



# A Path Model of Innovative Customer Orientation and Company Performance with the Moderating Influence of Company Training

Ayşe Gönül Demirel<sup>1\*</sup>, Neslihan Yayla<sup>2</sup>

<sup>1</sup>Department of Business Administration, Yeditepe University, 34755, İstanbul, Turkey, <sup>2</sup>MBA Graduate, Institute of Social Sciences, Yeditepe University, 34755, İstanbul, Turkey. \*Email: [gonuld@yeditepe.edu.tr](mailto:gonuld@yeditepe.edu.tr)

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## ABSTRACT

This study used a sample of salespeople at various companies to substantiate a path model of innovativeness, customer orientation, and performance; thus, it offers a multi-disciplinary framework. Results indicated a moderating influence of company training programs on the relationship between customer orientation and performance, which can have several implications for human resource managers and sales contact employees. Two features, testing the influence of training activities and measuring customer orientation from the employees' perceptions, distinguish this study from previous studies.

**Keywords:** Path Model, Customer Orientation, Training, Innovativeness

**JEL Classifications:** M1, M19, M310

## 1. INTRODUCTION

Strategic orientations have become increasingly popular in terms of increasing profit and building long-term customers' trust. Thus, firm directors seek to determine which strategic orientations are most applicable to their organization and culture.

Customer orientation (CO) is a principal tool to guarantee the survival and progression of organizations (Hurley and Hult, 1998). Different empirical studies have emphasized the importance of being customer-oriented. This study aims to determine how the phenomenon of CO interacts with company performance, innovation, and training. Although previous research has partially examined relationships between innovativeness and company performance, this work further proposes, via a path model, that innovativeness positively influences CO and indirectly influences company performance. Furthermore, as a new contribution to the literature, the moderating influence of company training on the relationship between CO and company performance (CP) is

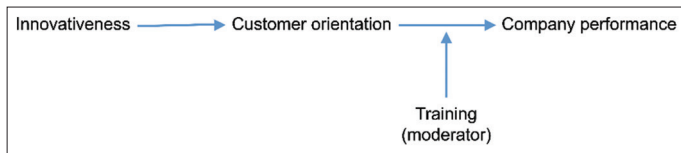
empirically tested. By drawing attention to the importance of organizing CO training programs for employees to increase overall performance, the results offer several practical implications for human resource managers.

Two features—testing the influence of training activities and measuring CO from the employees' perceptions—distinguish this study, and its multi-disciplinary focus, from previous studies. Figure 1 presents the conceptual research model:

## 2. THEORETICAL BACKGROUND

### 2.1. Customer's Orientation (CO)

CO has been interpreted as skills employees' use, with appropriate behaviors, to assist customers and increase customer satisfaction (Stock and Hoyer, 2005). Customer-oriented firms display a sustained and foresighted tendency to meet customer's denoted and unseen needs (Han et al., 1998). In this aspect, CO helps firms realize changes in customer preferences and

**Figure 1:** Conceptual research model

offer essential company resources to improve suitable new merchandize duties.

Organizations ought to be customer-driven to stay current in their businesses. CO is accepted as an ingredient of market orientation, placed in the center of market orientation (MO) (Deshpande et al., 1993). Customers' needs and feedback are the main determinants of CO. This determiner information is internally transformed and disseminated to firms to reach a common cultural behavior, leading to more satisfied customers.

Many scholars agree that CO directly connects with clients' assessments of how workers perform to satisfy customers, primarily showing that a company's client positioning level affects the buyer's assessments of organization-wide gains (Brady and Cronin Jr, 2001).

Slater and Narver (1998) underline the distinctions between two varieties of CO. The first is the client-led conception that focuses on the clients' confessed desires/demands; the other is a market-origin conception, focusing on clients' confessed and latent desires/demands to underline the client value. These two philosophies are often confused, but the distinctive feature is that a market-oriented business targets a long-term orientation, unlike a customer-led company targeting a short-term orientation (Slater and Narver, 1998).

Research results show that more satisfied customers have more cooperative attitudes, like repurchasing, recommending to others, concurrent buying, supportive feedback, limited higher cost flexibility, and prolonged relation periods (Mittal and Frennea, 2010). Being aware of customers' emotions is advantageous for companies to compete with other sectoral companies; they can quickly take precautions and fix undesirable issues in their products or services.

Brady and Cronin Jr (2001) proved that if firms are customer-oriented, they can obtain and internalize required information essential to style while also performing strategic sales actions providing beneficial customer results (Brady and Cronin Jr, 2001).

Some researchers particularly observed a configurational understanding of MO (Frambach et al., 2016), which is more consistent with the growing body of evidence suggesting that MO's components behave distinctly from others when they confront different circumstances (Ketchen Jr et al., 2007)

Creating market intelligence to meet customers' needs and generating customer-oriented organizations is primarily used in firm-level customer-orientation implementations. Some scholars suggest that firm-level CO is a corporation-wide common

culture, including implementations and practices focusing on client affinities (Deshpande et al., 1993), transmitted to labor by distributing common worth and attitudinal rules (Stock and Hoyer, 2005). At the individual level, companies train their employees to acquire customer-oriented behaviors, focusing on sales skills and the degree to which sales workers support clients (Saxe and Weitz, 1982)

Employees who efficiently and/or authentically focus on customer needs during service events have the highest CO (Brach et al., 2015). In this context, employee behaviors that adequately fulfill a customer's needs generate the main subject of CO.

Individual-grade CO occurs through two different domains: individual sales literature (Kennedy et al., 2002) and the "sales literature" of employee duties (Brady and Cronin Jr, 2001). Previous studies show a dramatically powerful and affirmative interaction between MO and CP, containing sales growth (Narver et al., 1999), marketing efficiency, market supremacy, and earning (Pelham, 2000). Many empirical studies demonstrate that the relationship between MO and performance is complex in many unsupported cases (Noble et al., 2002). This study makes a difference in the literature by using employees' viewpoints to make an assessment. Thus, it purifies itself against using subjective and possibly shaped opinions of customers and competitors. As a result, when we question previous research, some conclusions prove affirmative interaction between CO orientation and CP (Thoumrunroje and Racela, 2013).

One recent study observed how employees' motivation upon CO impacts productivity and how an employee's CO is strongly related to autonomous motivation (Herhausen et al., 2018). In particular, customer contact employees prioritize their actions to obtain more customer benefits because COs support results, such as performance and customer content (Boles et al., 2001).

Devadason and Jublee (2017) examined the positive correlation between CO and job satisfaction. They found that job satisfaction increased when employees used pleasant emotions. Duke et al. (2009) investigated a mutual effect between organization-wide encouragement and two sentimental workforce conclusions: job satisfaction and work achievement.

Conversely, controlled motivation creates a negative perception of employees, evoking them as externally managed; this perceptual feeling might decrease their level of enthusiasm, potentially allocating sources and endeavors to engage in efficient CO (Gagné and Deci, 2005). Employee CO is associated with self-directed motivations, and company CO is linked to self-directed and inspected motives (Herhausen et al., 2017).

In contrast, Christensen and Bower (1996) suggest that companies who focus too much on customers by keeping their CO level high could miss arising client demands (i.e., they reduce production output or include less interesting products and services). Christensen and Bower's idea also supports Voss and Voss's (2000) unexpected conclusion that because of deficient advanced innovation, CO unfavorably affects customer performance.

Both interior and exterior CO have been accepted into an organization-wide ethos that takes clients' interests and improves long-time lucrative interaction (Hurley and Hult, 1998). An exterior CO helps firms acquire knowledge from the market and effectively reply to customer demands (Weerawardena, 2003). Exterior CO also encourages firms to utilize miscellaneous information to comprehend precise and secret client requirements even though several scholars think interior and exterior COs are synergistic (Conduit and Mavondo, 2001). In contrast, others state that these two phenomena are conflicting (Piercy, 1998).

In a broad sense, client-originated operations have market awareness, good client relations, and client-return targets. Such firms can obtain and transmit client knowledge to help meet customers' requirements (Racela, 2014). Once customer information is transmitted into data for CO, it accelerates new behaviors and innovation abilities (Han et al., 1998).

Market acumen needs distribution through official and unofficial ways to improve CO, and knowledge needs to be disseminated sideways and perpendicular to the establishment (Parasuraman et al., 1988).

Researchers accept that CO needs to be supported by senior management, as CO's values and beliefs are top management's responsibility. Only a CEO can specify the borders of CO and MO as a propellant power (Webster Jr, 1988).

Firms can imply various types of strategic orientations to maximize their gains. Selling orientation aims to trade more products and highlights short-term sales maximization to customers, requiring a strong, influential method (Noble et al., 2002).

## 2.2. Customer Orientation of Customer Contact Employee

Salespeople are fundamental to implementing CO (Homburg et al., 2011); they behave like a border protector between organizations and buyers while explaining the organization's posture and manner.

According to scholars, client-focused actions improve salespeople's efficacy and positively impact clients. Salespeople's robust affinity in customer communication symbolizes how they understand and interpret CO's significance to perform better. When they do, they benefit themselves and the company (Stock and Hoyer, 2005).

Customer contact workers are essential in labor-intensive fields. They are responsible for connecting inside sellers and exterior clients (Gronroos, 1990). Their performance is related to the strength of customer orientation, selling actions, and client worth, which can be incorporated into the company (Ketchen and Hult, 2011). Individual-level customer orientation focuses on skills required by salespeople to promote their customers and create more qualified client-seller relationships. Individual-level CO is based on personal sales literature (Saxe and Weitz, 1982) and labor sales literature (Brady and Cronin Jr, 2001).

Previous studies also show whether the talents and conduct of sales staff (as interpreted by the customer) mediate the connection

between CO and purchaser consequences (Homburg et al., 2009). Generally, customer contact employees who only connect exterior clients and the establishment have very limited, or no, marketing training (Hartline et al., 2000). Therefore, frontline employees behave as border protectors, efficiently determine the next step, administer the step, and infiltrate and evaluate data related to the establishment and external customers (Zeithaml, 2000).

One such study observed customers' perceptions regarding salespeople's empathy. It examined if age differences in salesperson–customer pairs impacted salespeople's client-focused attitudes and behaviors on a client outcome basis. This study shows that salespeople's empathetic posture significantly facilitates the CO-customer satisfaction connection (Gerlach et al., 2016).

Apart from other customer-orientation research, Stock and Hoyer (2015) integrated the boring out phenomenon in the idea of CO. The authors explored the reasons for a frontline employee's boring out via a quantitative empirical study and further showed the impacts on customers. It was determined that a lack of challenge is common, leading to frontline employees leaving due to boredom.

Individual values directly affect behavior, helping individuals to act in the same direction as their values. Therefore, realizing the function of individual values in the scope of frontline service employees is especially important because it might affect employees' behavior in systematic and presumable ways (Rokeach, 1973).

The age variation among sales staff and clients was also tested to determine if it intercedes salespeople's customer-focused treatments with client results. Additionally, sales' climate perceptions were tested for a relationship between the two facts; salespeople's client-focused treatment is affected by changing co-workers and age-involved environments (Gerlach et al., 2016).

According to Stock and Hoyer (2005), client-focused attitudes can impact salespeople's efficacy in the client's direction or the opposite direction. The robust affinity of sales staff in communicating with customers symbolizes how they understand and interpret the significance of CO.

Salespeople's client-focused treatment also touches on actions that help customers make decisions to satisfy personal demands (Saxe and Weitz, 1982). Salespeople also need to have more empathy and be more customer-oriented; thus, customers can perceive salespeople as more empathetic (Chakrabarty et al., 2013). The attitudes of individuals are stable, but behaviors change under different conditions and situations (Williams and Wiener, 1990).

The "social identity theory" (Tajfel and Turner, 1986) and "self-categorization theory" assert that age is a criterion that might initiate diverse impacts on efficient perceptions and interactions with others (Tajfel and Turner, 1986). Some marketing and sales literature refers to age-conflicting empirical evidence restricting the expression of any explicit implications.

CO levels increase when an organization and its leadership establish a climate based on reciprocal regard, gratitude, and collaboration and take firm actions to support such goals (Gerlach et al., 2016). Purchaser-focused sales might be described as a practical implication of marketing notion for both singular and customer categories (Kotler, 1980).

Saxe and Weitz (1982) examined customer-oriented selling by questioning whether it was universally efficacious or if efficacy was associated with the nature of the sale. In this manner, they searched sales-condition properties and examined how salespeople performed. Highly client-focused salespeople were occupied by behaviors that focused on raising long-term client gratification. Salespeople abstained from behavior that could create client dissatisfaction. In the context of customer-oriented sales, advanced CO is mainly involved with advanced attention to other people or one's self (Bursk, 1947).

When salespeople have CO, they also have a high degree of interpersonal and emotional ability (Lanjananda and Patterson, 2009). Such frontline employees also require a predisposition to serve customers (Zeithaml et al., 2006).

Other research focuses on personal determinants of client-focused conduct. Scholars concentrate on the interaction linking particular worth, including employee CO. They assert that this relationship is useful for recruiting, selecting, and training frontline service employees that reflects the firm's customer-oriented strategies (Sousa and Coelho, 2013). In terms of individualism, CO is the proclivity or predisposition of a worker to fulfill the clients' demands via a business transaction (Brown et al., 2002). Schwartz and Bilsky (1990) describe values as desirable targets changing in significance; values help guide the principles in people's lives and affect attitudes.

Buyer contact employee standing between the firm and the client represents the firm's approach against a client (Homburg et al., 2011). Salespeople's individual CO refers to their client-focused manner and client-intended acts (Franke and Park, 2006).

### 2.3. Internal Customer Orientation

Scholars delineate two different CO models, including the INCO (internal customer orientation) phenomenon, which agrees that workers, overall, belong to an organization and are interior clients (Gummesson, 1987). Therefore, the maximum worth might only be obtained by paying attention and gratifying workers' needs. Thus, this study puts employees in the center, concentrates overwhelmingly on the significance of internal customers, and measures the constructs of CO (Lukas and Maignan, 1996). Previous marketing researchers and practitioners mainly focused on external customers as customer-oriented (Stock and Hoyer, 2005) while largely overlooking the function of interior clients (Mohr-Jackson, 1991). Such studies also emphasize that internal markets are significant for an organization's success (Conduit and Mavondo, 2001). Prior work has shown that organizational performance and customer satisfaction increase depending on internal and external CO (Oakley and Bush, 2012).

The "market" view accepts that workers in the organization were "interior clients" overall (Lukas and Maignan, 1996); each employee is a supplier and a customer of other companies (Grönroos, 1981). According to this approach, if organizations consider INCO to enhance internal customer requirements, they can understand antecedents to effectively conduct their MO movement (Conduit and Mavondo, 2001).

A broadly accepted view is that an organization's ability to take advantage of CO depends on worker orientation. Understanding the elements that drive interior workers to assimilate into CO is important (Herhausen et al., 2017).

Internal customer orientation can be viewed as a convenient tool linking workers to exterior clients, and it is also seen as supplementary for EXCO. Organizations need to focus and improve both INCO (internal CO) and EXCO (external CO) to obtain excellent client worth (Conduit and Mavondo, 2001). Creating value for customers requires an adjusted and planned thought process for an organization (Lings and Greenley, 2010).

Research shows that workers perceive organizational processes as positive when a company follows a vigorous INCO (Conduit et al., 2014). Embracing and applying internal and external CO improves organizational performance (OP) and buyers' pleasure (Oakley and Bush, 2012).

INCO supports management and workers to take care of the final customer's needs, with respect for different workers, while considering each as an interior client; implementing internal CO shifts the entire organization to being purchaser-focused (Dibb and Simkin, 2000). INCO is accepted as a component of organization-wide, commonly-held values and behaviors of workers; it shapes the attitudes and behaviors of organization members to convey qualified products and services to other workers (Lukas and Maignan, 1996). Poor employee-client relationships negatively impact external client happiness and worker happiness (Groth and Grandey, 2012).

INCO progression is especially significant for organizations that adopt international marketing strategies. Researchers have suggested assessing employee market needs to enhance data on interior client needs (George and Bettenhausen, 1990). Conduit and Mavondo (1998) suggest that INCO simplifies MO's improvement with specific implicitly seen linkages (Gronroos, 1990).

Berry (1981) emphasized the importance of employees in taking care of external customers with a satisfactory and supportive marketing strategy. This supportive approach of employees toward external customers also satisfies the employee. This mutual effect is in the interior; empirical evidence broadly defended outer client contentment (Flipo, 1986).

### 2.4. Innovativeness

Scholars define innovativeness as openness to novel opinions or a company's orientation toward novelty (Hurley and Hult, 1998). It refers to a company's capability to quickly improve, initiate, and offload novel products/services beyond its rivals (McDonald,

2002). Damanpour (1991) found that instead of focusing on a single innovation, studying innovativeness itself was important; it reacts readily to innovation applications adopted in a given time, covering several “innovations” that could be categorized by innovativeness. Put simply, innovation (I) occurs as a result of the phenomenon of innovativeness. Innovativeness is also a positive intermediary between the abilities and the framework of an organization and its performance (Vincent et al., 2003). Crespell (2008) supported this idea and reported an affirmative linkage between I and CP.

The question of how companies successfully innovate has been examined extensively, and researchers have concentrated on the distinctions of company contexture, ethos, and administration (Burns and Stalker, 1961). Depending on the firm structure, being innovative for a firm requires convenient job contexture, an award method, and the substructure to strengthen and simplify “innovation” (Ching-Hsu Huang et al., 2017).

Innovativeness has been studied in many ways. Kirton (1976) tested innovativeness on the small firm basis and stated a preferential manner for creativity and decisions, which might be diversified as “adaptive or innovative.” Reformists choose to execute their jobs differently by partially ignoring admitted opinions to rebuild the difficulty or find a solution for a current difficulty; sustained innovation profitability is not explicit here (Narver et al., 1999). Thus, CO is a positive determinant of innovation (Tajeddini et al., 2006)

To obtain a greater understanding of CO, one should study “the innovativeness of an organization’s culture” (Deshpande et al., 1993). Specific environmental qualifications, such as dynamism, technological occasions, industry developments, and requisitions for new products, are accepted positive variables for innovativeness (Antoncic and Hisrich, 2001).

Fagerberg (2004) reported that “innovative countries” are more productive and have upward revenue than less innovative countries. Innovative companies are also less sensitive to periodic, sector-based environmental oppression than non-innovative companies. The innovativeness phenomenon is accepted as a basic “trait-behavior,” which symbolizes a theoretical posture that is intensely suspicious of other fields in the behavioral sciences (Mischel, 1968).

Many scholars have examined the correlation between recency and CP, showing that organizational innovation positively impresses performance. Innovativeness also has a point-blank effect on “organization-wide benefit” (Rajapathirana and Hui, 2018). MacDonald (1995) proposed a distinct opinion that customers do not know what they exactly need and want because they do not adequately know market trends. Therefore, a market-oriented firm could determine an incorrect foresight in the “product innovation process” (Workman and Johnson, 1993). Thus, companies need to consider clients’ requests while applying innovations (Meredith, 2002).

Innovativeness can only be offered when the firm has an innovative capacity (Laforet, 2011). Innovative success is associated with

the integration of assets and sources. Thus, sources and assets are required in quickly changing environments (Sen and Egelhoff, 2000). Innovativeness also has indirect effects on firm value, market status, and financial status. Rubera and Kirca (2012) found strong evidence for a link between innovativeness and performance results. As a supporting aspect, Ceccagnoli (2009) suggested that innovativeness was more impactful on company value than MO because the firm value was more latitudinarian and, thus, could externalize further earnings.

## 2.5. Company Performance

Prior work reported, “During the passing years, chasing of innovativeness and CO exposed that implementation of these two phenomena is compulsory for organizations targeting enhanced business performance” (Tajeddini and Trueman, 2008). Hult and Ketchen Jr (2001) proposed that MO’s impacts on performance require additional study in a larger scope of organization-wide variants. Similarly, Devadason and Jublee (2017) examined the positive correlation between CO and job satisfaction, finding that job satisfaction increased when employees had more positive emotions. Duke et al. (2009) investigated a mutual effect between organization-wide reinforcement and two sentimental employee conclusions (business satisfaction and business performance). For this reason, client, rival, and tech-based orientations likely have synergistic impacts on CO. Such a successful equilibrium for “orientations” concludes with “a superior business performance” (Hakala and Kohtamäki, 2011).

Scholars state that CO is a point-blank association with clients’ interpretations of physical goods, service scopes, and how well workers perform their responsibilities. They primarily examined how the customers’ and companies’ grades of CO impact consumers’ OP evaluations. Organizational innovativeness enhances CP by decreasing managerial and operational costs and, at the same time, enhancing workplace gratification (Rajapathirana and Hui, 2018).

## 2.6. Training

Previous research shows that training directly affects CP. Slater and Narver (1998) indicated that MO only rises based on learning orientation. Pelham (2002)’s study shows an affirmative link between consulting basis training programs and firm performance. At the same time, an affirmative link exists between advice-based selling educational activities and growing product value for customers. In this manner, Pettijohn et al. (1995) suggest changing terminology rather than selling: hearing instead of talking and assisting instead of forcing. Contrary to this idea, Johnston and Marshall (2008) report that management only assessed and managed sales training programs through expenditures without considering their advantages.

Antecedents have researched the possible impact of general and specific training on productivity increases and measured the influence dimension of employer-provided educational activities (Barrett and O’Connell, 1999). In this manner, Bartel (1994) report positive connections between education and productivity. An employer-focused approach was developed to restrict several antecedents and obtain more accurate knowledge of people and

foundation data. Research results show that training does not cause significant growth in manufacturing, but off-the-job training has higher effects on productivity than on-the-job training (Black and Lynch, 1996). Additionally, enhanced employee participation in decision-making and performance-based salaries generate higher productivity.

The common consideration is that training affects productivity (Barrett and O'Connell, 1999), quality (Murray and Raffaele, 1997), staff turnover, and monetary outcomes. Aside from staff turnover reduction and productivity enhancement, training has positive effects on human resource applications (Huselid, 1995). Companies' educational activities provide employees with specialized abilities and sensitivities to meet customer needs and imply MO (Gronroos, 1990). Such activities can also transfer the market orientation's value, significance, and character (Ruekert, 1992).

In addition to improving employees' skills, education also improves their demeanors, strengthens cogitation and creativeness, and produces more capable decision-makers (David, 2007). Furthermore, "it also enables workers to deal with the buyer in an attractive posture and reply to their grievances on time" (Hollenbeck et al., 2004).

Latham et al. (1975) found that "there are four grades of training impacts: trainees' reactions to the program content and training process (reaction), knowledge or ability obtaining, attitude change (behavior), and progresses in physical, personal or organization-wide results such as turnover, accidents, or productivity." Compared to sales training, "consulting-oriented salespersons' interpretation" has a more powerful impact on salespeople's actions (Pelham and Kravitz, 2008). Many empirical studies have examined the effect of the training phenomenon on productivity (Barrett and O'Connell, 2001), monetary performance (Glaveli and Karassavidou, 2011), and labor motivation. "Training" might be described as an arranged learning experience designated to generate persistent modification in a person's information, behavior, or abilities (Campbell et al., 1970). However, most studies have examined the individual level with limited work conducted at the company level (Ferman, 1990).

When organizational-based learning implies CO, it concludes with "superior value attribution and greater customer satisfaction" (Slater and Narver, 1995). Wei-Tai (2006) found that "efficient educational applications assist in setting more proactive knowledge acquiring physical environments for employee and get ready them to struggle with the forthcoming challenges as easily and in time." Gronroos (1990) states "training programs can transform the significance and nature of MO." This ensures workers' private abilities and sensibility to deal with customer requirements applied to MO (Ruekert, 1992).

### 3. METHODS

#### 3.1. Sample

A questionnaire was delivered to 143 private-sector employees from sales departments in 27 companies from various sectors; 143 valid responses were obtained.

#### 3.2. Measurement Scales

The OP scale developed by Lee and Choi (2003) was adjusted and used in this study to measure corporate performance. The MKTOR scale, created by Narver and Slater (1990), was utilized to evaluate CO. MKTOR involves three sub-constructs: CO (6 items), competitor orientation (4 items), and inter-functional coordination (4 items). Innovativeness was measured by utilizing a five-item scale, mostly from Hurley and Hult (1998). The training was measured by two separate and one variable demographic items developed from the literature: frequency of training programs developed to improve employees' CO and attendance in those training programs.

### 3.3. DATA ANALYSIS AND RESULTS

The proposed research model and hypothesized relationships were tested via Smart PLS-SEM 3 and SPSS. For this research, Smart PLS-SEM was applicable for several reasons. Smart PLS-SEM can include one indicator variable into moderator analysis and efficiently perform multiple group analyses. Also, one of the major intended contributions of this study was to introduce a new theoretical framework by empirically testing the moderator influence of training on the relationship between CO and CP; PLS-SEM offers a strong analysis tool for theory development.

#### 3.4. Characteristics of the Sample

Frequency Distribution by Internal and External Training Programs applied by Company (Table 1) and Frequency Distribution by Attendance to Training programs applied by company (Table 2) are respectively given below:

#### 3.5. Factor Analyses Results of the Constructs Customer Orientation, Innovativeness, and Company Performance

##### 3.5.1. Outer loading results of the first run factor analysis:

CO constructs 1 and 2 showed factor loadings of 0.496 and 0.585, respectively. The rest of the construct factor loadings were between 0.722 and 0.846. The innovativeness construct was -0.165, and the rest were above 0.743. All performance construct items showed factor loadings above 0.767. Since loadings below 0.60 were not

**Table 1: Frequency Distribution by Internal and External Training Programs Applied by Company**

Position	Frequency	Percent
Never	34	23.8
Once A year	52	36.4
Twice a Year	23	16.1
Frequently	34	23.8
Total	143	100.0

**Table 2: Frequency Distribution by Attendance to Training Programs Applied by Company**

Position	Frequency	Percent
Never	36	25.2
Once A year	55	38.5
Twice a Year	24	16.8
Frequently	28	19.6
Total	143	100.0

acceptable, Co1, Co2, and I4 3 were omitted, and factor analysis was run a second time. In this second run, the remaining factor loadings were all between the acceptable range of 0.696 to 0.913.

### 3.6. Reliability and Validity Analyses Results of the Constructs

All constructs were reliable, as shown in Table 3.

Convergent validity criteria were also met since all Average Variance Extracted (AVE) results were above 0.50. Cross-loading and Heterotrait–Montrait ratio of correlations (HTMT) values were checked for discriminant validities of the constructs’ Fornell-Larcker Criteria (Table 4). All values met the limits defined in the literature.

Bootstrapping with 5000 subsamples was run to determine the statistical significance of factor loadings. All indicator relationships with their related constructs were statistically significant with  $P < 0.001$ .

### 3.7. Path Coefficient Analyses

Collinearity statistics were first checked, and all outer Variance Inflation Factor (VIF) values were below the critical value of 5. Linearity between the indicators was not an issue because all variables reflected; thus, the inner model results were considered, and the path coefficients were also checked (Table 5).

$R^2$  analysis proved all moderate values: CO had  $R^2 = 0.524$  and Perf. had  $R^2 = 0.476$ . CO was one predictor of the performance

construct and had an f-squared value of 0.908; innovativeness was the other predictor of performance and showed an f-squared value of 1.101, which was very high.

Consistent PLS bootstrapping was done to test the statistical significance of the path coefficients. Subsamples were increased to 5000, and path coefficients were all significant with  $P < 0.001$  (Table 6).

Predictive power values (predictive relevance/ $Q^2$ ) of the endogenous variables were calculated through blindfolding (Table 7).

The initial proposed research model is given in Figure 2.

### 3.8. Moderator Analysis

We next tested the second major hypothesis of the model; training moderates the relationship between CO and performance. Thus, two variables were measured at the nominal level among demographic items and tested for moderation analysis in Smart PLS3.

M1: Our company’s internal and external training programs aim to improve the employees’ CO. They are organized as follows: never, once a year, twice a year, frequently.

M2: I have attended training programs organized by my company internally or externally (never, once a year, twice a year, frequently).

Pls-MGA bootstrapping was run and indicated a positive ( $P < 0.001$ ) significance value for group differences. The influence of CO on CP varies according to the company’s training program frequencies. Thus, the hypothesis is confirmed.

**Table 3: Reliability analyses**

	Cronbach	Rho-A	Composite	AverV
CO	0.900	0.905	0.899	0.641
Innov.	0.912	0.916	0.913	0.725
Perf.	0.912	0.916	0.912	0.635

**Table 4: Fornell-Larcker Criteria Results.**

	CO	Innov	Perf.
CO	0.801		
Innov.	0.724	0.851	
Perf.	0.690	0.641	0.797

**Table 5: Path coefficients**

	CO	Innov.	Perf
CO			0.690
Innov.	0.724		
Perf			

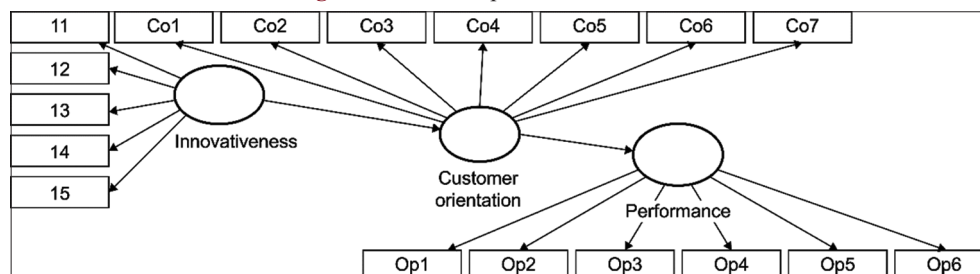
**Table 6: Statistical significance of the path coefficients**

	Original sample	Sample M	Standard	Tstat	p values
CO-perf.	0.690	0.693	0.053	12.922	0.000
Innov.-co	0.724	0.725	0.056	12.923	0.000

**Table 7: Construct cross-validated redundancy**

	$Q^2$
CO	0.302
Perf.	0.264

**Figure 2: Initial Proposed Research Model**



**Table 8: Moderator Analysis Results for M1.**

	T stat	Sig.
Never	4.117	0.000
Once a year	7.374	0.000
Twice a year	7.474	0.000
frequently	7.619	0.000

**Table 9: Moderator Analyses Results for M2 Each Employee's Attendance Frequency.**

	T stat	Sig.
Never	6.002	0.000
Once a year	7.464	0.000
Twice a year	7.507	0.000
Frequently	4.386	0.179

M2 was then tested for a moderation effect on the relationship between CO and CP. All subgroups were significantly influential, except frequently, with  $P = 0.179$  (Tables 8 and 9).

#### 4. CONCLUSIONS

This research can explain organizations' strategic behaviors and actions both in and out of the organization with their connections based on three primary constructs: innovativeness, CO, and CP. Consumers are aware of their rights and protect their rights; thus, organizations need to be customer-driven to stay current in their businesses.

The results show that these three constructs must be managed adequately by firms targeting maximum benefits. As the focused construct, CO can only be gained by considering internal (employee) and external customers. A widely accepted idea is that the "...customer orientation is conditional on the workers who imply it" (Brach et al., 2015). Previous studies have asserted that OP and customer satisfaction can be obtained, depending on internal and external CO (Hewer, 2012). This study reaches empirical results through employees' perceived viewpoint.

Innovativeness supports CO positively with its applicable features; embracing new technologies, processes, and ideas before many competitors represent innovativeness's basic spirit (McDonald, 2002). Therefore, companies have realized that innovativeness is critical to reaching a higher level of CP (Hurley and Hult, 1998). Surprisingly, employee's age and personal education levels are not associated with CO and CP. However, the training activities organized by employers are essential to support employees to perform better and be more customer-oriented. One of the limitations is the small sample size; however, using Smart PLS-SEM, which lets subsample sizes increase up to 5000 in bootstrapping analyses, overcame any adverse effects.

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