

THE ROLE OF MARKETING CAPABILITIES IN MEDIATING THE INFLUENCE OF MANAGER CAPABILITIES TOWARD SALES FORCE ACHIEVEMENT

Gunawan^a
Stivenes Tjin Siam^b

^aFaculty of Economics and Business, Master's Program in Management,
Widya Dharma University Pontianak, West Kalimantan, Indonesia

Gunawanlay93@gmail.com
stivenestjin@yahoo.co.id

ABSTRACT- The increasingly competitive sales environment has led business practitioners, especially managers, to consistently emphasize their sales teams to achieve desired performance. Sales organizations are challenged to compete and create sustainable competitive advantages to achieve optimal sales performance. The role of Organizational Competitive Orientation, rarely studied specifically, has seen limited attention in research. Most marketing literature focuses on Market Orientation and its impact on Sales Force Performance. This study aims to explore the Mediating Role of Marketing Capabilities in the Influence of Managerial Capabilities on Salesperson Performance. The relationships among four constructs - Organizational Competitive Orientation, Managerial Capabilities, Marketing Capabilities, and Sales Force Performance - are analyzed using five hypotheses through Structural Equation Modeling (SEM). Additionally, one mediation hypothesis is tested using the Sobel Test, involving 200 sales force respondents from various industries in West Kalimantan.

Keywords : Organizational Competitive Orientation, Managerial Capabilities, Marketing Capabilities, Sales Force Performance

INTRODUCTION

The current business landscape is marked by intense competition, making it unavoidable for business players to continuously improve their internal organizations to compete effectively. Every organization aims to lower costs, recognizing that in this era of evolving technology, it plays a crucial role in competitive orientation. Focusing on competitors, sales teams strive to gather information and share it with other functions, such as research and development or discussing with company leaders on understanding competitor strengths and developed strategies (Ferdinand, 2000).

Market-oriented organizations face competition and must set clear goals for the future to navigate the market effectively. This ensures clarity and ease in achieving predetermined objectives (Raaij and Stoelhorst, 2008). The goal of achieving maximum profit implies the need for effective and efficient business activities. Effectiveness relates to the intended goals, while efficiency concerns minimizing costs to achieve those goals (Martono and Harjito, 2010).

According to (Hans Eibe Sørensen 2008), (Harris 2002), (Deshpande and Farley 1998), market orientation comprises three behavioral components: Customer Orientation, Competitor Orientation, and Functional Coordination, along with two

decision criteria: long-term focus and profitability. In West Kalimantan, the growing economic sector is evident in the increasing competition among distributors, agencies, and dealers. The economic growth, indicated by the Gross Regional Domestic Product (GRDP) of West Kalimantan in 2021, reflects a 4.78% increase, rebounding from a 1.82% contraction in the previous year, post-Covid-19 recovery (source: BPS KalBar 2022).

Because in the same industry, there are many brand choices that offer the advantages of their respective products. When organizational competition occurs, each market presents its products in various ways. Representative manifestations of market competition include attractive product packaging, advertisements made as attractive as possible, and promotional activities that captivate consumers. In addition to the competitive orientation of the company playing a role in marketing products, salespeople also work to their maximum to achieve sales performance according to their respective targets.

Therefore, in this study, the author wants to explore further whether there is a significant influence between organizational competitive orientation, managerial capabilities on sales force performance mediated by marketing capabilities.

LITERATURE REVIEW

Organizational Competitive Orientation

Organizational Competitive Orientation refers to how an organization perceives and responds to competition in the market or its environment. This concept involves a strategic approach and the organization's attitude towards competitors, customers, and market dynamics. Competitive orientation reflects how an organization directs its efforts to achieve competitive advantage. In her work "Strategic Management: From Theory to Implementation," (Janice A. Black 2003) discusses competitive strategies and organizational adaptation to changes in the business environment. The concept of adaptation is key to facing the dynamics of competition. On the other hand, (Porter 2004:1) states that competitive advantage is the heart of marketing performance to confront competition. Competitive advantage signifies the strategic benefit of companies collaborating to be more effective in their marketing and dominating both existing and new markets. Competitive advantage essentially grows from the values or benefits created by the company for its buyers.

In the context of Competitive Orientation, every organization ensures it has designed a careful strategy for its product competition in the market to win in that competition. According to (Narver and Slater 1990), there are various measurable indicators in the Variable of Organizational Competitive Orientation:

- Always striving to match the performance of other retailers in the business.
- Providing accurate information to consumers consistently.
- Responding quickly to competitors' actions.
- Motivating managers to discuss competitors' actions.
- Targeting the company to achieve competitive advantage.

Managerial Capability

To achieve marketing success in the competitive landscape, companies need to pay attention to the potentials of resources used within the organization, particularly human resources directly involved in the marketing team or commonly referred to as Marketing Managers. This role is crucial, and they must understand and clearly articulate the mechanisms that lead to the creation and management of marketing capabilities (Merrilees et al., 2011).

- First, they distinguish between core capabilities directly leading to a competitive advantage for the company.
- Second, adding value to supporting core capabilities that facilitate.
- Third, essential capabilities that do not create advantages or facilitate tasks that create advantages but must be done for the business to continue core marketing capabilities, as supporting marketing capabilities, (Hooley et al. 2005). Use two specifically, namely market orientation and management capabilities.

Superior capabilities are challenging to discern in the market and difficult to imitate (Krasnikov & Jayachandran, 2008). These capabilities can support sustainable market advantages (Morgan, Vorhies, & Mason, 2009; Vorhies, Morgan, & Autry, 2009).

Indicators in the Managerial Capabilities variable, as stated by (Hooley et al. 2005), include:

- Having superior operational management skills.
- Having superior overall management capabilities.
- Being more adept at executing marketing strategies quickly.
- Managing the supply chain more effectively.

Marketing Capabilities

Marketing capabilities refer to a company's ability to perform various marketing functions as an integrated process designed to apply the collective knowledge, skills, and resources of the company for efforts related to market needs. Marketing capabilities enable businesses to add value, create value for customers, and remain competitive.

According to (Sunarwan 2011), achieving targeted marketing performance requires marketing capabilities to optimally implement selected marketing strategies. (Best 2009;8) states that market-oriented businesses with marketing capabilities are essential for achieving marketing performance. These marketing capabilities encompass a set of skills, knowledge accumulation, and the ability of the community to carry out organizational processes that can coordinate developed marketing activities into a company's asset. Achieving marketing capabilities and performance is also supported by strong entrepreneurial orientation.

Recently, benchmarking, a well-known organizational learning management tool, has been suggested as a method to enhance company marketing capabilities (e.g., Andersen, 1999; Vorhies & Morgan, 2003). Benchmarking is the process of identifying the highest standards for products, services, or processes and making necessary improvements to achieve those standards, commonly known as "best practices" (Biehl, Cook, & Johnston, 2006; Bhutta & Huq, 1999). As the Performance of Marketing Capabilities in a company includes product development, processes for

developing and managing products, and consumer services; such as Pricing, strategies to optimize revenue from company sales. The dynamics influencing our choice that dealers are "sales organizations" that require skills and abilities to generate, lead, and then persuade customers to purchase products from the dealer. Indicators of the Marketing Capabilities Variable, as stated in the research; (David A. Griffith, Goksel Yalcinkaya, Roger J. Calantone 2010); (Morgan et al., 2003; Vorhies and Morgan, 2005).

Salesperson performance

Salesperson performance is the level at which a salesperson can achieve the sales targets set by the sales manager for themselves (Challagalla & Shervani, 2006). Performance measurement is often associated with the success and failure of a company in achieving its primary goals, including gaining profit, increasing sales, and sustaining its existence. Decreased performance is a bad sign for some companies and business practitioners and is even considered the beginning of the downfall for some business players. Sales performance can always be seen as the result of executing a specific strategic role, where for a salesperson, performance is the result of the salesperson's aggressiveness in approaching and serving their customers well (Saphiro and Weiltz, 1990 in Ferdinand, 2004).

Performance, or something achieved or the ability or performance demonstrated by salespeople, can also be interpreted as the extent to which salespeople carry out their responsibilities and tasks (Dubinsky, et. al., 2002). This statement indicates that exceeding sales targets in a company shows the seriousness of salespeople in carrying out their duties and responsibilities. Meanwhile, Baldauf et al. (2001) conclude that salesperson performance is the contribution of salespeople in achieving the company's goals. (Brasher et al. 2007) see that the behavior of salespeople is the sales activities required in every sales process and activities related to building relationships with customers related to salesperson performance include searching for insurance participants, information search, sales, and customer service.

The performance of a salesperson is influenced by motivation; a salesperson or sales representative must have motivation to achieve their performance (Matsao and Kusumi, 2002). Motivation is the basic drive that moves a person or the desire to expend all efforts because of a goal. As stated by (Mangkunegara 2009:61), motivation is the condition or energy that drives employees to be directed or aimed at achieving the goals of the company organization. So, motivation in this case is actually a response to an action. Motivation arises from within humans due to the drive caused by the existence of a goal (Singh and Das, 2013).

In a company, we cannot simply overlook the significant role of the sales department. The sales team is the forefront of the company that will provide a lot of profit and income enjoyed by all company employees in the end (Lam, 2012, Voala et al., 2012). Therefore, we should provide adequate recognition for salespeople, not only in the form of incentives but also in other forms such as outings, certificate awards, etc. (Flaherty et al., 2013). These aspects are often overlooked, yet they can have a significantly positive effect on the progress of the company.

EMPERICAL STUDY

The organization's competitive orientation in sales is related to the marketing manager's ability to perform their role in understanding consumer needs and desires through the sales team. The higher the level of organizational competition, the higher the demand for the manager's ability in that organization. Therefore, a marketing manager's marketing ability can be seen as an organizational competency supporting market dominance and customer relationships.

Companies with strong marketing capabilities will be more capable of targeting and positioning their products, identifying customer needs better, and understanding factors influencing customer choices (Dutta, Narasimhan, & Rajiv, 1999). Conversely, the perspective of integrated marketing capabilities focuses on "combinative capabilities arising from integration embedded in marketing practice routines" (Vorhies et al., 2009).

In this research, it is believed that the relationship between Organizational Competitive Orientation has a significant impact on the manager's capabilities. This belief is strengthened by previous research in the literature by (Marios Theodosiou, John Kehagias, Evangelia Katsikea 2012), stating that Competitive Orientation has a positive relationship with management capabilities. Thus, based on the above analysis, it is believed that:

H.1: Organizational Competitive Orientation influences Managerial Capabilities.

The emergence of competition in the business world is unavoidable. With competition, companies are faced with various opportunities and threats from both domestic and international markets. Therefore, every company is required to understand and comprehend what is happening in the market, consumer desires, and various changes in its business environment to compete with other companies. Companies should strive to minimize their weaknesses and maximize their strengths.

Marketing performance is the output of all marketing efforts and strategies implemented by entrepreneurs. According to (Farris et al. 2006), measuring marketing performance needs to be done because business goals, besides creating customers, are also capable of making a profit. According to (Kotler and Lane 2009), marketing performance can be seen from the alignment between profit levels, sales volume, market share, and customer satisfaction levels.

In this research, it can be assumed that the relationship between Organizational Competitive Orientation and Marketing Capability has a significant influence. As in the hypothesis presented by (Aron O'Cass, Jay Weerawardena 2010), stating that Competitive Orientation ultimately has a significant effect on the company's marketing capability. Thus, the researcher's hypothesis can be interpreted as follows:

H.2: Organizational Competitive Orientation influences Marketing Capability.

Marketing capability is a system built by a company in an effort to optimize the knowledge, skills, and resources it possesses to strengthen its competitive advantage in the market. Fulfilling customer needs is a prerequisite for creating customer value. Marketing capabilities need to create the ability to achieve goals in every marketing activity undertaken. It requires deploying all capabilities to carry out marketing activities until reaching their goals, which significantly determines the success of marketing activities.

(Ferdinand 2000) states that marketing performance is a factor often used to measure the impact of applied company strategies. Company strategies are always directed toward achieving good marketing performance (such as sales volume and sales growth rate) and good financial performance. Ferdinand also states that good marketing performance is expressed in three main parameters: sales value, sales growth, and market share. (Wahyono 2002) explains that sales growth depends on the number of customers whose average consumption rate is known to be constant. The author assumes that Marketing Capability has a positive and significant influence on Salesperson Performance. This assumption is reinforced by previous research arguments, indicating that the development and utilization of company resources with a set of marketing capabilities allow the company to achieve higher company performance and sales levels (Hunt and Morgan, 1995); (David A. Griffith, Goksel Yalcinkaya, Roger J. Calantone, 2010).

H.3: Marketing Capability influences Salesperson Performance.

Management is defined as the ability or skill to achieve results for a specific goal by motivating others. Management is a process in which initially unrelated sources are integrated into a comprehensive system to achieve organizational goals. Management and leadership actually have different studies. Still, they are closely related, with leadership involving moving and directing people's activities, while "management" involves organizing people's activities.

Marketing capability is defined as the company's ability to perform various marketing functions, an integrated process designed to apply a set of knowledge, skills, and resources from the company related to market needs such as promotion, market positioning, identifying target markets, conducting market analysis, setting sales targets, and achieving profit goals (Sok, et al., 2017). This makes marketing capability a primary mechanism connecting the company in serving its customers (Ngo & O'Cass, 2012; Sok, et al., 2017). In this study, the researcher measures marketing capability based on aspects tested by previous researchers to ensure that indicators have statistically reliable levels. Marketing capability occurs through the integration of the company's knowledge of the market and employees' skills with product/service capabilities, pricing capabilities, promotion capabilities, place capabilities, people capabilities, process capabilities, and physical evidence capabilities, according to (Vijande, et al. 2012).

H.4: Managerial Capability influences Marketing Capability.

In the journal written by previous researchers, the influence of Managerial Capability on Salesperson Performance, many of them have a positive and significant impact (e.g., Merriless et al., 2011; Hooley et al. 2015; The researcher's hypothesis can be interpreted as follows:

H.5: Managerial Capability influences Salesperson Performance.

Specifically, several researchers state that for managers to perform managerial tasks optimally, they must have specific knowledge of the company, which is part of the past gained through learning by doing. As stated by (Merriless et al. 2011), Market Orientation and Management Capability act as mechanisms that allow achieving sales performance, in line with the research produced by (Tamrin Meda 2016), stating that there is a significant and positive influence between managerial capabilities on Sales Performance. Another study conducted by (Sumrall and Sebastianelli 2001) states that Sales Management Orientation, the manager's capability, has a positive and significant effect on Sales Performance. For the variable to be examined by the author, namely Marketing Capability as a mediation between Managerial Capability and Salesperson Performance, the author has not found it, so the assumption that the author can state in this hypothesis is:

H.6: Marketing Capability mediates the influence of Managerial Capability on Salesperson Performance.

From the above theoretical concept and empirical study, the author creates a Research Conceptual Framework presented in Figure 1 as follows:

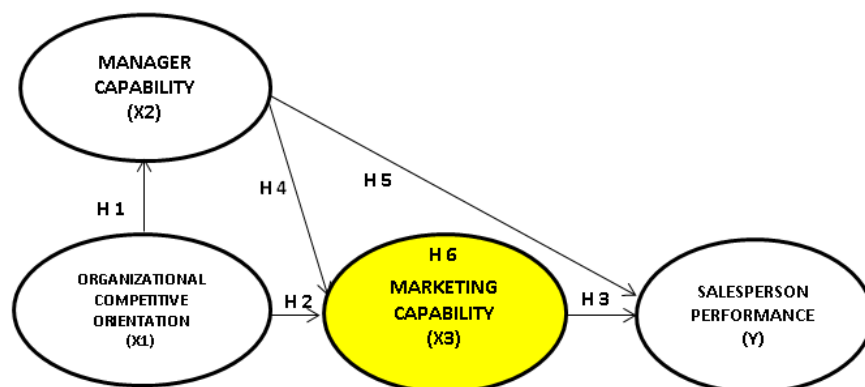


FIGURE 1
Conceptual Framework

METHODOLOGY

Population:

According to (Ferdinand 2014), the population is a combination of all elements in the form of events, things, or people with similar characteristics that become the focus of a researcher, viewed as the universe of research. Meanwhile, according to

(Sugiyono 2012), the population is a generalization area consisting of objects/subjects with certain qualities and characteristics determined by the researcher for study and conclusion drawing. In this study, the population comprises all salespersons throughout West Kalimantan selling products from various distributor companies, agencies, or dealers with diverse products such as packaged food and beverages, electronics, office supplies, basic necessities, and others.

Sample:

According to (Ferdinand 2014), a sample is a subset of the population, consisting of several population members. The larger the sample, the greater the likelihood of making accurate decisions in rejecting null hypotheses. The sample in this study consists of 200 respondents, namely salespersons working for distributor companies, dealers, and agencies selling to retail customer stores or outlets in each respective region (district/city) in West Kalimantan. The criteria for selecting these respondents include having good knowledge and understanding of the market or customers, possessing unique sales experience, and a strong willingness to work hard for success. Various sampling methods were employed, including direct visits to distributor companies, utilizing the facilities of the West Kalimantan Distribution Company Communication Forum, gathering all salespersons, and having them fill out the prepared questionnaires. The questionnaire used the Likert scale with values ranging from 1 to 5.

Variables: There are four research constructs in this study representing latent variables, explained as follows:

OCO = Organizational Competitive Orientation

MGC = Manager Capability

MTC = Marketing Capabilities as mediation

SP = Salesperson Performance

RESULTS

TABLE 1
VALIDITY AND RELIABILITY

Variable	Indicator	Corrected Item-Total Correlation	Critical Point	Conclusion	Cronbach's Alpha	Conclusion
<i>Organizational Competitive Orientation</i>	OCO1	0,754	0,4	Valid	0,917	Reliable
	OCO2	0,793	0,4	Valid		
	OCO3	0,793	0,4	Valid		

<i>(OCO)</i>	OCO4	0,835	0,4	Valid		
	OCO5	0,765	0,4	Valid		
<i>Manager Capability (MGC)</i>	MGC1	0,747	0,4	Valid	0,871	Reliable
	MGC2	0,702	0,4	Valid		
	MGC3	0,838	0,4	Valid		
	MGC4	0,636	0,4	Valid		
	MGC5	0,580	0,4	Valid		
<i>Marketing Capabilities MTC</i>	MTC1	0,788	0,4	Valid	0,867	Reliable
	MTC2	0,763	0,4	Valid		
	MTC3	0,659	0,4	Valid		
	MTC4	0,665	0,4	Valid		
<i>Salesperson Performance (SP)</i>	SP1	0,888	0,4	Valid	0,916	Reliable
	SP2	0,819	0,4	Valid		
	SP3	0,560	0,4	Valid		
	SP4	0,852	0,4	Valid		
	SP5	0,848	0,4	Valid		

Based on the data in Table 1 above, it depicts the results of validity and reliability tests for 19 indicator variables with 200 respondents regarding questions for each variable. These questions have corrected item values greater than 0.5, indicating that all of them are considered valid. The Cronbach's alpha values obtained for each variable are greater than 0.7, leading to the conclusion that each variable is reliable.

TABLE 2
NORMALITY

Variable	min	max	skew	c.r.	kurtosis	c.r.
SP5	3,000	5,000	-,351	-2,027	-,615	-1,777
SP4	3,000	5,000	-,364	-2,103	-,803	-2,318
SP3	3,000	5,000	-,010	-,056	-,069	-,198
SP2	3,000	5,000	,066	,383	-,524	-1,512
SP1	3,000	5,000	-,176	-1,019	-,582	-1,681
MTC4	3,000	5,000	,051	,293	-,606	-1,750
MTC3	3,000	5,000	,122	,704	-,553	-1,598
MTC2	3,000	5,000	,161	,929	-,799	-2,305
MTC1	3,000	5,000	,163	,943	-,694	-2,003
MGC5	3,000	5,000	,312	1,803	-,729	-2,106
MGC4	3,000	5,000	-,250	-1,443	-,610	-1,760
MGC3	3,000	5,000	,003	,018	-,551	-1,590

MGC2	3,000	5,000	-,272	-1,568	,065	,188
MGC1	3,000	5,000	-,182	-1,050	-,862	-2,489
OCO5	3,000	5,000	-,134	-,775	,061	,177
OCO4	3,000	5,000	,145	,836	-,553	-1,597
OCO3	3,000	5,000	-,002	-,011	-,616	-1,778
OCO2	3,000	5,000	-,144	-,831	-,512	-1,478
OCO1	3,000	5,000	-,345	-1,989	-,833	-2,404
Multivariate					14,870	2,565

Table 2 above shows that each indicator has a CR (Critical Ratio) value within the range of -2.58 and 2.58, thus leading to the conclusion that the univariate normality assumption is met. Similarly, the multivariable CR value obtained is 2.565, falling within the range of -2.58 and 2.58, indicating that the multivariate normality assumption is also satisfied.

**TABLE 3
OUTLIER**

Observation number	Mahalanobis d-squared	p1	p2
35	39,368	,075	1,000
196	39,052	,080	1,000

30	38,858	,083	1,000
142	38,776	,085	1,000
149	38,413	,091	1,000
...
...

In Table 3 above, the highest Mahalanobis value is 39.368. As this value is lower than the critical chi-square value, it is concluded that there are no outliers.

The next step involves conducting the Goodness of Fit test to examine the research results, as presented in Table 4 below:

TABLE 4
GOODNESS OF FIT TEST

GOODNESS OF FIT INDEX	CUT OFF VALUE	RESEARC H RESULT	CONCLUSIO N
Absolut Fit Measures			
A Chi – Square	Expected Value	566,531	
Significance Probability	≥ 0.05	0,000	Not Fit
CMIN / DF	< 2.00	1,661	Good fit
GFI	>0.90	0,833	Marginal fit
RMSEA	< 0.08	0,058	Good fit
Incremental Fit Measure			
TLI	>0.90	0,936	Good fit
Parsimonious Fit Mesures			
C F I	> 0.90	0,942	Good fit
IFI	>0.90	0,943	Good fit
PGFI	>0.50	0,700	Good fit
PNFI	>0.50	0,782	Good fit

Based on Table 4 above, it can be observed that out of the 9 tested criteria, there are 7 criteria classified as Good fit, 1 criterion falls under the Marginal fit category, and 1 criterion is categorized as Not fit. Therefore, overall, the Good fit criteria are acceptable, and the model analysis can proceed.

TABLE 5
SUMMARY OF HYPOTHESIS TEST

Hypothesis	Relationship		Standardized	S.E.	C.R.	P	Conclusion	
H1	MGC	<---	OCO	,266	,084	3,475	***	Significant
H2	MTC	<---	OCO	,154	,089	2,148	,032	Significant
H3	PS	<---	MTC	,331	,074	4,515	***	Significant
H4	MTC	<---	MGC	,333	,062	4,206	***	Significant
H5	SP	<---	MGC	-,044	,072	-,697	,486	Not Significant

The hypothesis used is as follows:

H0 The independent variable does not have a significant effect on the dependent variable

Ha The independent variable has a significant effect on the dependent variable

The decision-making basis for this test is as follows: If $P < 0.05$ at a 5% level of α , then H0 is rejected If $P > 0.05$ at a 5% level of α , then H0 is accepted Based on the table above, the conclusions are as follows:

The influence of OCO on MGC has a P-value of *** (less than 0.001). Since its value is less than 0.05, H1 is accepted, meaning that OCO has a significant effect on MGC.

The influence of OCO on MGC has a P-value of 0.032. Since its value is less than 0.05, H2 is accepted, meaning that OCO has a significant effect on MGC.

The influence of MTC on SP has a P-value of *** (less than 0.001). Since its value is less than 0.05, H3 is accepted, meaning that MTC has a significant effect on SP.

The influence of MGC on MTC has a P-value of *** (less than 0.001). Since its value is less than 0.05, H4 is accepted, meaning that MGC has a significant effect on MTC.

The influence of MGC on SP has a P-value of 0.486 (greater than 0.05). Since its value is greater than 0.05, H5 is rejected, meaning that MGC does not have a significant effect on SP

Mediation Test:

To perform the mediation test using the following data :

TABLE 6
Path Coefficient (Unstandardized) and Standard Error (SE) Values

Hypothesis	Relationship		Standardized	S.E.
H1	MGC	<--- OCO	,290	,084
H2	MTC	<--- OCO	,190	,089
H3	PS	<--- MTC	,333	,074
H4	MTC	<--- MGC	,261	,062
H5	SP	<--- MGC	-,050	,072

Hypotheses:

H0-6: MGC does not have an effect on SP through MTC

H1-6: MGC has an effect on SP through MTC To test this, a Sobel mediation test was conducted using the online calculator at <https://quantpsy.org/sobel/sobel.htm>, and the results obtained are as follows:

FIGURE 2
SOBEL TEST

Input:		Test statistic:	Std. Error:	p-value:
a	0.261	Sobel test: 3.04821703	0.04238379	0.00230204
b	0.495	Aroian test: 3.00811204	0.04294887	0.00262876
s _a	0.062	Goodman test: 3.08997008	0.04181108	0.00200177
s _b	0.112	Reset all	Calculate	

In the relationship between MGC and MTC, the unstandardized path coefficient is 0.261 with a standard error of 0.062. In the relationship between MTC and SP, the unstandardized path coefficient is 0.495 with a standard error of 0.112. The t-table value with a significance level of 0.05 is ± 1.96 , so the t-value (3.048) > t-table (1.96). Thus, the coefficient is significant, meaning that MGC has an effect on SP through MTC.

Hypothesis 6: MGC influences SP through MTC.

In the mediation test above, all relationships indicate mediation. This is consistent with the mediation test output from AMOS, as follows:

TABLE 7
Indirect Effects - Two Tailed Significance (BC)

	OCO	MGC	MTC	SP
MGC
MTC	,003	,005
SP	,004	,005	,003	...

Based on Table 7 above:

In the indirect relationship between MGC and PS through MTC, the significant value is 0.005. Since this value is lower than 0.05, it is concluded that there is an indirect influence of MGC on SP through MTC.

CONCLUSION AND RECOMMENDATION

CONCLUSION:

Based on the analysis of the research results, conclusions can be drawn regarding the research issues as follows:

The influence of Organization Competitive Orientation (OCO) on Manager Capability (MGC) has a P-value of *** (less than 0.001). Since the value is lower than 0.05, Hypothesis 1 is accepted, meaning that OCO significantly influences Manager Capability (MGC).

The influence of OCO on Marketing Capability (MTC) has a P-value of 0.032. Since the value is lower than 0.05, Hypothesis 2 is accepted, meaning that OCO significantly influences Marketing Capability (MTC).

The influence of MTC on Salesperson Performance (SP) has a P-value of *** (less than 0.001). Since the value is lower than 0.05, Hypothesis 3 is accepted, meaning that Marketing Capability (MTC) significantly influences Salesperson Performance (SP).

The influence of MGC on MTC has a P-value of *** (less than 0.001). Since the value is lower than 0.05, Hypothesis 4 is accepted, meaning that Manager Capability (MGC) significantly influences Marketing Capability (MTC).

The influence of MGC on SP has a P-value of 0.486 (greater than 0.05). Since the value is higher than 0.05, Hypothesis 5 is rejected, meaning that Manager Capability (MGC) does not significantly influence Salesperson Performance (SP) in direct testing.

In the relationship between MGC and MTC, the unstandardized path coefficient is 0.261 with a standard error of 0.062. In the relationship between MTC and SP, the unstandardized path coefficient is 0.495 with a standard error of 0.112. The critical t-

value at a significance level of 0.05 is ± 1.96 , so the calculated t-value (3.048) > the critical t-value (1.96 \rightarrow). Thus, the coefficient is significant, meaning that MGC has an indirect influence on SP through MTC. Therefore, Hypothesis 6 is accepted, indicating that Manager Capability (MGC) indirectly affects Performance Salesperson (PS) through Marketing Capability (MTC).

RECOMMENDATIONS:

1. In this study, the sampling was predominantly done in the city of Pontianak by leveraging the Communication Forum of Distributor Companies. The percentage of distributors outside the region was very small. For future research, it is recommended to evenly distribute samples, and the contribution of regional distributors should be more involved.
2. The salespersons from distributors who were studied had significantly different percentages, with the largest being food and beverage distributors. Therefore, this study may not yet reflect in detail which type of distribution business has a more significant impact on competitive orientation. For future researchers, it is suggested to consider a more balanced distribution of research on distributors of other products.
3. Distributor companies are encouraged to apply the findings of this research to make market development plans, consider business expansion, leverage appropriate resources, and establish company strategies to achieve better marketing performance for their businesses.

REFERENCES

- Agustina Asatuan, Augusty Ferdinand, Studi Mengenai Orientasi Pengelolaan Tenaga Penjualan, *Jurnal Sains Pemasaran Indonesia*, Volume II, No. 3, Desember 2003, halaman 295 – 316
- Anderson, J.C. and Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommended two step approach", *Psychological Bulletin*, Vol. 103, pp. 411-23.
- Augusty Ferdinand, Edisi 5. 2014. *Structural Equation Modeling* dalam Penelitian Manajemen. Seri Pustaka Kunci 13. Fakultas ekonomi dan Bisnis Universitas Diponegoro.
- Augusty Ferdinand, Edisi 5. 2014. *Metode Penelitian Manajemen*. Seri Pustaka Kunci 12. Fakultas Ekonomika dan Bisnis Universitas Diponegoro
- Bagozzi, R.A. and Edwards, J. (1998), "A generalized approach for representing constructs in organizational research", *Organizational Research Methods*, Vol. 1, pp. 45-87.
- Barnett, W. P., Greve, H. R., & Park, D. Y. (1994). An evolutionary model of organizational performance. *Strategic Management Journal*, 15, 11–28.
- Barney, J. , & Zajac, E. J. (1994). Competitive organizational behavior: Toward an Organizationally- based theory of competitive advantage *Strategic Management Journal*, 15, 5–9.
-

- Begley, T. M., Khatri, N. & Tsang, E. W. K. 2009. Networks and cronyism: A social exchange analysis. *Asia Pacific Journal of Management*, 27, 281-297.
- Boles, J.S., Babin, B.J., Brashear, T.G. and Brooks, C.M. (2001), "An examination of The relationships between retail work environments, salesperson selling orientation-customer orientation and job performance", *Journal of Marketing Theory and Practice*, Vol. 9, p. 113.
- Brashear, T.G., Manolis, C. and Brooks, C.M. (2005), "The effects of individual Sales person control on trust and justice", *Journal of Business Research*, Vol. 58 No. 3, pp. 241-9.
- Brewer G. What drives top salespeople to greatness? *Sales and Marketing Management* 1994;146:82-8.
- Brooks, B. (2004), "Providing the greatest value", *The American Salesman*, Vol. 49, pp. 20-3.
- Brown, S.P. and Peterson, R.A. (1994), "The effect of effort on sales performance and job satisfaction", *Journal of Marketing*, Vol. 58, pp. 70-80.
- Brown SP, Cron WL, Slocum Jr JW. Effects of trait competitiveness and perceived Intraorganizational competition on salesperson goal setting and performance. *Journal of Marketing* 1998;62:88-98.
- Brown, S., Cron, W. and Slocum, J. (1997), "Effects of goal-directed emotions on salesperson volitions, behavior, and performance: a longitudinal study", *Journal of Marketing*, Vol. 61, pp. 39-50.
- Brown, T.J., Mowen, J.C., Donnavan, T. and Licata, J.W. (2002), "The customer orientation of service workers: personality trait effects on self- and supervisor performance ratings", *Journal of Marketing Research*, Vol. 34, pp. 110-19.
- Bruce D. Keillor, R. Stephen Parker, Charles E. Pettijohn, Relationship - oriented characteristics and individual salesperson performance., *Jurnal Of Business and Industrial Marketing* Vol. 15 no. 1. 2000.
- Burgess, S. M., & Steenkamp, J. B. E. M. (2006). Marketing renaissance: How research in emerging markets advances marketing science and practice. *International Journal of Research in Marketing*, 23(4), 337-356.
- Chandrashekar, M., McNeilly, K., Russ, F. A. and Marinova, D. (2000), "From Uncertain intentions to actual behavior: a threshold model of whether and when salespeople quit", *Journal of Marketing Research*, Vol. 37, pp. 463-79.
- Chen, C. C., & Chen, X.-P. 2009. Negative externalities of close guanxi within organizations. *Asia Pacific Journal of Management*, 26: 37-53.
- Chonko LB, Dubinsky AJ, Jones E, Roberts J. Organizational and individual learning in the sales force: an agenda for sales research. *J Bus Res* 2003;56(12):935-46.
- Commeiras, N., Loubes, A. & Bories-Azeau, I. 2012. Identification of Organizational socialization tactics: The case of sales and marketing trainees in higher education. *European Management Journal*.
- Day, G. (1994), "Continuous learning about markets", *California Management Review*, Vol. 36, pp. 9-31.
- Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(4), 37-52.
-

- Donavan, D.T., Brown, T.J. and Mowen, J.C. (2004), “Internal benefits of serviceworker customer orientation : job satisfaction, commitment, and organizational citizenship behaviors”, *Journal of Marketing*, Vol. 68, pp. 128-46.
- FLAHERTY, K. E., PAPPAS, J. M. & ALLISON, L. 2013. The influence of an optimal control system on salesperson performance and championing. *Industrial Marketing Management*
- Grant, K., Cravens, D.W., Low, G.S. and Moncrief, W.C. (2001), “The role of satisfaction with territory design on the motivation, attitudes, and work outcomes of salespeople”, *Journal of the Academy of Marketing Science*, Vol. 29, pp. 165-78.
- Greenley GE, Graham J.H, Rudd J.M. Market orientation in a multiple stakeholder organizational context: implications for marketing capabilities and assets. *J Bus Res* 2005;58(11):1483–94.
- Gummesson, E. (2004). Return on relationships (ROR): The value of relationship marketing and CRM in business-to-business contexts. *The Journal of Business & Industrial Marketing*, 19(2), 136–148.
- Hafeez, Khalid & Essmail, Essmail Ali.(2007).Evaluating organization core competences and associated personal competences using analytical hierarchy process. *Management Research News*, Vol. 30 No. 8: 530-547. <http://dx.doi.org/10.1108/01409170710773689>
- Hafeez, Khalid ; Zhang, Y., and Malak, N. (2002). Core competence for sustainable competitive advantage: a structured methodology for identifying core competence. *IEEE Transactions on Engineering Management*, Vol. 49 No. 1: 28-35. <http://dx.doi.org/10.1109/17.985745>
- Hamel, G., and Prahalad, C. (1994). The concept of core competence, in Hamel, G. and Heene, A. (Eds), *Competence-Based Competition*, Wiley, New York, NY: 11-33.
- Harris, J. G., Mowen, J.C. and Brown, T.J. (2005), “Re-examining salesperson goal orientations: personality influencers, customer orientation, and work satisfaction”, *Journal of the Academy of Marketing Science*, Vol. 33, pp. 19-35.
- Hartline, M.D., Maxham, J.G. III and McKee, D.O. (2000), “Corridors of influence in the dissemination of customer-oriented strategy to customer contact service employees”, *Journal of Marketing*, Vol. 64, pp. 35-50.
- HATTEN, K. J., JAMES, W. L., FINK, R. C. & KEELER, J. P. 2012. Macneil's Relational Norms and His Non-mirrored Ends Propositions. *Journal of Marketing Channels*, 19, 1-16.
- Hohenthal, J., Johanson, J. & Johanson, M. 2014. Network knowledge and business-relationship value in the foreign market. *International Business Review*, 23, 4-19.
- Homburg, C., & Fürst, A.(2005). How organizational complaint handling drives customer loyalty: An analysis of the mechanistic and the organic approach. *Journal of Marketing*, 69(3), 95–114.
- Homburg C, Stock R.M. The link between salespeople's job satisfaction and customer satisfaction in a business-to-business context: a dyadic analysis. *J Acad Mark Sci* 2004;32(2):144–58.
- Hooley, G., & Greenley, G. (2005).The resource underpinnings of competitive positions .*Journal of Strategic Marketing*, 13,93–116.
-

- Hooley, G., Greenly, G., Cadogan, J., & Fahy, J. (2005). The performance impact of marketing resources. *Journal of Business Research*, 58(1), 18–27.
- Joshi, A.W. and Randall, S. (2001), “The indirect effects of organizational controls on salesperson performance and customer orientation”, *Journal of Business Research*, Vol. 54 No. 1, pp. 1-9.
- Kadushin, C. 2002. The motivational foundation of social networks. *Social Networks*, 24: 77–91.
- Kirca, A.H., Jayachandran, S. and Bearden, W.O. (2005), “Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance”, *Journal of Marketing*, Vol. 69, pp. 24-41.
- McMaster M. The drive to strive : three steps to stir up sales competition without sacrificing teamwork. *Sales and Marketing Management* 2002;57. April,.
- Merrilees, B., Rundle - Thiele, S. & LYE, A. 2011. Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40, 368-375.
- Mithas,S.,Krishnan, M. S., & Fornell,C.(2005). Why do customer relationship management applications affect customer satisfaction? *Journal of Marketing*, 69(4),201–209.
- Morgan, N. A., Vorhies, D. W., & Mason, C. H. (2009). Market orientation, marketing capabilities, and firm performance. *Strategic Management Journal*, 30(8), 909–920.
- Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing*, 69(4), 167–176.
- Peng, M.W., & Zhou, J. Q. 2005. How network strategies and institutional transition evolve in Asia. *Asia Pacific Journal of Management*, 22: 321–336.
- Raaij, E. M. V. & Stoelhorst, J. W. 2008. The implementation of a market orientation: A review and integration of the contributions to date. *European Journal of Marketing*, 42, 1265-1293.
- Singh, R. & Das, G. 2013. The impact of job satisfaction, adaptive selling behaviors and customer orientation on salesperson's performance: exploring the moderating role of selling experience. *Journal of Business & Industrial Marketing*, 28, 554-564.
- Singh, R. & Koshy, A. 2012. A new conceptualization of salesperson's customer orientation: Propositions and implications. *Marketing Intelligence & Planning*, 30, 69-82.
- Sørensen, H. E. 2009. Why competitors matter for market orientation. *European Journal of Marketing*, 43, 735-761.
- Spillecke, S. B. & Brettel, M. 2013. The impact of sales management controls on the entrepreneurial orientation of the sales department. *European Management Journal*, 31, 410-422.
- Swaminathan, A. L. S. 2007. Innovation Theories: Relevance and Implications for Developing Country Innovation. *Discussion Paper*.
-

- Torun, H. & Çicekci, C. 2007. Innovation: Is The Engine For The Economic Growth? *Research Paper*.
- Voola, R., Casimir, G., Carlson, J. & Anushree Agnihotri, M. 2012. The effects of market orientation, technological opportunism, and e-business adoption on performance: A moderated mediation analysis. *Australasian Marketing Journal (AMJ)*, 20, 136-146.
- Wu, J. 2013. Marketing capabilities, institutional development, and the performance of emerging market firms: A multinational study. *International Journal of Research in Marketing*, 30, 36-45.
-