%	50%	40%	20%	0%
1. 納車後数日中に調子伺いをする	⑦	⑥	⑤	④	③	②	①
2. 取り扱い方法の再度説明	⑦	⑥	⑤	④	③	②	①
3. サービス入庫を確実にしていただく	⑦	⑥	⑤	④	③	②	①
4. 月一回の訪問を行う	⑦	⑥	⑤	④	③	②	①
5. お客様個人に合わせた連絡訪問を心がける	⑦	⑥	⑤	④	③	②	①
6. 電話・ハガキ主体の対応を行う	⑦	⑥	⑤	④	③	②	①
7. イベントがあれば来ていただく	⑦	⑥	⑤	④	③	②	①
8. 車以外の話しをするように心がける	⑦	⑥	⑤	④	③	②	①
9. クレームには迅速に的確に対応する	⑦	⑥	⑤	④	③	②	①
10. 訪問時には何かの用事をつくる	⑦	⑥	⑤	④	③	②	①
11. お客様といつでも連絡がとれるように携帯電話を活用する	⑦	⑥	⑤	④	③	②	①
12. お客様の家族への対応を心がける	⑦	⑥	⑤	④	③	②	①

紹介の依頼

紹介の依頼	常に実施 している	やったり やらなか ったり	全く 実施して いない				
	100%	80%	60%	50%	40%	20%	0%
1. お客様との信頼関係が深まってきたら紹介を依頼する	⑦	⑥	⑤	④	③	②	①
2. 紹介を受けた人には誰にでも会う	⑦	⑥	⑤	④	③	②	①
3. 訪問時に必ず自分から紹介を依頼する	⑦	⑥	⑤	④	③	②	①
4. 紹介を頂いたら早急に対応する	⑦	⑥	⑤	④	③	②	①
5. 紹介を頂いたら経過を紹介者に伝える	⑦	⑥	⑤	④	③	②	①
6. 定期的な車両の調子伺いをかねて、紹介をいただく	⑦	⑥	⑤	④	③	②	①
7. 訪問ツールや最新情報などを持って紹介を依頼する	⑦	⑥	⑤	④	③	②	①
8. しつこく言わずに、さりげなく紹介を依頼する	⑦	⑥	⑤	④	③	②	①
9. お客様の左右両隣の情報を収集した後に、紹介を依頼する	⑦	⑥	⑤	④	③	②	①
10. 親戚、友人関係を重点に紹介を依頼する	⑦	⑥	⑤	④	③	②	①
11. 知人等の話題が出たときに、紹介を依頼する	⑦	⑥	⑤	④	③	②	①
12. 勤め先の方の紹介を依頼する	⑦	⑥	⑤	④	③	②	①

代替の促進

代官の促進

	常に実施 している		やったり やらなか ったり		全く 実施して いない		
	100%	80%	60%	50%	40%	20%	0%
1. 車検の半年前くらいからアプローチする	⑦	⑥	⑤	④	③	②	①
2. 車検案内と同時に対応する	⑦	⑥	⑤	④	③	②	①
3. 新型発表時に代替えを依頼する	⑦	⑥	⑤	④	③	②	①
4. 下取り額を提示し代替打診を行う	⑦	⑥	⑤	④	③	②	①
5. 結婚や出産など家族の変化時にアプローチする	⑦	⑥	⑤	④	③	②	①
6. 走行キロ数、年数等を目安にアプローチする	⑦	⑥	⑤	④	③	②	①
7. 修理費の額、修理の頻度が多くなった時期にアプローチする	⑦	⑥	⑤	④	③	②	①
8. 今代替すれば何がメリットなのかを説明する	⑦	⑥	⑤	④	③	②	①
9. 代替のサインが見られれば集中して攻める	⑦	⑥	⑤	④	③	②	①
10. お客様がどう思われているかを探り出す	⑦	⑥	⑤	④	③	②	①

全体的活動	常に実施 している	やったり やらなか ったり				全く 実施して いない	
	100%	80%	60%	50%	40%	20%	0%
1. 地区別に訪問計画を立てる	⑦	⑥	⑤	④	③	②	①
2. 一ヶ月の訪問計画を立てている	⑦	⑥	⑤	④	③	②	①
3. 週間計画を立てている	⑦	⑥	⑤	④	③	②	①
4. 前日に一日の計画を立てている	⑦	⑥	⑤	④	③	②	①
5. 日報を書いている	⑦	⑥	⑤	④	③	②	①
6. 余裕を持った時間管理をする	⑦	⑥	⑤	④	③	②	①
7. 時間を守る	⑦	⑥	⑤	④	③	②	①
8. 計画性を持ち、時間を効率的に使うようにする	⑦	⑥	⑤	④	③	②	①
9. 目標を明確にする	⑦	⑥	⑤	④	③	②	①
10. 基盤カード以外に独自のお客様カードを作っている	⑦	⑥	⑤	④	③	②	①
11. その日の仕事はその日にする	⑦	⑥	⑤	④	③	②	①
12. お客様の都合の良い時間に合わせて訪問する	⑦	⑥	⑤	④	③	②	①
13. 約束を守るため、出来そうもないことは約束しない	⑦	⑥	⑤	④	③	②	①
14. 時間帯に応じて仕事内容を変えるようにしている	⑦	⑥	⑤	④	③	②	①
15. 訪問先の飛び込みを優先し、その後既納先も訪問する	⑦	⑥	⑤	④	③	②	①
16. 一件の訪問で、近所の新規顧客、既納先も訪問する	⑦	⑥	⑤	④	③	②	①
17. 月一回の調子伺いをする	⑦	⑥	⑤	④	③	②	①
18. 訪問して不在のときには、電話あるいは不在カードを入れる	⑦	⑥	⑤	④	③	②	①
19. 訪問の間隔が空かないように対応する	⑦	⑥	⑤	④	③	②	①
20. イベントの案内状や販促ツールを持って訪問する	⑦	⑥	⑤	④	③	②	①
21. お客様の情報を、基盤カードで管理している	⑦	⑥	⑤	④	③	②	①
22. お客様のニーズ、問題点、苦情を収集・管理している	⑦	⑥	⑤	④	③	②	①
23. お客様の家族の情報を収集・管理している	⑦	⑥	⑤	④	③	②	①
24. 登録月別に基盤管理している	⑦	⑥	⑤	④	③	②	①
25. パソコンでデータ管理している	⑦	⑥	⑤	④	③	②	①
26. 苦手意識を持たずに、どの様なお客様でも訪問する	⑦	⑥	⑤	④	③	②	①
27. イベントがあるときには店に来ていただく	⑦	⑥	⑤	④	③	②	①

28. 他社に替えたお客様もフォローする

⑦ ⑥ ⑤ ④ ③ ② ①

(2) 営業の信念

貴殿は、営業活動を行うにあたり、どのような信念・理念をお持ちですか。以下の項目について、当てはまる番号に○をおつけください。

	全く その通り		どちら ともいえ ない				全く 違う
1. お客様には後悔させない	⑦	⑥	⑤	④	③	②	①
2. お客様との約束は必ず守る	⑦	⑥	⑤	④	③	②	①
3. 常に誠意を持って対応する	⑦	⑥	⑤	④	③	②	①
4. 車ではなく、自分を売る	⑦	⑥	⑤	④	③	②	①
5. 素早い対応を心がける	⑦	⑥	⑤	④	③	②	①
6. お客様との信頼関係を築く	⑦	⑥	⑤	④	③	②	①
7. お客様を好きになる	⑦	⑥	⑤	④	③	②	①
8. お客様の立場に立って物事を考える	⑦	⑥	⑤	④	③	②	①
9. お客様に満足していただく	⑦	⑥	⑤	④	③	②	①
10. 継続は力なり	⑦	⑥	⑤	④	③	②	①
11. 自己管理をしっかりする	⑦	⑥	⑤	④	③	②	①
12. 目標は必ず達成する	⑦	⑥	⑤	④	③	②	①
13. 何事も一生懸命	⑦	⑥	⑤	④	③	②	①
14. 他人に負けない	⑦	⑥	⑤	④	③	②	①
15. 出来ないことははっきり断る	⑦	⑥	⑤	④	③	②	①

(3) 職場の雰囲気

貴殿の職場（営業所）は、どのような雰囲気ですか。また、一般的に、どのような行動パターンが見られますか。以下の項目について、当てはまる番号に○をおつけ下さい。

項目について、当てはまる番号に○をおつけ下さい。

	全く その通り		どちら ともいえ ない			全く 違う	
1. 上司に対して自由に意見を出すことができる	⑦	⑥	⑤	④	③	②	①
2. 仕事の進め方を改善するように奨励されている	⑦	⑥	⑤	④	③	②	①
3. 職場内では協力し合っている	⑦	⑥	⑤	④	③	②	①
4. 営業マン同士の競争は激しい	⑦	⑥	⑤	④	③	②	①

5. 顧客ニーズを把握することが重視されている	⑦	⑥	⑤	④	③	②	①
6. 上司からの指示がなくとも、自分の思うままに行動できる	⑦	⑥	⑤	④	③	②	①
7. 職場内では営業マン同士が刺激あっている	⑦	⑥	⑤	④	③	②	①
8. 職場内では仕事上の情報を交換しあっている	⑦	⑥	⑤	④	③	②	①
9. アフターサービスに力を入れている	⑦	⑥	⑤	④	③	②	①
10. 新しい試みが実験的に実行される	⑦	⑥	⑤	④	③	②	①
11. 顧客満足度を高めることが重視されている	⑦	⑥	⑤	④	③	②	①
12. 販売部門とサービス・事務部門は協力しあっている	⑦	⑥	⑤	④	③	②	①
13. 上司は、部下から出されるアイデアや意見を受け入れる	⑦	⑥	⑤	④	③	②	①
14. 面白いアイデアは多少の危険があっても実行される	⑦	⑥	⑤	④	③	②	①
15. 上司に対して気軽に相談できる	⑦	⑥	⑤	④	③	②	①
16. 職場内で生じた問題は有効に解決されている	⑦	⑥	⑤	④	③	②	①
17. 職場では実績をあげた営業マンが評価されている	⑦	⑥	⑤	④	③	②	①
18. 新しいアイデアや仕事のやり方を出すように奨励されている	⑦	⑥	⑤	④	③	②	①
19. 職場内には心地のよい緊張感がある	⑦	⑥	⑤	④	③	②	①
20. 苦情・クレームは迅速に解決されている	⑦	⑥	⑤	④	③	②	①

(4) 貴殿についてお伺いいたします

年齢 () 才

勤続年数 () 年

営業経験 () 年

役職 1) 一般～ 2) 主任～ 3) 係長～ 4) 課長～ 5) 次長～ 6) 所長～

顧客構成 個人客の割合 () % 法人客の割合 () %

お忙しい中、ご協力頂きましてありがとうございました

Appendix B

Questionnaire (Chapter 4)

☆あなたは、次の各段階における様々な営業活動をどの程度行っていますか？

あてはまる数字に○を付けてください。

- ①まったくやらない : 約0%の割合
 ②たまにやっている : 約10～20%の割合
 ③ときどきやっている : 約30～40%の割合
 ④やったり
 やらなかったりする : 約50%の割合
 ⑤しばしばやっている : 約60～70%の割合
 ⑥たいていやっている : 約80～90%の割合
 ⑦つねにやっている : 約100%の割合

1. 買顧客開発

	まったく やらない	やったり やらない かったり	つねに やっ て い る
1. チラシの内容を工夫する。	①	②	③ ④ ⑤ ⑥ ⑦
2. チラシを定期的、継続的に配布する。	①	②	③ ④ ⑤ ⑥ ⑦
3. 地域を絞り込んでチラシを配布する。	①	②	③ ④ ⑤ ⑥ ⑦
4. オープンハウスを開催する。	①	②	③ ④ ⑤ ⑥ ⑦
5. 優良物件を収集する。	①	②	③ ④ ⑤ ⑥ ⑦
6. 自分を知っている顧客をフォローする。	①	②	③ ④ ⑤ ⑥ ⑦
7. 既存顧客に、顧客を紹介してもらう。	①	②	③ ④ ⑤ ⑥ ⑦
8. 第一印象を大切にする。	①	②	③ ④ ⑤ ⑥ ⑦
9. 顧客の話しを時間をかけてよく聞く。	①	②	③ ④ ⑤ ⑥ ⑦
10. 顧客の疑問に対して正確に答える。	①	②	③ ④ ⑤ ⑥ ⑦

11.顧客に対し、すばやく対応する。

① ② ③ ④ ⑤ ⑥ ⑦

12.関係業者から情報を収集する。

① ② ③ ④ ⑤ ⑥ ⑦

2. 買顧客受付

まったく
やらない

やったり
やらな
かったり

つねに
やって
いる

1. 顧客のニーズ、動機を把握する。

① ② ③ ④ ⑤ ⑥ ⑦

2. 希望の順位付け、重点事項をはっきりさせる。

① ② ③ ④ ⑤ ⑥ ⑦

3. 顧客と面談するように心掛ける。

① ② ③ ④ ⑤ ⑥ ⑦

4. 顧客の現在の状況を把握する。

① ② ③ ④ ⑤ ⑥ ⑦

5. 顧客の資金計画をつかむ。

① ② ③ ④ ⑤ ⑥ ⑦

6. 物件の価格帯を絞り込む。

① ② ③ ④ ⑤ ⑥ ⑦

7. 第一次接客で顧客の方向性を示す。

① ② ③ ④ ⑤ ⑥ ⑦

8. 自分を売り込み、良い印象を持ってもらう。

① ② ③ ④ ⑤ ⑥ ⑦

9. 聞き上手になる。

① ② ③ ④ ⑤ ⑥ ⑦

10.情報量の豊富さをアピールする。

① ② ③ ④ ⑤ ⑥ ⑦

11.会社のシステムの優秀さをアピールする。

① ② ③ ④ ⑤ ⑥ ⑦

12.仲介業の一連の流れを説明する。

① ② ③ ④ ⑤ ⑥ ⑦

13.問い合わせ後、即、案内のアポイントをとる。

① ② ③ ④ ⑤ ⑥ ⑦

14.物件を見せて反応を見る。

① ② ③ ④ ⑤ ⑥ ⑦

3. 物件紹介

まったく
やらない

やったり
やらな
かったり

つねに
やって
いる

1. スピーディに物件情報を収集し、紹介する。

① ② ③ ④ ⑤ ⑥ ⑦

2. 物件を直接見ってもらう。

① ② ③ ④ ⑤ ⑥ ⑦

3. 多くの物件を紹介し、比較できるようにする。

① ② ③ ④ ⑤ ⑥ ⑦

4. 顧客ニーズに近い物件を紹介する。

① ② ③ ④ ⑤ ⑥ ⑦

5. 物件を紹介する過程でニーズを絞り込む。

① ② ③ ④ ⑤ ⑥ ⑦

6. 顧客ニーズを、現実的なものにするように努力する。

① ② ③ ④ ⑤ ⑥ ⑦

7. 物件のマイナス点を最初から明確に伝える。

① ② ③ ④ ⑤ ⑥ ⑦

8. 自分を強く印象づけるようにアピールする。

① ② ③ ④ ⑤ ⑥ ⑦

9.顧客と頻繁に接触を持つようにする。

① ② ③ ④ ⑤ ⑥ ⑦

10.条件等について、積極的に提案し、顧客をリードする。

① ② ③ ④ ⑤ ⑥ ⑦

4. 顧客フォロー

まったく
やらない

やったり
やらな
かったり

つねに
やって
いる

1. 定期的に物件を紹介する。

① ② ③ ④ ⑤ ⑥ ⑦

2. 電話、郵送ではなく、直接、訪問するようにしている。

① ② ③ ④ ⑤ ⑥ ⑦

3. 顧客と良好な人間関係を作るようにつとめる。

① ② ③ ④ ⑤ ⑥ ⑦

4. 優良物件が売りに出されたら、すぐに連絡する。

① ② ③ ④ ⑤ ⑥ ⑦

5. 紹介時に次の約束を取りつける。

① ② ③ ④ ⑤ ⑥ ⑦

6. ホット客、クール客によって対応を変える。

① ② ③ ④ ⑤ ⑥ ⑦

7. 顧客ニーズを、現実的なものにするように努力する。

① ② ③ ④ ⑤ ⑥ ⑦

8. 希望条件の変化を確認しながら、条件を絞り込む。

① ② ③ ④ ⑤ ⑥ ⑦

9. 顧客をフォローしながら、自分をPRする。

① ② ③ ④ ⑤ ⑥ ⑦

5. 現地案内

まったく
やらない

やったり
やらな
かったり

つねに
やって
いる

1. 物件は必ず下見をして、特徴を把握する。

① ② ③ ④ ⑤ ⑥ ⑦

2. 事前に、顧客ニーズ、問題点を整理しておく。

① ② ③ ④ ⑤ ⑥ ⑦

3. 意思決定を促すような案内コースを設定する。

① ② ③ ④ ⑤ ⑥ ⑦

4. 本命物件と比較物件を用意する。

① ② ③ ④ ⑤ ⑥ ⑦

5. 顧客が興味を示せば、資金計画を立てて説明する。

① ② ③ ④ ⑤ ⑥ ⑦

6. 物件のメリット、デメリットを説明する。

① ② ③ ④ ⑤ ⑥ ⑦

7. 顧客のポイントを突くような、セールストークをする。

① ② ③ ④ ⑤ ⑥ ⑦

8. 購入後の生活をイメージさせる。

① ② ③ ④ ⑤ ⑥ ⑦

9. 主人だけでなく、奥さん、家族も案内する。

① ② ③ ④ ⑤ ⑥ ⑦

10.あまりセールストークは使わず、顧客に自由に見てもらう。

① ② ③ ④ ⑤ ⑥ ⑦

11.案内の中で見極め、決断を迫る。

① ② ③ ④ ⑤ ⑥ ⑦

12.今までの物件について、何に興味を持ったか分析する。

① ② ③ ④ ⑤ ⑥ ⑦

13.成約の見込みがなくとも、次のアポを取る。

① ② ③ ④ ⑤ ⑥ ⑦

6. 売・買顧客折衝

6. 売・買顧客折衝	まったく やらない	やったり やらな かったり	つねに やって いる				
1. 折衝は必ず訪問で行う。	①	②	③	④	⑤	⑥	⑦
2. 売・買両方の立場でストーリーを作り折衝をすすめる。	①	②	③	④	⑤	⑥	⑦
3. 根拠を明示できる豊富な事例等、万全の準備体制を整えておく。	①	②	③	④	⑤	⑥	⑦
4. 買主の指し値幅を小さくする工夫をする。	①	②	③	④	⑤	⑥	⑦
5. 売・買ともに金額の幅を持ってもらう。	①	②	③	④	⑤	⑥	⑦
6. 話しがまとまらない場合には、売買主の要望を明確にし、 次のステップとする。	①	②	③	④	⑤	⑥	⑦
7. 売・買共に良い条件で売買できて良かったと思えるように注意する。	①	②	③	④	⑤	⑥	⑦
8. 顧客に不安を与えないようにする。	①	②	③	④	⑤	⑥	⑦
9. 双方の最終希望を確認し、妥協点を把握する。	①	②	③	④	⑤	⑥	⑦
10. 自分は味方であることをアピールする。	①	②	③	④	⑤	⑥	⑦
11. 仲介者としてあくまでも中立の立場で調整する。	①	②	③	④	⑤	⑥	⑦
12. スピーディーな折衝をこころがける。	①	②	③	④	⑤	⑥	⑦

7. 物件調査

7. 物件調査	まったく やらない	やったり やらな かったり	つねに やって いる				
1. マニュアル通り一通り調べる。	①	②	③	④	⑤	⑥	⑦
2. 問題がある場合には上司に相談する。	①	②	③	④	⑤	⑥	⑦
3. 自分が買うつもりで調べる。	①	②	③	④	⑤	⑥	⑦
4. 顧客が知りたがっている点を入念に調べる。	①	②	③	④	⑤	⑥	⑦

8. 契約書の作成

8. 契約書の作成	まったく やらない	やったり やらな かったり	つねに やって いる				
1. 契約書の内容をチェックし、記入漏れがないようにする。	①	②	③	④	⑤	⑥	⑦
2. 契約書作成にあたっては、上司に相談する。	①	②	③	④	⑤	⑥	⑦
3. 将来問題にならないように気を付けて作成する。	①	②	③	④	⑤	⑥	⑦
4. 顧客に前もって確認する。	①	②	③	④	⑤	⑥	⑦

9. 契約締結

- | | まったく
やらない | やったり
やらない
かったり | つねに
やっている |
|-----------------------------|--------------|----------------------|--------------|
| 1. 事前に顧客に説明するようにする。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 2. 説明の際には、顧客に十分理解してもらう。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 3. 後日、問題にならないよう不安・疑問点を取り除く。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 4. 明るい雰囲気、祝福の気持ちでのぞむ。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 5. 厳かな雰囲気、契約にのぞむ。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |

10. 残金・登記

- | | まったく
やらない | やったり
やらない
かったり | つねに
やっている |
|-----------------------------|--------------|----------------------|--------------|
| 1.書類を早めに準備する。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 2.顧客と定期的に連絡を取る。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 3.顧客のスケジュール調整を行い、こちらがリードする。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 4.司法書士、銀行等との連絡、確認を行う。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |
| 5.契約後も顧客と連絡を密にとる。 | ① | ② | ③ ④ ⑤ ⑥ ⑦ |

☆最後にあなたご自身についてお聞きします。当てはまる番号に○をつけてください。

1.性 別 ①男性 ②女性

2.年 代 ①20代 ②30代 ③40代 ④50代 ⑤60代以上

お忙しいところ、ご協力いただき有り難うございました。

Appendix C

Questionnaire (Chapter 6)

(1) 市場環境

最近5年間における、貴社の主力製品・サービスの市場環境についてお伺いいたします。当てはまる番号に○をおつけください。

主力製品・サービスの市場環境は	全く その通り		どちら ともいえ ない		全く 違う
多様である	⑤	④	③	②	①
競争が激しい	⑤	④	③	②	①
予測できない需要変動が発生する	⑤	④	③	②	①
技術革新が急激に進んでいる	⑤	④	③	②	①

(2) 営業活動について

最近2～3年間における、営業担当者の行動内容・職務態度の変化についてお伺いいたします。当てはまる番号に○をおつけください。

	全く その通り		どちら ともいえ ない		全く 違う
1. 製品の売り込みより、企画・提案を重視するようになった	⑤	④	③	②	①
2. 顧客の抱えている問題を把握しようとする姿勢が強まった	⑤	④	③	②	①
3. 顧客の抱える問題をコンサルティングできるようになった	⑤	④	③	②	①
4. 顧客ニーズに合った提案ができるようになった	⑤	④	③	②	①
5. 顧客のタイプ別に異なる販売アプローチをとるようになった	⑤	④	③	②	①
6. 顧客や競合企業の状況を分析するようになった	⑤	④	③	②	①
7. より効果的な販売方法を探るようになった	⑤	④	③	②	①
8. 失敗したときには、販売方法の問題点を考えるようになった	⑤	④	③	②	①

9. 顧客との長期的な関係を重視するようになった	⑤	④	③	②	①
10. 顧客へのフォローを重視するようになった	⑤	④	③	②	①
11. 顧客の要望・苦情・クレームに対して迅速に対応するようになった	⑤	④	③	②	①
12. 顧客への訪問件数が増えた	⑤	④	③	②	①
13. 顧客との人間関係を重視するようになった	⑤	④	③	②	①
14. 営業活動に従事する時間が長くなった	⑤	④	③	②	①
15. 営業担当者の目標達成意欲が高まった	⑤	④	③	②	①
16. 営業部門全体が活性化している	⑤	④	③	②	①
17. 営業担当者の仕事自体に対する満足度が高まった	⑤	④	③	②	①

(3) 業績・顧客満足

最近2～3年における、貴社の販売業績および顧客からの反応についてお伺いいたします。当てはまる番号に○をおつけください。

	全く その通り		どちら ともいえ ない		全く 違う
1. 顧客からの苦情・クレームが減った	⑤	④	③	②	①
2. 既存顧客からのリピート率が高まった	⑤	④	③	②	①
3. 顧客からの紹介率が高まった	⑤	④	③	②	①
4. 顧客から信頼されるようになった	⑤	④	③	②	①
5. 顧客からお褒めの言葉を頂くようになった	⑤	④	③	②	①
	非常に 高い		ほぼ 同じ		全く 違う
1. 競合他社と比べた売上高の伸び率	⑤	④	③	②	①
2. 競合他社と比べた利益の伸び率	⑤	④	③	②	①

(4) 営業部門の風土・文化

貴社の営業部門における規範・風土・文化についてお伺いいたします。当てはまる番号に○をおつけください。

	全く その通り		どちら ともいえ ない		全く 違う
1. 上司からの指示がなくとも、主体的に行動できる	⑤	④	③	②	①

2. 上司に対して自由に意見を出すことができる	⑤	④	③	②	①
3. 上司は、部下から提案されるアイデアを受け入れる	⑤	④	③	②	①
4. 営業の各部門間で協力し合っている	⑤	④	③	②	①
5. 営業の各部門間で情報を共有し合っている	⑤	④	③	②	①
6. 営業の部門間で生じた問題は有効に解決されている	⑤	④	③	②	①
7. 顧客ニーズを把握することが重視されている	⑤	④	③	②	①
8. 顧客満足を高めることが重視されている	⑤	④	③	②	①
9. 新しいアイデアや仕事のやり方を出すように奨励されている	⑤	④	③	②	①
10. 仕事の進め方を改善するように奨励されている	⑤	④	③	②	①
11. 新しい試みが実験的に実行される	⑤	④	③	②	①
12. 営業の各部門間における競争は激しい	⑤	④	③	②	①
13. 営業担当者間の競争は激しい	⑤	④	③	②	①
14. 営業以外の部門との連携ができています	⑤	④	③	②	①

(5) 企業特性

貴社の主な業種、従業員数についてお伺いいたします。当てはまる番号に○をおつけください。

【業種】

1) 水産・農林・鉱業 2) 建設 3) 食品 4) 繊維 5) 紙・パルプ 6) 化学・医薬品 7) 石油・石炭 8) ゴム 9) ガラス・土石製品 10) 鉄鋼 11) 非鉄金属 12) 機械 13) 電気機器 14) 輸送用機器 15) 精密機器 16) その他製造業 17) 卸売業 18) 小売業 19) 不動産 20) 金融 21) 証券・損保 22) 陸運・海運・空運 23) 放送・通信 24) 電気・ガス 25) サービス

【従業員数】

1) 500 人未満 2) 500～999 人 3) 1,000～4,999 人 4) 5,000～9,999 人 5) 10,000 人以上

(6) ご回答いただいた方についてお伺いいたします。当てはまる番号に○をおつけください。

【年齢】 1) 20代 2) 30代 3) 40代 4) 50代 5) 60代

【役職】 1) 一般～ 2) 主任～ 3) 係長 4) 課長～ 5) 次長 6) 部長～ 7) 取締役

お忙しい中、ご協力頂きましてありがとうございました