



Service leadership for adaptive selling and effective customer service teams[☆]

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ABSTRACT

Companies are increasingly relying on customer service teams to deliver quality service critical for repeat business and profitability. But these teams need leadership to be effective. This study proposes that service leaders promote quality customer service by encouraging teams to develop adaptive selling capabilities. Data were collected from 113 customer service team leaders and 285 team members from a sample of consumer electronics retailing firms in Beijing, China. Data support the reasoning that by espousing service values, listening to customers, and encouraging improvements, service leaders help their teams become capable adaptive sellers. Results further suggest the contribution of team adaptive selling on customer team task performance, orientation to customers, and ability to recover from shortcomings in service. Findings extend recent research that leaders can have substantial impact by strengthening teamwork among followers by finding that service leaders develop customer service teams to be effective adaptive sellers.

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1. Introduction

Organizations are increasingly relying on teams to market and serve important customers. Customer service teams are expected to have the potential to combine expertise and effort so that they can flexibly respond to changing requirements, recover from service errors, and help customers feel satisfied and committed to the company (Greer & Lei, 2012; Verbeke, Dietz, & Verwaal, 2011). However, developing effective customer service teams, as with other kinds of teams, can be quite challenging. How can teams be both persistent in serving customers and sufficiently flexible in their methods to respond to customer changing needs? Recent research studies have found that effective leadership lays the foundation for teamwork that results in coordinated, productive action (DeGroot, Kiker, & Cross, 2000; Dionne, Yammarino, Atwater, & Spangler, 2004; Marks, Mathieu, & Zaccaro, 2001; Morgeson, DeRue, & Karam, 2010; Pearsall & Ellis, 2006). Evidence indicates that leaders can help develop the environment in which customer service personnel excel. This study proposes that leaders who communicate a strong

commitment to service are an important foundation for effective customer service teams. Service leaders reinforce the values of caring for customers and delivering high quality service to them that encourage customer service teams to engage in adaptive selling where they understand customers and use a wide range of approaches to meet customers' needs (Gronfeldt & Strother, 2006). This adaptive selling, as it is both a flexible and a committed approach to customer service, results in productive customer service teams that are oriented toward serving customers (Saxe & Weitz, 1982) and recover from service deficiencies effectively (Ashill, Rod, & Carruthers, 2008).

This study makes several contributions to the literature. Previous research has shown that individual salespeople skilled at adaptive selling are effective; this study documents the value of adaptive selling for customer service teams and suggests that adaptive selling lays the foundation for productive sales teams that are oriented toward customers, able to deal with service gaps, and respond to customer complaints. This study also adds to recent leadership research indicating that leaders are effective to a large extent by their impact on the relationships and interaction among followers. This study shows that leaders who communicate a strong commitment to customer service encourage team adaptive selling that results in quality customer service. Leadership is not just influencing individuals one by one but also forging a basis upon which followers work together productively. Overall, this study contributes to the literature by testing empirically and directly whether adaptive selling by teams promotes service and whether the leadership of the team can contribute to customer service through its impact

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on adaptive selling. It addresses the lack of marketing research on managing customer service teams, specifically on the role of leadership (Chowdhary & Saraswat, 2003; Flavey, 1990).

2. Literature review and hypotheses

2.1. Effective customer service teams

Studies have underlined that staying close to customers, serving them productively, and dealing effectively with complaints are critical capabilities that contribute to companies' bottom line (Allen & Wilburn, 2002; Jackson, 1985; Keaveney, 1995; Lapré, 2011; Meyer & Schwager, 2007; O'Reilly, 2012; Schneider, White, & Paul, 1998; Zeithaml, 2000; Zeithaml, Berry, & Parasuraman, 1988). Developing quality relationships with customers was found to improve opportunities for future sales (Crosby, Evans, & Cowles, 1990; Ernst, Hoyer, Krafft, & Krieger, 2011; Foster & Cadogan, 2000; Reimann, Schilke, & Thomas, 2010; Reinartz, Krafft, & Hoyer, 2004).

The value and the difficulty of serving customers and developing relationships with them have led companies to invest in national accounts and new product and customer service teams; teams may be able to apply important, complex skills needed for effective selling more effectively than individual salespeople (Weitz & Bradford, 1999). Service teams are used because in some account management situations the selling process is beyond the capabilities of any one individual and may call for an integrated effort (Workman, Homburg, & Jensen, 2003). Service teams are thought able to combine diverse information to analyze clients' needs and influence buying decisions effectively (Arnett & Badrinarayanan, 2005; Barrett, 1986; Bertrand, 1987; Guenzi, Pardo, & Georges, 2007; Jackson, 1985; Jackson, Widmier, Giacobbe, & Keith, 1999; Jones, Dixon, Chonko, & Cannon, 2005). They can understand the needs of important customers and provide a comprehensive, coordinated approach to meeting these needs.

This study proposes that effective customer service teams are characterized by in-role performance (Banker, Field, Schroeder, & Sintia, 1996), customer orientation (Flaherty, Dahlstrom, & Skinner, 1999; Moon & Armstrong, 1994), and the capability to recover from service errors (De Jong, Wetzels, & de Ruyter, 2008). As with other teams, customer service teams must complete their tasks efficiently and perform their duties conscientiously. Team in-role performance is the extent to which the team accomplishes its purpose and produces the intended and desired result (Chatman & Flynn, 2001). Team in-role performance provides the foundation for serving customers; teams should visit customers, accurately record their orders, and in other ways make sure the right products are delivered at the right time and place (Batt, 1999; Kirkman & Rosen, 1999).

Effective customer service teams are also highly oriented toward customers (Foster & Cadogan, 2000; Homburg, Müller, & Klarmann, 2011). Customer orientation occurs when customers believe that the service team helps them make purchasing decisions that are highly useful and fitting for the customers themselves (Saxe & Weitz, 1982; Schwepker, 2003). As the key characteristic of customer orientation is focused on uncovering and satisfying the customer's long-term needs, the service team has to expend greater effort in customer-related interactions by listening to and working with customers (Saxe & Weitz, 1982; Thakor & Joshi, 2005). Customer oriented teams communicate that they are not trying to sell customers products and services because they are profitable for the selling company but rather because they serve the latent preferences and long-term needs of the customer. Customers have been found to value this orientation and feel satisfied with their supplier (Brady & Cronin, 2001; Donavana & Hocutt, 2001; Flint, Blocker, & Boutin, 2011). Evidence also suggests that customer service personnel find being customer oriented valuable for their own well-being as well because customer orientation enhances frontline employees' psychological welfare through lowering job stress and

strengthening job engagement (Zablah, Franke, Brown, & Bartholomew, 2012).

Though teams might be productive and oriented toward customers, they are still likely to confront service errors and gaps in service quality where customers are not well served and indeed may make direct complaints about the quality of the team's service. Effective customer service teams should be prepared and able to recover from service errors. Studies have shown that effective recovery from performance errors can improve customer loyalty to the organization (Boshoff, 1997; Mattila, 2001; Spreng, Harrell, & Mackoy, 1995; Swanson & Kelley, 2001; Zeithaml, Berry, & Parasuraman, 1996). However, ongoing service errors that are not dealt with effectively alienate customers (Wong, Liao, Zhan, & Shi, 2011). Service failures very much undermine customer satisfaction; many managers argue that their organizations cannot respond to and fix service errors effectively enough for customers (Andreassen, 2000; Bejou & Palmer, 1998; Michel, Bowen, & Johnston, 2009).

2.2. Adaptive selling

As researchers have emphasized, developing customer service teams is challenging (Eby, Adams, Russell, & Gaby, 2000; Flavey, 1990; Jaf & Lj, 1998; Kirkman, Rosen, Gibson, Tesluk, & McPherson, 2002). Team members must be able to work together and make selections about the efficient deployment of many marketing tools (Arnett & Badrinarayanan, 2005; Helfert & Vith, 1999; Tutton, 1987). They need to be alert to the changing needs of customers and negotiate solutions that are advantageous both for the selling and buying companies and strengthen relationship bonds (Arnett, Macy, & Wilcox, 2005; Berry, 1995; Soldow & Thomas, 1984). This study proposes that teams that employ adaptive selling capabilities are effective in that they are productive as well as customer oriented.

Adaptive selling has been defined as the capacity to adjust how salespeople act with customers based upon the information they receive as they interact with customers (Chai, Zhao, & Babin, 2012; Jaramillo, Locander, Spector, & Harris, 2007; Levy & Sharma, 1994; Robinson, Marshall, Moncrief, & Lassk, 2002; Weitz, Suja, & Suja, 1986). Adaptive selling reflects awareness, involvement, and flexibility (Boorum, Goolsby, & Ramsey, 1998; Franke & Park, 2006; Giacobbe, Jackson, Crosby, & Bridges, 2006; Spiro & Weitz, 1990). Adaptive salespeople are attentive to cues from customers and modify their approaches based on this information (Franke & Park, 2006; Spiro & Weitz, 1990). They are both persistent in their attempts to serve customers and flexible in regard to their methods (Franke & Park, 2006; Spiro & Weitz, 1990).

Considerable evidence, including meta-analysis, suggests that adaptive selling helps individual salespeople serve customers effectively as well as develop their own feelings of satisfaction and accomplishment (Jaramillo et al., 2007; Román & Iacobucci, 2010). Customers appreciate that adaptive sellers are listening to their concerns and developing fresh approaches on how they can solve their problems. Adaptive sellers themselves also appreciate their own efforts and willingness to try new approaches (Jaramillo et al., 2007; Román & Iacobucci, 2010).

However, more research is needed to document the effects of adaptive selling, especially for teams (Lynch & de Chernatony, 2007). This study proposes that adaptive selling is an important way to understand how customer service team members interact with each other that contributes to their team's effectiveness. Teams that are adaptive sellers recognize when an approach is ineffective and needs to be changed, recognize that customers have various needs and values that they should respond to, use a wide variety of approaches, and experiment with new approaches (Arnett & Badrinarayanan, 2005; Guenzi et al., 2007; Jackson et al., 1999). Adaptive selling teams are highly committed to meeting the needs of customers but adjust their methods to do so (Arnett & Badrinarayanan, 2005; Jackson et al., 1999). They are productive in that they realize that they need to perform tasks and duties that serve the needs of their customers (Arnett & Badrinarayanan, 2005; Jackson et al., 1999).

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