
**SALES FORCE ATTITUDE TOWARD MARKET ORIENTATION AND IMPACT
ON INNOVATIVE PERFORMANCE WITH MEDIATING EFFECT OF
CREATIVITY (CASE-STUDY OF IRAN-TRANSFO INDUSTRIAL GROUP)**

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ABSTRACT: *This study investigated the effect of market orientation of sales force on innovative performance with mediating effect of creativity: case-study of Iran Transfo Industrial Group. Research population included 150 sales force of Iran Transfo Industrial Group from which 108 were selected as sample. Data were collected through questionnaire and survey. Each item was based on 5-points Likert Scale. Face and content validity were used to validate the scale. To examine reliability Cronbach's Alpha, Split half, and test-retest were employed. SPSS 21 were used to analyze data. In order to test hypothesis, Regression Analysis were used in SPSS data analysis.*

KEYWORDS: Market Orientation, Competitor-Oriented, Cross-Functional Coordination, Creativity, Innovative Performance.

INTRODUCTION

Many variables affect organizational performance, sales performance and creativity of sales force. Market orientation is one of these variables influencing today's competitive world. Literature indicated that there is a positive relationship between innovation and sale performance and market orientation. Avoiding market orientation had a negative impact on sale performance (Kim & Kim, 2007).

Market Orientation is defined as 'the organization-wide generation of market intelligence pertaining to the current and future needs of customers, dissemination of the intelligence across departments and organization-wide responsiveness' (Kohli and Jaworski, 2010). Market orientation is composed of three behavioral components: customer-orientation, competitor-orientation and information exchange and interfunctional coordination between departments associated with two kinds of decision-making, focusing on long-term and profitability. (Narver and Slater, 2012)

Considering various types of products and services that Iran Transfo Corporation provides, rapid changes in market, product diversification of imports, and rapid knowledge growth, this

corporation is faced with a competitive environment and must be able to safeguard the domestic market in addition to improve exportation of its products. In such a situation the most important issue in drawing organizational goals is the role of human source. The corporation should pay attention to workforce's power in every stage in order to succeed. It should improve sale performance and improve the innovation and organizational creativity. Accordingly, the main focus of this study is whether market orientation of sales force affects innovative performance with mediating effect of creativity in Iran Transfo Industrial Group.

Competition intensification if sustainable is determined by creativity in every market and its prerequisite is determined as acceptance of competition principle (Keynak & Kara, 2004).

This research leads to more serious and precise implementation of market orientation programs by senior managers. Since the effect of market orientation on sales force's creativity eventually leads to progress in creative performance, the corporation will continue to work as the market leader. In case of ignoring market orientation, the corporation will gradually lose its market share and consequently downsize its workforce.

LITERATURE REVIEW

Kohli and Jaworski (2010) stated market orientation as the reason for establishment of marketing concept. They defined market orientation as the organization wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically within the organization, and organization-wide action or responsiveness to market intelligence. Market orientation is a spectrum. It means that organizations have various levels of market orientation (Raju et al., 2011). Market orientation has a significant role in new products' success as well as in implementing creativity in old products. As another consequence, market orientation would increase customer loyalty; such that not only they would repeat their purchase, but would inform others on good news of the organization (Abbott et al., 2010).

Creativity means proposing a new idea or design to improve or expand the quality or quantity of the organizations' practices such as upgrading efficiency, rising production or service, reducing costs, production or service in a better method, new product or service, etc. (Green, 2007). A creative organization is much dependent on self-controlled employees. Self-control indicates itself in desire and willingness to provide initiative and creativity. Constant path of creativity and initiation begins with programming. Managers assess environmental situation in case of threat and opportunity signs. They set appropriate plans in order to realize potential strengths and weaknesses of the organization and to overcome difficulties or exploit the creative change and innovation (Kuronen, 2013). Innovation is increasingly regarded as one of the major factors of the firms' success in long-term competitive markets. This is due to the fact that companies with a capacity to innovate are able to respond faster and better than non-innovative companies to environmental challenges (Jimenez-Jimenez et al., 2008).

Vessel and Greenberg (2011) interpret performance as a set of job related behaviors that individuals show. Fisher et al (2010) view performance as the sum of activities of a person, in

terms of implementation of assigned tasks within the allotted time. Several studies have been done on the relationship between market orientation and organizational performance and effectiveness of market-oriented confirmed as the top trend is confirmed (Keskin, 2006).

According to the above mentioned points, conceptual model of the research is as follows:

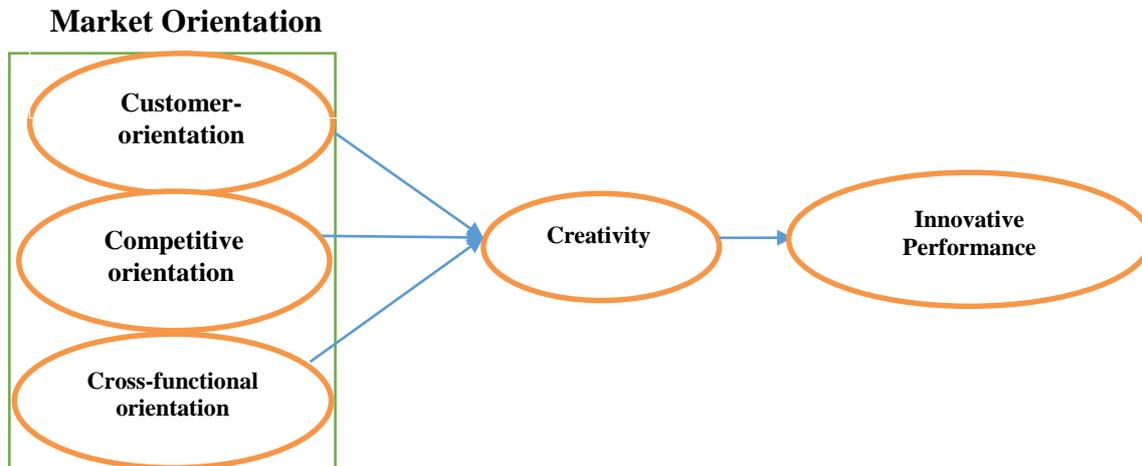


Figure 1: conceptual model (Wang & Miao, 2015)

Based on this model, we want to test these hypotheses:

H1-Customer-orientation has a significant effect on creativity of sales force.

H2-Competitor -orientation has a significant effect on creativity of sales force.

H3-Cross-functional coordination has a significant effect on creativity of sales force.

H4-Creativity of sales force has a significant effect on innovative performance.

Wang and Miao (2015) in an article entitled with 'Effects of sales force market orientation on creativity, innovation implementation, and sales performance' states that market orientation lies at the heart of modern marketing thinking and performance. Results indicated that creativity's impact on the performance of the sales force is fully mediated by innovation performance that can be enhanced by an innovative organizational culture.

METHODOLOGY

Iran Transfo Industrial Group's sales forces constitute study population who are 150. To determine the number of sample, Cochran formula estimated 108 people. In this research in order to collect literature review on the subject and background data library method was utilized. In addition, to collect research questions' data, survey was used. 5-points Likert scale was used to score. . The questionnaire used in this study is adopted from Wang and Miao's article entitled 'Effects of sales force market orientation on creativity, innovation implementation, and sales performance' which is published in 2015. The questionnaire is confirmed by supervisor and sales experts of Iran Transfo industrial group.

Table 1: Reliability Results

Number of questions	Cronbach's alpha	Split half	Test-Retest
23	0.953	0.865	0.86

Questionnaire were collected in the summer of 2016. In order to assess the reliability of the questionnaire, Cronbach's alpha test, retest and split-half test methods was used. In addition to assess the validity, face and content validity has been used.

At first step, 30 questionnaires were distributed among samples as pretest. Reliability coefficient was calculated through Cronbach's Alpha which was 0.91. Furthermore, Cronbach's Alpha was calculated for all the population as 0.953. Questionnaire was divided into two parts in Split-half method. The calculated value was 0.865 which is above 0.7 and indicates a significant relation between two parts of the questionnaire and accordingly a good reliability value. In test-retest method, after a 10 day period, the questionnaire was distributed among 30 samples who had answered the items of the questionnaire at first step. The calculated value (0.86) indicated a good reliability. Related table is shown in Table 2.

Table 2: questionnaire items

Variables	Cronbach's Alpha	Mean	Var
Market Orientation: <i>- Customer Orientation</i> Being committed to customers Creating customer value Understanding customer needs Meeting customer satisfaction objectives Conducting superior customer service <i>- Competitor orientation</i> Sharing competitor information within the sales department Discussing competitors' strategies Targeting opportunities for competitive advantage <i>-Inter-functional coordination</i> Information shared among different functions Functional integration in business strategy All functions contribute to customer value Share resources with other business units	0.86	3.22	0.61
Creativity Our salespeople are great source of useful ideas for market and product innovation Our salespeople frequently come up with new ideas for satisfying customer needs Our salespeople routinely generate and evaluate multiple alternatives for novel customer problem Our sales force has fresh perspectives on old problems	0.88	2.84	0.96
Innovation implementation Many innovative ideas from our salespeople are adopted in our organization Innovative ideas from our salespeople have been implemented to improve customer service	0.84	2.89	0.90

Our salespeople are willing to invest time and effort to ensure that their ideas are successfully implemented in the company The new ideas from our salespeople have resulted in greater customer service quality Many of our new products in the past few years have resulted from our salespeople's input our performance in customer satisfaction and loyalty can be attributed to the implementation of many of the ideas from our salespeople			
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FINDINGS

Both descriptive statistics and inferential statistical methods were used to analyze the data collected from samples. To analyze the data SPSS and Amos software packages were used. Regression analysis is used to test the hypotheses in SPSS.

This study is aimed at investigating the relationship between variables of customer orientation, competitor orientation, cross functional cooperation as independent variables and sales force as the mediating variable and innovative performance as the dependent variable.

Regression analysis is utilized to investigate the fitness of model. The results are presented in Table 3.

Table 3: Index of model's adequacy

Model	Adjusted Coefficient of Determination (R ² Adj)	Coefficient of Determination (R ²)	Coefficient of Multiple Correlation (R)	Durbin–Watson coefficient
Stage 1	0.52	0.53	0.73	2.47
Stage 2	0.39	0.40	0.63	2.50

Significance of regression is determined with F test and is presented in Table 4.

Table 4: Analysis Variance (F test significance of regression)

Stages	Model	Level of Freedom	Sum of Squares	Mean Square	F Statistic	Sig.
Stage 1	Regression	3	55.47	18.49	40.08	0.000
	Residuals	104	47.97	0.46	-	-
	Total	107	103.44	-	-	-
Stage 2	Regression	1	39.141	39.141	71.39	0.000
	Residuals	106	58.114	0.54	-	-
	Total	107	97.25	-	-	-

To determine the path coefficient and calculate the direct and indirect effects of variables using regression techniques, first, directions were separated based on diagram.

Table 5: Paths and path analysis coefficients

Path	Beta
Creativity of the Sales force => Innovative Performance	0.63
Customer Orientation=> Creativity of the Sales force => Innovative Performance	0.07
Competitor Orientation=> Creativity of the Sales force => Innovative Performance	0.19
Cross-functional Coordination=> Creativity of the Sales force => Innovative Performance	0.34

Based on these findings, this analytical model is approved.

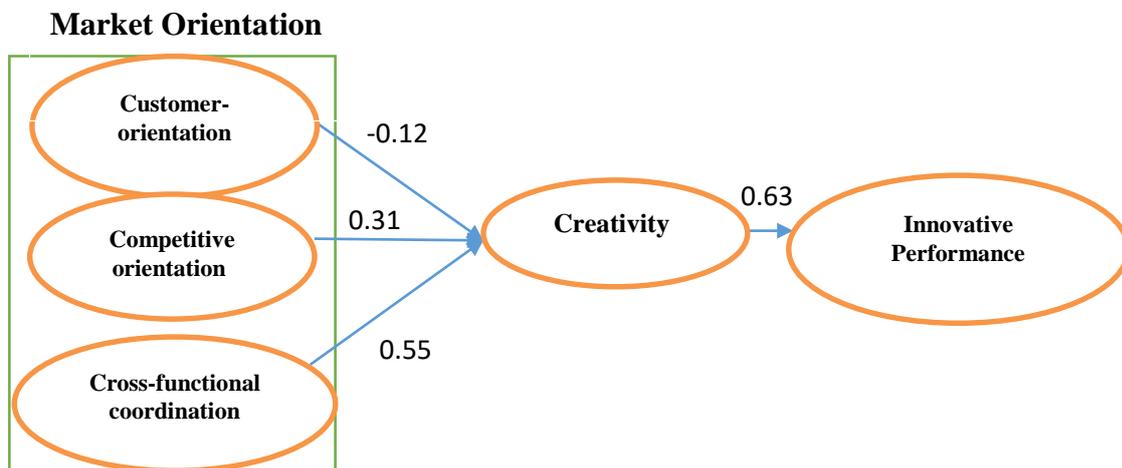


Figure 2: Analytical Model

DISCUSSION AND CONCLUSION

Hypothesis 1: Customer-orientation has a significant effect on creativity of sales force.

According to the statistics, t-value is less than 1.96. Also calculated value for the confidence level is greater than 0.05. Consequently the hypothesis is rejected. In other words, it can be stated that customer-orientation has no significant effect on creativity of sales force.

It can be interpreted that recognition of current and future needs of customers does not influence creativity generation by sales force. It means that sales force does not inspire any idea from customer orientation component to show creativity and innovation and improve their performance. This is due to the fact that customer orientation is understood as customer satisfaction and service provision. In other words, reinforcing organizations' customer orientation does not influence idea generation and creativity. This finding is consistent with the findings of Wang and Miao (2015), Yundu (2016), and Antunio-Navarove (2014), but is not

consistent with Yesanzo et al (2013), Warhiz and Millenberg (2012), and Chen and Jioster (2012).

Hypothesis 2: Competitor -orientation has a significant effect on creativity of sales force.

According to the statistics, obtained t is greater than 1.96 and significance level is less than 0.05. This hypothesis is affirmed with a confidence level of 95%. In other words, it can be stated that competitor-orientation has a significant effect on creativity of sales force. Based on the value of path coefficient, it is expected that competitor-orientation explains 35% of the sales force's creativity.

Competitor-orientation can generate ideas for creativity due to understanding strengths and weaknesses of the competitors and their strategies. Such that by taking ideas of competitors, it can turn into a creative idea with existing facilities and situations. It can be utilized in quality improvement of products and consequently innovative performance. In other words, every measure of competitor orientation which has a positive result, leads to idea creation and creativity. The results of this study is consistent with Kondo (2016), Wang and Miao (2015), Antonio-Navarvv (2014), Sanjo et al (2013), and Verhiz and Millenberg(2012), Chen and Jikoster (2012), Eibey et al. (2011), Keskin (2006), Navakah (2008), and Rasla et al (2007).

Hypothesis 3: Cross-functional coordination has a significant effect on creativity of sales force.

According to T value which is greater than 1.96 and calculated significance level of 0.000, this hypothesis is affirmed with confidence level of 99%. In other words, it can be concluded that cross-functional coordination has a significant effect on creativity of sales force. The value of path coefficient indicates that cross-functional coordination illustrates 55% of the creativity of sales force.

Cross-functional coordination creates communication and collaboration between organizational units by creating market intelligence about current and future needs of customers and dissemination of the intelligence across departments and organization-wide responsiveness. Finally, these collaborations bring about creative ideas in some situations and eventually it improves performance through its impact on the product.

Hypothesis 4: Creativity of sales force has a significant effect on innovative performance.

According to T value which is greater than 1.96 and calculated significance level of 0.000, this hypothesis is affirmed with confidence level of 99%. In other words, it can be concluded that creativity of sales force has a significant effect on innovative performance. The value of path coefficient indicates that creativity of sales force illustrates 61% of innovative performance of sales force.

Studies show that creativity of sales force can be achieved through different ways. In most cases it has a positive and significant effect on performance. The more attention is paid to market orientation, creativity and innovative performance; the better would be corporations'

sale performance. This result consistent with the findings of Wendo (2006), Wang and Miao (2015), Antunio-Navaro (2014).

The results indicate that to have enhanced sale performance, creativity and innovation should be generated. In general, the findings of this study is consistent with the research of Sanz et al (2013), Werhiz and Milenberg (2012), Chen and Jikoster (2012), Wang and Miao (2015), Keskin (2006), Navakah (2008), Rasla et al (2007).

Table 6: Final results of hypothesis testing

Hypothesis	Statistical Test	Value	Sig.	Result
<i>Hypothesis 1</i>	T	-1.38	0.16	Reject
<i>Hypothesis 2</i>	T	3.28	0.001	Accept
<i>Hypothesis 3</i>	T	5.25	0.000	Accept
<i>Hypothesis 4</i>	T	8.44	0.000	Accept

Suggestions

It is a proposed that visitors and sales force attend exhibitions related to their profession or career, get acquainted with competitors achievements and make use of it in order to innovate, create and improve performance. The company should provide visitors and sales force with unceasing education to better understand competitors now and in future. Furthermore, it should utilize company's resources, facilities and prospects to improve productivity and subsequently improve performance. Companies should provide full support for visitors and delegate authority to participate in local and international markets and negotiate with people connected with the industry and take comments, recommendations and feedback. Afterwards they should offer research and development units points which leads to quality improvement or modification via their creative thinking. So that it can finally improve innovative performance through necessary processes. It is proposed that company and visitors regularly visit export markets and focus on valuable information. This information can afterwards be directed to creation of good ideas for products.

The organization should attempt to establish a strong public relations program that utilizes bulletin boards, internal journal etc. to illustrate full internal relations to the employees. By means of presenting successful ideas of employees which led to organization's successful performance, the company should not only introduce those employees but encourage them with bonuses. Companies should employ individuals having new insights and perspectives who do not fear criticism and failure and confidently focus on the new ideas. This requires managers who have broad horizons, fully understand innovation, and strongly defend new and creative idea and thinking.

Top managers should create pride for creativity and innovation among organization's members, encourage them to achieve greater success and lead employees towards better performance. In fact, when creativity and innovation is required by the employees and

managers, it is expected to dominate the organization's culture. Consequently, the organization would move toward innovations and modifications. Consistent with the goals of the organization, organizational structure should be modified in order to reinforce creativity and innovation. Structural modifications is conceivable through parallel communication, task execution in the respective levels (not leaving decision-making for the higher level), commitment to tasks' goal, organizational pyramid's balance, intimate professional and vocational relationships, staff coordination and cooperation. The organization should implement proposal system so that in case the proposal was affirmed as improving performance, the proposal provider should be rewarded with cash or acknowledgements. However, reward is not enough and employees should come to this conclusion that management does demand their ideas. The prerequisite for such a conclusion is that their proposal should be examined seriously and in case of proposal rejection, the reasons should be explained for the idea creator.

FUTURE RESEARCH

Sales force's performance is heavily influenced by other factors and variables. It means that variables other than marketing such as various types of attitudes such as job satisfaction, organizational commitment, job dependencies, organizational culture, organizational climate etc. should be investigated to improve sale performance.

Due to lack of cooperation of the participants, research implementation took a long time. Lack of measurement of other influencing factors is one of the limitations of this study.

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