Understanding Retail Managers' Role in the Sales of Products and Services

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Abstract

This research investigates the influence of retail chain-level activities (e.g., district supervisor directives and policies) and store manager behaviors on the sale of physical products versus services. Using data gathered within a U.S.-based retail automotive parts chain, the authors discover that to sell services, especially in competitive environments, store managers should focus on sales planning and transformative leadership behaviors, which accentuate both the long-term planning horizon and the effects of managerial actions. In less competitive environments though, a more transactional approach (e.g., selling orientation) can be effective for selling services. Alternatively, to sell products, store managers' selling effort appears to be the most important driver of success, and a transformative leadership approach may be detrimental when the retailer faces a high level of direct competition. In total, the findings suggest that corporate chain activities, such as the level and clarity of store managers' goals and supervisor monitoring, influence store manager behaviors, which in turn affect the sale of physical products and services.
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Keywords: Retail chain-level activities; Store manager behaviors; Service versus product sales

Retailing is the second largest industry in the United States in terms of the number of both establishments and employees (www.census.gov). The competitive nature of this massive industry receives considerable attention in marketing literature (e.g., Homburg, Hoyer, and Fassnacht 2002; Moore 2003), and potential drivers of successful retail performance and differentiation strategies–including market orientation (Kara, Spillan, and DeShields 2005), generic strategic orientations (Moore 2003), the use of promotions (Ailawadi et al. 2006), and the service–profit chain (Pritchard and Silvestro 2005)–constitute focal elements of many academic studies.

Given this depth of investigation into retail performance, it is remarkable that one of the key players in retailing, the retail store manager, has received considerably less attention than other potential performance determinants. Furthermore, in direct relation to retail store performance, the effect of managerial behaviors on the sale of both physical products and services within a retail setting is only poorly understood. This article presents and empirically tests a conceptual model that investigates (1) how retail chain activities might affect the behavior of store managers, (2) how store manager behavior in turn influences a given store's sale of physical products and services, and (3) the influence of a competitive retail environment on the relationship between managerial behaviors and service/product sales.

To realize how a retail chain might influence store manager behavior, we investigate the influence of corporate chain activities on store managers. Corporate chain activities include the directives and policies that a store manager might receive from his or her supervisors; such linkages have received very limited investigation within retailing research. Examining chain activities is critical, however, because retail managers often operate remotely from direct corporate oversight (both geographically and managerially), leaving the implementation of chain activities and directives open to the retail manager's interpretation. Furthermore, managerial behaviors have a broad impact on

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potential drivers of store performance, such as strategic implementation, employee motivation, cost management, physical product sales, and service provision. Such factors highlight the importance of the store manager for the development of a successful retail chain and present a stark contrast between the position of the retail manager and the position of a retail clerk (Mason, Mayer, and Ezell 1984).

This study also seeks to shed light on the relationship between store manager behaviors and the sale of physical products and services, especially as the level of retail competition varies (i.e., number of direct competitors within the same geographic space). Exploring such relationships is especially relevant in the modern retailing environment, in which the role of service selling is becoming paramount (Bolton, Grewal, and Levy 2007; Fang, Palmatier, and Steenkamp 2008; Lusch, Vargo, and O'Brien 2007). Retail stores have evolved from providing only physical products that address consumers' needs (e.g., Pan and Zinkhan 2006) to offering a "solution center" that integrates the sale of both physical products and value-added services to attain competitive advantages (Davies, Brady and Hobday 2006; Lusch et al. 2007). As Bolton et al. (2007, p. 1) note, "firms that leverage service can build strong relationships with customers that will generate barriers to competition, increase customer loyalty and switching costs, and make market activities more efficient." Such an investigation of a dual-selling environment sets the current research apart from a pure service or pure product environment, further highlighting the relevance of the research.

This research therefore addresses relationships among corporate chain activities, retail store managers, and store performance by presenting a conceptual model in which chain activities → retail manager behaviors → product/service sales (see Fig. 1). Synthesizing literature from organizational behavior, sales, services, and retailing research streams, we present and empirically examine a model that highlights key areas of controllable corporate chain activities and store manager conduct that ultimately may drive product and service sales.

Literature Review

Extant retail research provides some direction for understanding how chain activities and store manager behavior drive store performance. Lusch and Serpkenci (1990) demonstrate that store manager work behaviors (e.g., skill sets, motivation) predict not only store manager success but also the success of the retail store. Significantly, this finding moves beyond store manager performance to consider the link between managerial actions and store performance. As Lusch and Serpkenci (1990, pp. 85–86) note, there is "ample conventional wisdom about what makes a store manager successful" but "little [empirical] evidence on whether job processes or outcomes have any direct or indirect impact on store performance." Similarly, Koene, Vogelaar, and Soeters (2002) demonstrate that the way in which a store manager performs his or her job (e.g., leadership behaviors) drives objective measures of store performance, such as profits and cost.

However, extant research also requires some extensions. First, objective performance measures related to store performance have been modified in the past decade to include both service and product elements. As articles in the popular press (Rucci, Kirn, and Quinn 1998; Slywotsky and Wise, 2003) and academia (Homburg et al. 2002) recognize, retail store performance depends on not only the profitable sale of physical products but also value-added services. Second, in addition to limited knowledge about the relationship between managerial behavior and the sale of products and services, few researchers consider the importance of retail chain activities in promoting desired managerial behaviors. Research that comes closest to addressing the importance of chain activities appeared in 1985, when Lucas recommended adding supervisory consideration to the mix of variables that might predict managerial performance, thereby introducing the notion that upstream chain activities (i.e., manager's perception of the district supervisor's attempts to promote a positive work environment) might influence a store manager's behaviors and attitudes.
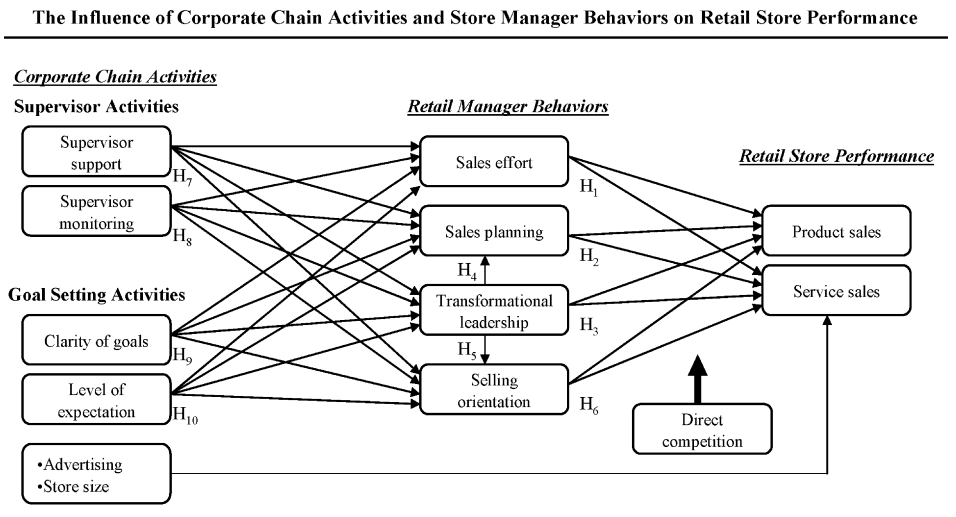
The Influence of Corporate Chain Activities and Store Manager Behaviors on Retail Store Performance

Fig. 1. The influence of corporate chain activities and store manager behaviors on retail store performance.

Retail Manager Behaviors: Determinants of Store Performance

Drawing on leadership theory, goal theory, and prior research related to retail, sales, and service management, we identify several primary determinants of store manager performance. Leadership theory suggests three skill sets are important for successful performance: problem solving, solution implementation, and social judgment (Mumford et al. 2000). The first skill set relates to gathering information, formulating ideas, and constructing solutions appropriate for a given context. As such, according to previous research in both selling and retailing, problem solving includes sales effort and planning (see Table 1). *Sales effort* refers to the energy or activity directed toward the accomplishment of work (Brown and Peterson 1994), whereas *sales planning* comprises behaviors directed toward developing and using knowledge about the selling situation to employ available resources effectively (Earley, Wojnaroski, and Prest 1987; Sujan, Weitz, and Kumar 1994). Sales planning is preferably accomplished as part of a structured and systematic process where time allocation is optimized among a set of necessary activities (Gwin and Perreault 1981). As such, sales planning addresses gathering information and formulating plans and solutions, whereas sales effort pertains to the allocation of personal resources to achieve better performance. Therefore, we draw a parallel between working to achieve integrated problem solutions and the potential store manager work behaviors of effort and planning.

Goal theory also suggests that both effort intensity and effort direction represent primary determinants of goal achievement (Carver and Scheier 1982). Specifically, people can achieve performance goals by increasing their effort and developing effective strategies and plans (Gwin and Perreault 1981; Locke and Latham 1990). In a complementary sense, sales literature reinforces the suggestion that effort and planning are critical to success (Sujan 1986; Sujan et al. 1994). Although sales literature characterizes working smart as a combination of sales planning and adaptive selling, we focus on the role of sales planning. Adaptive selling certainly is important within a given interaction, yet our interest lies in the skill that a manager possesses in the field of strategic development (planning) and in relation to his or her store's overall sales of products and services, rather than an ability to adapt within a given exchange (e.g., Rapp et al. 2006).

The second and third skill sets drawn from leadership theory include the ability to implement viable solutions to contextual problems and the ability to get others to work toward the betterment of the organization (Mumford et al. 2000). On the basis of previous retailing and selling literature (see Table 2), we represent these two skill sets as a manager's practice of a selling orientation and adoption of a transformational leadership style. A *selling orientation* requires a focus on activities that may result in a sale but tend to favor short-term transactional accomplishments rather than the long-term satisfaction of a customer (Saxe and Weitz 1982). Favoring a short-term outlook may be preferable in certain contexts (e.g., simple buying tasks when choosing among limited alternatives; Saxe and

Weitz 1982). *Transformational leadership* occurs when a manager fundamentally changes the values, goals, and aspirations of his or her followers (MacKenzie, Podsakoff, and Rich 2001). In relation to managing customer interactions, a transformational retail manager likely focuses on the long-term, mutual benefit of both the retail store and customers (Bass 1997).

Although a selling orientation and transformational leadership style might seem contradictory, previous research (and leadership theory) actually suggests they are complementary and that a successful selling manager should possess both skills and then pass such skills and values down to his or her employees (Bass 1997). As Bass (1997, p. 20, italics added) notes, "successful, effective salespersons and leaders act in the best interests of customers and followers, *as well as themselves*." Therefore, especially in a retailing context, it is most productive to have an appreciation for behaviors that benefit both the customer and the firm, as well as for which specific behavior is required at a given time in a given context. A selling orientation may be required at certain times to create value for both the customer and the firm, whereas at other times, a long-term, relationship-oriented focus is more appropriate (Bass 1997; Guenzi 2003). Therefore, to implement viable solutions to contextual problems and work for the overall betterment of the organization, a complement of both a selling orientation and a transformational leadership style might be required.

Store Manager Perceptions of Retail Chain Activities: Determinants of Manager Behaviors

The previous section describes store manager behaviors (skills) that may, according to leadership theory and previous retailing and selling studies, directly affect the sales of both physical products and services. Therefore, we confront the question of *how a retail chain might develop and/or maintain these critical behaviors within an individual manager*. In developing an answer to this question and to identify the critical retail chain activities that may influence store manager conduct, we employ social exchange theory (SET). Specifically, we suggest two important categories of a retail chain's controllable activities–supervisory behaviors and managerial goal setting–that may determine the behaviors of a store manager.

Social exchange theory highlights the importance of the relationship between the employee and the organization for predicting the actual behaviors and attitudes that constitute employee performance (Cropanzano and Mitchell 2005). Therefore, in a retail context, we propose that store managers' relationships with their direct supervisors embody the retail chain's controllable activities. Through this relationship, the store manager's behavioral obligations begin to form. As Cropanzano and Mitchell (2005, p. 874) state in a review of SET, "Although different views of social exchange have emerged, theorists agree that social exchange involves a series of interactions that generate obligations. Within SET, these interactions are usually seen as interdependent and contingent on the actions of another person." Cropanzano and Mitchell (2005, p. 883) further elaborate on the associated implications for the unique exchange relationship between an immediate supervisor and a subordinate:

Table 1
Influence of sales effort and planning on selling performance examples of select research exploring.

Illustrative papers	Context	Factors affecting performance	Performance outcomes	Key findings
Brown and Peterson (1994)	Direct salespeople (door-to-door)	Sales effort	Terminal value of job satisfaction	Sales effort has a direct, positive influence on the value a salesperson receives from work. This effect is not mediated by performance.
Cole (2003)	Residential real estate professionals	Working hard; working smart; gender	Financial sales	Working hard positively influences sales; working smart does not. There are no gender differences in working hard, working smart, or sales performance or any relationships among these variables.
Fang et al. (2004)	United States and Chinese industrial and retail salespeople	Selling effort and adaptive selling	Self-reports for achieving both financial and behavioral sales goals	Sales effort positively influences financial performance in a U.S. sales context; adaptive selling positively influences behavioral performance in both U.S. and Chinese contexts.
Franke and Park (2006)	Meta-analysis	Adaptive selling, customer orientation, and job satisfaction	Sales performance	Adaptive selling increases self-rated, manger-rated, and objective measures of performance. Customer orientation increases only self-rated performance.
Giacobbe et al. (2006)	Industrial salespeople	Adaptive selling	Sales performance	Adaptive selling positively affects sales performance in both "adaptive" and "non-adaptive" selling contexts.
Hunter and Perreault (2006)	Industrial salespeople	Sales planning and adaptive selling	Performance with customers and internal role performance	Both sales planning and adaptive selling positively affect performance with customers. Planning has the stronger effect. Information effectiveness positively influences both planning and adaptive behaviors.
James, Lapidus, and Cho (1994)	Industrial salespeople	Quotas, training, work overload, sales effort, demographic variables	Sales performance	Effort, quotas, training, and overload all significantly affect performance. Demographic influences become insignificant in the presence of effort and these situational variables.
Leong, Randall, and Cote (1994)	Retail salespeople	Working hard (level of exertion); working smart (well-directed effort); organizational commitment	Self-reported sales performance	Positive influence of organizational commitment on sales performance is mediated by working hard and, to a lesser extent, working smart. A strong positive relationship exists between working hard and performance.
Menguc (1996)	Industrial salespeople (Turkey)	Sales effort	Sales performance and job satisfaction	Sales effort positively relates to both sales performance and salesperson job satisfaction.
Rapp et al. (2006)	Industrial salespeople	Working hard, working smart, knowledge, experience, empowering leader behaviors	Customer service; customer satisfaction; performance (marke share)	Both working hard and working smart positively influence market share; only working t hard positively influences customer service (responsive and reliable service provision from customer perspective).
Sujan et al. 1994	Industrial salespeople	Working hard; working smart; learning orientation; performance orientation	Self-reported quantity and quality of reaching sales objectives	Both working hard and working smart positively influence performance; learning orientation positively influences both working hard and smart, and a performance orientation positively influences only working hard.

Table 2
Examples of select research exploring influence of selling orientation and leadership styles on selling performance.

Illustrative papers	Context	Factors affecting performance	Performance outcomes	Key findings
Transformational leadership				
Bettencourt (2004)	Retail salespeople	Transformational leadership; performance orientation	Change-oriented organizational citizenship behavior	Transformational leadership positively influences employee performance beyond expected roles. This relationship is positively moderated by an employee's performance orientation.
Dubinsky et al. (1995)	Iindustrial salespeople	Transformational and transactional leadership styles	Salesperson affective and behavioral responses to manager	Transformational and transactional leadership styles work in a complementary manner. Transformational effects on affective and behavioral outcomes do not exceed, in general, the effects of transactional leadership style.
Duckett and Macfarlane (2003)	Retail managers	Transformational leadership; emotional intelligence	Store manager performance (appraisal scores, sales relative to target sales, supervisor ranking)	Transformational leadership (as well as emotional intelligence) could be positively linked to store manager performance.
Koene et al. (2002)	Retail managers (small and large stores)	Transformational leadership; consideration; transactional leadership	Store financial performance (net sales and management of costs)	Transformational leadership and consideration have strong and positive influences on a store's financial performance in small store environments. In large stores, transformational leadership and transactional leadership influence net sales results.
MacKenzie et al. (2001)	Industrial salespeople	Transformational leadership; transactional leadership; role ambiguity; trust	Financial sales performance	Transformational and transactional leadership indirectly influence salesperson performance (only through role ambiguity).
Selling orientation				
Boles et al. (2001)	Retail salespeople selling both goods and services	Customer and selling orientation	Self-rated on achieving sales objective	Customer orientation relates positively to sales performance; selling orientation is not significant.
Goff et al. (1997)	Retail customer perceptions car salespeople	Customer and selling orientation	Satisfaction with salesperson	Customer orientation positively influences satisfaction with the salesperson, while a selling orientation has a significantly negative influence.
Guenzi (2003)	Sales managers (Italy)	Firm's selling orientation and relationship orientation	Managerial preference for selling versus relational orientation	Selling and relational orientations are strategic choices that are influenced by context. Each has a place in selling strategy.
Harris, Mowen, and Brown (2005)	Real estate salespeople	Sales, customer, learning, and performance orientations	Work satisfaction	Customer and performance orientation positively influence work satisfaction, whereas learning and sales orientations are non-significant.
Knight, Kim, and Crutsinger (2007)	Retail salespeople	Customer orientation, selling orientation, role conflict, and ambiguity	Job performance	Customer orientation and role conflict positively influence job performance. Role ambiguity negatively influences job performance, and selling orientation has no effect.
Noble, Sinha, and Kumar (2002)	Retail salespeople	Competitor, customer, and selling orientations and national brand focus	Retailer performance	Firms possessing higher levels of competitor orientation, selling orientation, or national brand focus exhibit superior performance relative to customer-oriented firms.

"[B]ecause individuals return the benefits they receive; they are likely to match goodwill and helpfulness toward the party with whom they have a social exchange relationship." That is, an employee's relationship with an organization influences his or her feelings of obligation toward the organization, so a positive relationship with a direct supervisor should result in the performance of strategically valued behaviors (e.g., Bettencourt, Brown, and MacKenzie 2005; Cropanzano, Prehar, and Chen 2002).

The strategic perspective of human resource management reinforces this logic through the claim that supervisor–subordinate relationships should be structured to develop subordinate motivations and behaviors, such that employee actions become instrumental to the implementation of strategy (Bettencourt 2004; Bowen and Ostroff 2004). Therefore, chain activities implemented through the district supervisor should foster store manager behaviors that result in appropriate outcomes. The remaining question then asks which chain activities formulate the supervisor–manager relationship appropriate to generate behaviors that ultimately lead to enhanced store performance.

Previous retail research suggests an answer. Whereas Lucas (1985) defines consideration at a very broad level (i.e., provision of a positive work climate), Koene et al. (2002) more specifically define it as the degree to which an employee perceives that his or her supervisor acts in a friendly and supportive manner, shows concern, and looks out for his or her well-being. As a complement to the consideration concept, Koene et al. (2002) find that the extent to which a manager maintains high expectations of an employee and portrays positive emotions also drives performance. Finally, these authors propose, but do not find, that the initiating structure formulated by a manager, or the degree to which a manager defines and structures a subordinate's role to attain the organization's formal goals (e.g., ensuring that role is well understood, clarifying necessary work, providing feedback, maintaining definite performance standards) influences performance. That is, supervisory support, monitoring, and establishment of clear goals and high expectations primarily influence social exchange.

Hypotheses

Sales Effort and Sales Planning

Both effort and planning appear in investigations of retail and industrial selling contexts (Table 1). Such considerations should not be surprising, given the sheer number of work hours required of retail managers (Lucas 1985) and the importance of thinking strategically in a retail store context (Lusch and Serpkenci 1990). As Rapp et al. (2006) highlight, effective sales planning goes beyond behaviors exhibited during the sales interaction to include planning and predicting suitable sales behaviors and developing an ability to engage in a wide range of behaviors. In short, the need to strategize while fulfilling the long work hours necessary to manage stores (often 12 h a day or more–see Rhoads et al. 2002) suggests the overarching importance of the ability to both exert the appropriate level of effort and plan strategically.

Effort and planning positively influence performance in an industrial sales context, as Sujan et al. (1994) find relative to self-reported measures of individual performance and Rapp et al. (2006) demonstrate with regard to the market share a sales representative can achieve. Similarly, Hunter and Perreault (2006) describe the importance of effective planning (e.g., task prioritization, strategic thinking, and anticipation of contingencies) as critical to effective performance. Such findings highlight the importance of planning in relation to resource (i.e., time) allocation across selling activities in an effective manner (Gwin and Perreault 1981). Such planning can be complemented, again, by a strong work ethic or desire to work hard (Hunter and Perreault 2006; Sujan et al. 1994). Therefore, effective planning enables a manager to anticipate potential customer desires and needs and provide a context for solving them (whether for a specific type of product or a service to complement an existing product). A strong work ethic in turn affords the time and motivation to accomplish performance goals. Therefore, we hypothesize a positive relationship of each construct with the sale of both physical products and services.

H₁. Sales effort positively influences (a) product sales and (b) service sales.

H₂. Sales planning positively influences (a) product sales and (b) service sales.

Transformational Leadership

As Dubinsky et al. (1995, p. 19) describe, managers who possess a transformational leadership style adopt a decidedly long-term perspective:

> Rather than focusing solely on current needs of their employees or themselves, they also focus on future needs; rather than being concerned only with short-term problems and opportunities facing the organization, they also concern themselves with long-term issues; rather than viewing intra- and extra-organizational factors as discrete, they view them from a holistic perspective.

Transformational managers attempt to act in the best interests of both the customer and the company to provide effective solutions to the needs of both groups (Bass 1997). Such an environment enables the manager to "strive to achieve mutually-desired goals . . . to help their customers intrinsically understand how the (suggested) product or service will satisfy the customer's needs" (Bass 1997, p. 20). The manager then raises the consciousness of employees about the importance of achieving desired outcomes (both for the store and the customer) by going beyond short-term self-interest (Bass 1997). This context seems likely to establish a commitment to a collaborative environment in which the employee and the customer work together to discover true "solutions" to an individual problem (Lusch et al. 2007), which in turn suggests the potential sales combination of both a needed physical product and a complementary service (i.e., an "integrated" solution; Davies et al. 2006).

Furthermore, because such a leadership style focuses on the long term and on developing ideas that can ensure long-term

benefits for both a store and its customers, it should positively influence the sales planning undertaken by a store manager. Transformational leaders "question assumptions, reframe problems, and encourage creative thinking. They look at old problems in new ways" (Bass 1997, p. 21). In turn, we hypothesize:

H₃. Transformational leadership positively influences (a) product sales and (b) service sales.

H₄. Transformational leadership positively influences sales planning.

Finally, though we propose that a transformational leadership style and a selling orientation are complementary, they also could associate negatively. Previous research consistently proposes that a short-term, transaction focus may *augment* the performance effects of transformational leadership (Bass 1990; Dubinsky et al. 1995), especially in a retailing context, which likely comprises a mix of customers who desire a transaction-focused approach and others who desire a relationship-oriented focus. As Guenzi (2003, p. 708) notes, "these two (orientations) are not mutually exclusive, but may be pursued simultaneously with different combinations." The appropriate mix of short- versus long-term focus is thus a strategic decision based on the customers.

Even though both transformative leadership and a selling orientation should positively influence store performance, a transformational leadership style may deemphasize the relevance of a short-term focus (i.e., selling orientation). That is, a transformational leader is unlikely to express a desire to foist deals on customers without possessing an understanding of how the product or service might benefit the customer (Bass 1997). Therefore, we propose that the existence of a transformational leadership style relates negatively to a selling orientation, reflecting the tension between long-term strategic philosophies and short-term performance goals. Such a relationship, however, does not prevent the potential overall importance of the effective usage of a selling orientation in a given retailing context.

H₅. Transformational leadership negatively influences selling orientation.

Selling Orientation

Building on the conjecture that in a retailing context, both long- and short-term orientations can represent viable solutions, we reiterate that a manager's ability to pattern either orientation seems critical for store success. Despite criticism of the idea of a selling orientation, research that has attempted to verify a *negative* relationship between a retail employee's selling orientation and employee performance reveals no significant relationships (Boles et al. 2001), which implies that a selling orientation is not necessarily a "bad" thing. As we described in the previous section, a short-term orientation may have positive influences in certain selling contexts (Guenzi 2003; Saxe and Weitz 1982), and store managers may prioritize successfully "closing" customer transactions. Saxe and Weitz (1982, p. 348) further note, "Clearly, in some situations the impact of an immediate sale out-

weighs the potential impact of future sales." Such situations may arise when a customer chooses from a limited range of alternatives or does not desire salesperson expertise in a simple buying context. Therefore, we hypothesize:

H₆. A selling orientation positively influences (a) product sales and (b) service sales.

Supervisor and Goal-Setting Activities

In combining SET principles with previous findings from a retail context, as well as from core leadership theory focused on the importance of consideration and initiating structure (Bass 1990; Yukl 1994), we propose that to motivate retail managers to adopt the desired behaviors and help achieve a retail organization's strategic goals, the district manager must ensure that the store manager perceives four key relationship elements. According to SET, it is not the reality of these elements that motivates a manager to reciprocate through appropriate behaviors and attitudes but the manager's perception that these elements exist (Bettencourt 2004; Cropanzano and Mitchell 2005). Furthermore, SET suggests that the important elements of supervisory behavior relate to both supervisory activities and goal-setting behaviors, as we represent in Fig. 1.

First, consideration in the form of supervisor support must exist. *Supervisor support* is the extent to which a retail manager perceives that his or her supervisor shows concern and looks out for his or her well-being (Wayne, Shore, and Liden 1997). *Supervisor monitoring* refers to the extent to which a district manager provides information to the retail manager regarding his or her progress toward achieving outcomes (Challagalla and Shervani 1996).

Second, in relation to goal setting and consistent with initiating structure, *clarity of goals* is the extent to which a retail manager understands the goals that his or her supervisor expects him or her to attain (Jaworski and Kohli 1991). An outcome focus is highly relevant in a retail store context, in which many performance measures relate to outcomes and compare outcomes to previous levels (Lusch and Jaworski 1991). Another goal-related element, a high *level of expectations,* defined simply as a retail manager's perception that his or her district supervisor expects a high level of achievement, also benefits the retailer (MacKenzie et al. 2001) through both supervisory consideration and initiating structure.

Third, supervisor activities and goal setting together are especially critical in managing retail managers, in which context autonomy and self-direction are the perceived, but not necessarily desired, norms (Grow, Brady, and Arndt 2006; Lusch and Serpkenci 1990). Still, it is often beneficial to provide support, high expectations, and goal clarity to influence manager behaviors positively; managers crave such directives (Longenecker and Gioia 1991) to help them understand the behaviors sought from their roles. Fourth, supervisory monitoring and providing feedback also influence managerial behaviors but in a negative manner (Langfred 2004).

Supervisory support should positively influence manager's behaviors due to the implicit signal of trust sent through the

manager's perception of supervisory caring and understanding (i.e., appreciation for the situation and context of store management; Bowen and Ostroff 2004; Langfred 2004). As Wayne et al. (1997, p. 83) note, "High levels (of support) create feelings of obligation, whereby employees not only feel that they ought to be committed to their employers, but also feel an obligation to return the employer's commitment by engaging in behaviors that support organizational goals." That is, because of this perceived support, the manager will be motivated to engage in strategically desired behaviors that work in support of the overall corporate strategy. In our context, managers likely exhibit the desired behaviors of effort, planning, transformational leadership, and selling orientation.

H7. Supervisor support positively influences a retail manager's (a) sales effort, (b) sales planning, (c) transformational leadership, and (d) selling orientation.

A store manager's perception of support differs from a perception of being closely monitored. We propose that the consistent monitoring of a store manager's behaviors to evaluate intermediate progression toward the accomplishment of goals has a negative influence on a manager's tendency to exhibit desired behaviors. That is, whereas establishing clear goals, setting high goal levels, and providing the support necessary to achieve goals are positive and encouraged activities, monitoring and reporting to a manager regarding his or her progression toward goal achievement may not be desired. This negative relationship derives from the implicit signal that monitoring sends; a manager that must be watched is a manager that cannot be trusted (Langfred 2004). Such an intrusion on a manager's behavioral routine, combined with a symbolic lack of trust, form a "paternalistic" relationship that likely engenders managerial reactance against the intrusion (Martin and Freeman 2003). The reactance may create a lower level of managerial motivation to engage in behaviors that would support the organization.

H8. Supervisor monitoring negatively influences a retail manager's (a) sales effort, (b) sales planning, (c) transformational leadership, and (d) selling orientation.

When a store manager perceives clear goals and high expectations, both elements work in combination to motivate the desired and necessary managerial behaviors. Clearly established goals reduce performance ambiguity, which even the most seasoned managers desire (Longenecker and Gioia 1991). Furthermore, *social loafing theory* suggests a positive influence of goal clarity on desired (i.e., positive) work behaviors by proposing that loafing should be interpreted as an evaluation effect (Harkins and Jackson 1985). That is, when employees perceive an unclear goal, they also perceive that the method of evaluation will be ill defined. In turn, they are prone to loafing because the necessary criteria for effective performance evaluation are lacking (Carver and Scheier 1982). Put simply, if a store manager cannot envision the criteria for evaluation due to a poor perception of desired behaviors, inaction is the likely result.

In contrast, when goals are specific and clear, managers develop a sense of evaluation apprehension (Fang, Palmatier, and Evans 2004). The manager knows the evaluation criteria

and is driven to engage in the desired behaviors by his or her apprehension of a negative evaluation in response to undesired behaviors. Increased effort to engage in desired behaviors is the net result, which then leads to the following hypothesis:

H9. Clarity of goals positively influences a retail manager's (a) sales effort, (b) sales planning, (c) transformational leadership, and (d) selling orientation.

Finally, a high level of expectations motivates the manager to adjust his or her behaviors to a level consistent with the difficulty of the defined tasks (Latham and Locke 1991). High expectations suggest that assigned tasks are highly challenging, which sends an implicit signal of trust between the district supervisor and the store manager (Wayne et al. 1997). This contention receives support from Chowdhury's (1993) *compliance effect*, which suggests that goal difficulty prompts people to redirect or modify their behaviors to match the demands that confront them and adjust their target performance to correspond to assigned goals (Fang et al. 2004).

H10. The level of expectations positively influences a retail manager's (a) sales effort, (b) sales planning, (c) transformational leadership, and (d) selling orientation.

Moderating Effect of Direct Competition

Consistent with our focus on a better understanding of retail managers' role in the sales of products and services, we examine the potential moderating effect of direct competition. A store's competitive rivalry is an especially salient contextual factor for our study because the effect of a store manager's behavior on the relative efficacy of selling products versus services should increase as competition increases. For example, Seiders et al. (2005, p. 31) argue that the level of direct competition can "attenuate competitive advantage and influence (purchase) behavior . . . because competition erodes customers' perceptions of differential advantage along sustainable dimensions." In other words, if there are multiple options in a limited space, it becomes much more difficult to set a given store apart from the competition.

Ramani and Kumar (2008) also propose that the "erosion" of perceived advantages occurs when consumers compare physical products. It is relatively easy, especially for a national player, to imitate or improve product offerings to stay competitive, so firms likely attempt differentiation on the basis of their responses to individual consumers' characteristics and needs (Ramani and Kumar 2008). As the level of direct competition increases, managerial behaviors that focus on a long-term, relational perspective should become more important (e.g., transformational leadership, sales planning). Furthermore, the difficulty of differentiating through products alone implies that the influence of increased competition should relate more to the sale of services than products.

Alternatively, however, it could be proposed that heightened competition would drive a focus upon product issues (e.g., price and product features). Such an emphasis among competitors would prompt consumers to note the differences among product alternatives, especially since such changes are more tangible

than service modifications. As a result, product sales would be more strongly impacted than service sales when faced with a highly competitive environment.

Therefore, due to the lack of prior predictive research, we do not offer formal hypotheses for the moderation effect of direct competition on the linkages between managers' behaviors and the sales of products and services. Rather, we predicate our investigation of environmental moderation on the noted influence of the external environment upon store performance (Seiders et al. 2005).

Methods

We examine the influence of store managers on store performance for a large chain of U.S.-based, corporate-owned, retail stores of a *Fortune* 500 manufacturer. Using a single company in one industry enables us to isolate the effects of store manager behaviors by reducing the number of potential confounds of store performance, such as product performance, brand effects, and industry differences. We collect data from store managers, the firm's corporate headquarters, and secondary sources; store managers provide responses to all measures of retail chain activities and retail manager behaviors.

After pretesting the questionnaire with 25 store managers, we mailed a revised questionnaire to store managers of 823 stores that sold both services and products, with a cover letter outlining the firm's support for the research. We received 428 completed questionnaires for a 52% response rate. Next, we collected product and service sales revenue, store size, and advertising expenditure data for each retail store from the firm's corporate headquarters. We obtained complete data from all sources for 369 retail stores (45% of the original sample).

Our data enable us to explore potential nonresponse bias by comparing store managers who respond and appear in the final data set with those who are not included because of a failure to respond to the survey across firm-provided variables (e.g., sales, advertising). We find no significant differences ($p > .05$), which suggests nonresponse bias is not a concern.

Measurement

We use or adapt existing measurement scales when possible. All scales employ seven-point Likert-type scales, anchored by "strongly disagree" and "strongly agree," unless otherwise noted. With the exception of our outcome and control variables, each variable reveals the perception of a store manager. We provide the scale items and sources of each scale in the Appendix A.

We capture two aspects of the store manager's work behavior: sales effort (three items) and sales planning (four items). The sales manager's orientation toward selling (six items) relies on an abbreviated form of the SOCO scale (Saxe and Weitz 1982). We also measure the manager's transformational leadership behavior using five items. Each store manager reports on two supervisor activities, namely, supervisory support (three items) and supervisor monitoring (three items). We also capture the clarity (three items) and level of expectation (three items) of the store manager's goals.

We obtain each retail store's annual product and service sales (1,000$) from the firm's corporate headquarters. Specifically, the firm captures the sales of products separately from the sales of services. Services may include a myriad of items, such as general tire and car repair, preventative maintenance (e.g., oil changes), and warranty coverage. These data enable us to isolate each retail store's unique sales performance across these two areas. We also include two control variables: annual advertising expenditures ($) and store size (number of bays). Advertising expenditures equate to the dollars spent to drive business to a specific store, which does not depend on store size but rather is determined by the competitive conditions for each store, evaluations of market potential, market share considerations, product/service initiatives, and store revenues. We measure direct competition, a moderator variable, using the zip code of each retail store and online yellow pages to identify the number of competitive national retail stores in that product category within a three-mile radius of each store.

Measurement Model

We evaluate the psychometric properties of all multi-item constructs by estimating a confirmatory factor analysis model that includes the eight latent constructs. We restrict each item's loading to its *a priori* factor and allow each factor to correlate with all other factors. The fit indices for the measurement model are acceptable (Hu and Bentler 1999): $\chi^2_{(372)} = 620.23$ ($p < .01$), comparative fit index (CFI) = .94, incremental fit index (IFI) = .94, and root mean square error of approximation (RSMEA) = .04.

All factor loadings are significant ($p < .001$), demonstrating convergent validity. (See the Appendix A for loadings.) The average variance extracted by each construct is greater than its shared variance with other constructs (Fornell and Larcker 1981). For each pair of latent constructs, we compare a two-factor model in which we allow the factors' correlation to vary with another model in which we fix the correlation to 1. In each case, the χ^2 difference test ($p < .01$) supports discriminant validity (Anderson and Gerbing 1988). The reliability of each multi-item scale is equal to or greater than .70. We thus conclude that our measures are valid and reliable. In Table 3, we provide descriptive statistics and correlations for all variables.

Results

After we deem the measurement models acceptable, we estimate a structural path model to test the hypotheses in Fig. 1 using AMOS 7.0. The fit indices of $\chi^2_{(480)} = 739.92$ ($p < .01$), CFI = .94, IFI = .94, and RSMEA = .04 suggest that the hypothesized model acceptably fits the data (Hu and Bentler 1999). We summarize the results in Table 4.

Store Manager Determinants of Retail Store Performance

Sales effort and sales planning have differential effects on product and service sales. Sales effort positively affects product sales ($\beta_{1a} = .09$; $p < .05$), whereas sales planning positively

Table 3
Descriptive statistics and correlations.

Constructs	Mean	SD	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
1. Sales effort	5.65	0.96	.80												
2. Sales planning	5.89	0.86	.11*	.70											
3. Selling orientation	2.21	1.06	-.04	-.04	.73										
4. Transformational leadership	5.58	0.67	.22**	.41**	-.23**	.73									
5. Supervisor support	1.98	0.73	-.03	-.19**	.14**	.16**	.75								
6. Supervisor monitoring	5.66	1.13	.08	.39*	-.09	.20**	.42**	.90							
7. Clarity of goals	5.64	1.03	.04	.15**	-.20**	.44**	-.31**	.39**	.77						
8. Level of expectation	5.75	0.96	.31**	-.01	-.11*	.57**	-.35**	.57**	.27**	.80					
9. Product sales (1,000$)	375.43	240.88	.09	.11*	-.03	-.04	-.15**	.09	.01	.06	n.a.				
10. Service sales (1,000$)	501.86	193.21	.01	-.07	.04	.12*	-.08	-.05	.08	-.08	.08	n.a.			
11. Advertising (1,000$)	29.00	17.01	.01	-.02	.02	-.13*	-.08	.16**	-.05	.07	.65**	.15**	n.a.		
12. Store size	7.50	2.12	-.04	-.01	-.04	-.04	-.11*	-.01	.02	-.09	.12*	.31**	.05	n.a.	
13. Direct competition	1.59	1.41	-.02	-.01	.02	-.01	-.05	-.04	.04	-.04	-.01	-.05	.03	.14**	n.a.

Note. Coefficient alphas are reported along the diagonal; n.a. refers to single-item variables.

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

affects service sales ($\beta_{2b} = .12$; $p < .05$), in support of H_{1a} and H_{2b}. Effort and planning have no other significant effects on performance outcomes. Transformational leadership has no effect on either product or service sales, though it positively affects sales planning ($\beta_4 = .47$; $p < .01$) and negatively affects selling orientation ($\beta_5 = -.32$; $p < .01$), in support of both H_4 and H_5. Selling orientation has a significant positive effect on services sales ($\beta_{6b} = .11$; $p < .05$) but not on product sales. Furthermore, both of our control variables significantly influence store performance. Consistent with previous research, advertising positively influences product sales ($\beta = .64$; $p < .01$), but contrary to our expectation, it has a negative effect on service sales ($\beta = -.15$; $p < .01$). The size of the store positively influences both product ($\beta = .09$; $p < .05$) and service ($\beta = .33$; $p < .01$) sales.

Retail Chain Activities Determinants of Retail Manager Behavior

We consider a wide range of managerially relevant activities that may affect store manager conduct and find that district manager supervisory activities, support, and monitoring have mixed effects. Supervisory support does not exhibit a positive effect on any of the behavioral variables, so we find no support for H_7. Supervisory monitoring influences two of the four managerial behaviors: It negatively affects the store manager's tendency to exert sales effort ($\beta_{8a} = -.21$; $p < .01$) and use transformative leadership ($\beta_{8c} = -.21$; $p < .01$), in support of H_{8a} and H_{8c}.

The results reinforce the notion that goal-setting factors are critical for understanding store manager conduct. The store manager's perception of the clarity of his or her goals positively affects transformational leadership ($\beta_{9c} = .55$; $p < .01$), in support of H_{9c}. Level of goal difficulty or expectation also positively affects sales effort ($\beta_{10a} = .49$; $p < .01$) and transformative leadership ($\beta_{10c} = .43$; $p < .01$), in support of H_{10a} and H_{10c}.

Mediation and Moderation Tests

Comparing our hypothesized model with rival models bolsters confidence that our model provides a parsimonious explanation of the data (Bagozzi and Yi 1988). We compare our model, in which the effect of retail chain activities on retail store performance is fully mediated by retail manager behaviors, to one in which the effects are only partially mediated. A series of χ^2 difference tests between the nested full and partial mediation models, with an additional direct path from each retail chain activity to each measure of retail store performance, helps ensure the additional path does not provide a significantly better fit (Brown et al. 2002). None of the eight mediation tests is significant, in support of our full mediation model.

We also use a split sample approach, where the same model is applied to a divided data set, to examine the moderator effects in the structural models (Rigdon, Schumacker, and Wothke 1998). To divide the sample into high ($N = 185$) and low ($N = 184$) groups, we use a median split of direct competition, then apply a χ^2 difference test to compare a model in which we constrain all hypothesized paths to be equal across both groups with an unconstrained model in which one path can vary freely across the high

Table 4
Results: main effects.

Proposed relationship	Std. path coeff.	t-value	Hypotheses	Proposed relationship	Std. path coeff.	t-value	Hypotheses
Determinants of store manager behavior				*Determinants of store performance*			
Supervisor support → Sales effort	.08	0.97	H_{7a}	Sales effort → Product sales	.09	2.07*	H_{1a} supported
Supervisor support → Sales planning	−.17	−1.98	H_{7b}	Sales effort → Service sales	−.02	−0.44	H_{1b}
Supervisor support → Transformational leadership	.07	0.87	H_{7c}	Sales planning → Product sales	.07	1.20	H_{2a}
Supervisor support → Selling orientation	.13	1.44	H_{7d}	Sales planning → Service sales	.12	1.76*	H_{2b} supported
Supervisor monitoring → Sales effort	−.21	−2.42**	H_{8a} supported	Transformational leadership → Product sales	−.02	−0.39	H_{3a}
Supervisor monitoring → Sales planning	.06	0.61	H_{8b}	Transformational leadership → Service sales	.10	1.31	H_{3b}
Supervisor monitoring → Transformational leadership	−.21	−2.38**	H_{8c} supported	Selling orientation → Product sales	−.05	−0.09	H_{6a}
Supervisor monitoring → Selling orientation	.01	0.14	H_{8d}	Selling orientation → Service sales	.11	1.86*	H_{6b} supported
Clarity of goals → Sales effort	.03	0.48	H_{9a}				n/a
Clarity of goals → Sales planning	.08	0.83	H_{9b}				n/a
Clarity of goals → Transformational leadership	.55	5.78**	H_{9c} supported				n/a
Clarity of goals → Selling orientation	−.05	−0.49	H_{9d}				n/a
Level of expectation → Sales effort	.49	5.14**	H_{10a} supported	Advertising → Product sales	.64	16.43**	
Level of expectation → Sales planning	−.17	−1.79	H_{10b}	Advertising → Service sales	−.15	−3.13**	
Level of expectation → Transformational leadership	.43	4.79**	H_{10c} supported	Store size → Product sales	.09	2.21*	
Level of expectation → Selling orientation	.05	0.54	H_{10b}	Store size → Service sales	.33	6.78**	
Transformational leadership → Sales planning	.47	4.13**	H_4 supported				
Transformational leadership → Selling orientation	−.32	−2.96**	H_5 supported				
R^2 (Sales effort)	.15			R^2 (Product sales)	.44		
R^2 (Sales planning)	.28			R^2 (Service sales)	.16		
R^2 (Sales orientation)	.14						
R^2 (Transformational leadership)	.42						

Note. Std. path coeff., standardized path coefficients.

*$p < .05$; **$p < .01$ (one-tailed test utilized for all hypothesized paths).

and low group. If the unconstrained model has a significantly lower χ^2 than the constrained model, the path is significantly moderated. We find three of the four paths to service sales are significantly moderated: Although the effect size is small, the impact of sales planning on service sales is significantly higher in the high direct competition group ($\beta = .15$) than the low direct competition group ($\beta = .11$; $\Delta\chi^2_{(1)} = 4.8$; $p < .05$); the impact of transformational leadership on service sales is significantly higher in the high ($\beta = .22$) compared with the low ($\beta = -.01$; $\Delta\chi^2_{(1)} = 7.9$; $p < .01$) direct competition group; but the impact of selling orientation on service sales is significantly *lower* in the high ($\beta = .09$) than in the low ($\beta = .16$; $\Delta\chi^2_{(1)} = 4.1$; $p < .05$) direct competition group.

Of the paths to products sales, only one indicates significant moderation. Again, although the effect size is minimal, the impact of transformative leadership on product sales is significantly *lower* in the high ($\beta = -.06$) than in the low ($\beta = .01$; $\Delta\chi^2_{(1)} = 5.0$; $p < .05$) direct competition group.

Discussion

Our results demonstrate the benefit of applying both leadership theory and SET to broaden our understanding of how perceived chain activities influence store manager behavior, which then influences store performance, or the sale of both products and services within a single retailing context. Furthermore, our moderation analysis demonstrates the importance of understanding and accounting for the level of direct competition when investigating the influence of retail store manager behaviors on store performance. Our model clarifies how positive managerial work behaviors might be instilled or, through monitoring, discouraged in individual store managers according to a store manager's perceptions of his or her relationship with a district supervisor. Overall, this research provides some initial insights into the relative efficacy of different store managers' behaviors to increase product and/or service sales and the determinants of these store managers' behaviors; it also highlights the important performance implications of a retail store's external environment.

Determinants of Retail Store Product and Service Sales

An evaluation of the results shows that the determinants of product and services sales vary across the overall sample and are even more exaggerated when a retail store is embedded in a competitive environment. Sales effort and planning have positive influences on performance, such that effort positively influences the sale of physical products, and planning enhances the sale of services. The differential effects across the two work behaviors have important implications for retail chains shifting their focus to service offerings. Retailers targeting services should promote planning behaviors. Alternatively, retailers focused solely on increasing product sales would be well served by increasing store manager's goal difficulty to take advantage of its strong effect on effort but should minimize supervisory monitoring, which appears to decrease a manager's desire to work hard. The effect of sales planning on selling services increases as competitive rivalry increases, suggesting that retailers using "solution selling" as a way to differentiate their offering from direct competitors should ensure store managers are trained, motivated, and given ample time for sales planning.

In relation to a selling orientation, our results are consistent with leadership theory (i.e., varied approaches to implementing a problem solution are important), though somewhat inconsistent with the negative connotation of a selling orientation in marketing literature. In the overall sample, a selling orientation improves store-level service sales, and the effect is enhanced in environments with few direct competitors. We consider various potential interpretations of the positive effect of selling orientation on service sales. In a positive light, customers may desire a more direct approach to service sales in the retailing context that we investigate. For products, "add-on" services such as warranties, protection plans, oil changes, and roadside assistance may be generally accepted and valued. In contrast and in a more negative light, a pressuring approach might result in the sale of an add-on service but only at the expense of customer relationships and satisfaction. The finding that a selling orientation is most effective for increasing service sales in less competitive environments supports the latter (negative) interpretation, because few competitive alternatives are available to take advantage of any loss in "customer relational equity" that results from the more transactional selling approach. Further research should investigate the fuller meaning of this interesting finding.

With regard to leadership, we find no support for the direct effect of transformational leadership on overall store performance, as suggested by previous retailing (Koene et al. 2002) and leadership (MacKenzie et al. 2001) studies. The importance of this leadership behavior rather seems to depend on the level of direct competition. The benefits gained by charismatic, transformational leaders thus may pay off only when the retailer sells services in highly competitive environments; transformational leaders appear less effective at promoting product sales when competitive rivalry increases. Previous research implies that increased service selling and a relational focus in a competitive context is imperative for success, because competing through products alone cannot set a marketer apart from the pack (Ramani and Kumar 2008). Still, our finding suggests an important trade-off between service and product sales in a competitive environment when a store manager orients toward a transformational leadership style.

We began this study with the assumption that advertising would positively influence *both* product and service sales, yet though advertising clearly has a strong positive influence on the sale of physical products, it actually is detrimental to the sale of services. Closer inspection of the nature of the advertising reveals some insights into this interesting finding. First, the advertising employed in this retail context focuses predominantly on discounts for physical products. Thus, consumer attention tends to relate to a promoted price. Second, the focus on price may attract exceptionally price-conscious consumers, who visit the retail store in response to an advertised product and for whom the likelihood of attaching a complementary service is an uphill battle. Moreover, because retail employees are aware of the advertising's product focus, they often respond

with a parallel product-centric perspective. Retailers may need to consider product versus service objectives more carefully when designing promotional campaigns.

On the basis of these results, we make a few tentative conclusions regarding the most effective store manager behaviors for selling products and services. For selling services, especially in competitive environments, store managers should focus on sales planning and transformative leadership behaviors, which accentuate both the long-term effects of planning and managerial actions. In effect, store manager behaviors supporting a relational approach appear to pay off more for services than products. At lower levels of direct competition, a more transactional approach (e.g., selling orientation) can also be effective for services. Alternatively, to sell products, store manager selling efforts appear to be the most important driver of success, and a transformative leadership approach may even be detrimental when facing stiff competition.

Determinants of Store Manager Behavior

Reinforcing work by Longenecker and Gioia (1991), we confirm the importance of providing a store manager with clear goals and high expectations. An environment that does so can coax desired conduct from a store manager, at least in terms of supporting a transformational leadership style and increasing the selling efforts of store managers.

It is also important to highlight the potentially negative influence of supervisory monitoring on the strategically desired behaviors of sales effort and transformational leadership. These results confirm organizational behavior literature that proposes close monitoring may prove problematic (e.g., Wayne et al. 1997). The potential severity of this negativity is critical: Retail store managers seem much more likely to engage in desired behaviors if they feel they are not being consistently watched. Psychological reactance may play a role in explaining such results, in that a person who is too closely guarded tends to rebel against the desires of the supervisor (Martin and Freeman 2003). Therefore, district supervisors should be aware that though performance monitoring is necessary, they should minimize any aura of the retail chain as "Big Brother" and put much more focus on providing clear goals and high expectations. The potential negative influence of monitoring also may lead to a culture of "us versus them," with its potential for misaligning corporate and local objectives.

The importance of balancing the positive (e.g., level and clarity of goals) and negative (e.g., supervisory monitoring) drives of transformational store leadership behavior also emerges from the moderation analysis, which indicates that transformative leadership behaviors help set a store apart from others in a highly competitive environment for selling services but may be detrimental to the sale of products. Such a finding implies that when developing supervisor and goal-setting standards, a retail firm must take into account the competitive environment and strategic focus of the specific store (product versus service) to achieve the optimal balance in store manager behaviors. More research should replicate and expand this finding in other retail settings and explore other factors that may influence store performance.

Finally, we note the significance of a transformational leadership style, in its own right, on store manager behaviors. As predicted, a transformational leadership style supports the sales planning behaviors needed to manage a retail store successfully, but it also can suppress the selling orientation of the store manager.

Further Research

Ideally, our results will spark greater interest in the effect of retail store manager behaviors on retail store product and service performance. Considerable variance remains to be explained for the sale of physical products and services, and much potential research remains to be conducted. Because our results pertain to a single retailing context, we recommend further examinations of the relationships we propose in different contexts. Different areas of retailing might demonstrate greater values of the main effect influences of transformational leadership for the sale of services (Lusch et al. 2007). For example, in a consumer electronics setting, retailers may need to implement problem solutions for home theater sales, for which consumers need help both selecting the product and installing and maintaining their purchases. The potential for integrating sales and services more fully in such a context likely surpasses that for the sale of electronic products.

Our research also illuminates the importance of investigating environmental influences on store manager behaviors in relation to store performance. Various potential moderating conditions may influence such relationships; for example, customer and product characteristics might influence the effectiveness of store manager behaviors in relation to product and service sales.

Finally, we use archival performance data, which lends credibility to the store manager behaviors → store performance linkages, but the chain activities → store manager behaviors linkage comes from a common source, which is susceptible to common method variance. Further efforts therefore should replicate this model using different informants.

Appendix A

Constructs: measures (scale sources)	Item loadings
Sales effort (Sujan et al. 1994)	
I work long hours to meet my store sales objectives.	.51
I work untiringly at managing my store customers.	.84
I work untiringly at managing my employees.	.94
Sales planning (Sujan et al. 1994)	
Because too many aspects of my job are unpredictable, planning is not useful.	.43
Each week I make a plan for what I need to do.	.54
Planning is a waste of time.	.79
Planning is an excuse for not working.	.72
Selling orientation (Saxe and Weitz 1982)	
(1 = true for none of your customers-never, 9 = true for all of your customers-always) If I am not sure a product is right for a customer, I will still apply pressure to get him to buy.	.62

Appendix A (*Continued*)

Constructs: measures (scale sources)	Item loadings
I try to sell as much as I can rather than to satisfy a customer.	.58
It is necessary to stretch the truth in describing a product to a customer.	.60
I try to sell a customer all I can convince him to buy, even if I think it is more than a wise customer will buy.	.56
I paint too rosy a picture of my products, to make them sound as good as possible.	.53
I keep alert for weaknesses in a customer's personality so I can use them to put pressure on him to buy.	.48
Transformational leadership (Podsakoff et al. 1990)	
I am able to get others committed to my dream.	.55
I will not settle for second best.	.59
I inspire others with my plans for the future.	.61
I show what I expect from my staff.	.58
I stimulate my staff to rethink the way they do things.	.59
Supervisor support (Wayne et al. 1997)	
(1 = Certainly would; 2 = Probably would; 3 = Maybe; 4 = Probably not) Regardless of how much formal authority your immediate supervisor has built into his or her position, what are the chances that he or she would be personally inclined to use power to help you solve problems in your work?	.72
Again, regardless of how much formal authority your immediate supervisor has, to what extent can you count on him or her to "bail you out" at his or her expense when you really need it?	.66
I have enough confidence in my immediate supervisor that I would defend and justify his or her decisions if he or she were not present to do so?	.77
Supervisor monitoring (Challagalla and Shervani 1996)	
I receive feedback on whether my store is meeting expectations on sales volume or market share targets.	.85
My immediate supervisor monitors my stores progress on achieving sales volume or market share targets.	.88
My immediate supervisor ensures I am aware of the extent to which my store attains sales volume or market share goals.	.88
Clarity of goals (Jaworski and Kohli 1991)	
My performance targets are clear and unambiguous.	.78
I know exactly what output is expected of me.	.83
Clear, planned goals and objectives exist for my job.	.73
Level of expectation (MacKenzie et al. 2001)	
My supervisor shows us that he/she expects a lot from us.	.77
My supervisor insists on only the best performance.	.80
My supervisor will not settle for second best.	.82

Note. All items measured using seven-point scales anchored by 1 = "strongly disagree" and 7 = "strongly agree," unless otherwise indicated.

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