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The Influence of Political Skill on Sales Outcomes

Jie Li, PhD, Gong Sun, PhD, and Zhiming Cheng, PhD

To maintain competitive advantage in the marketplace, salespeople must be able to influence customers and prospective customers through persuasion, negotiation, or coalition. This ability is known as political skill. Not only do managers employ political skill, but they also expect salespeople to act politically. In other words, salespeople should effectively understand others and promote interpersonal understanding. By doing so, salespeople proactively engage in the process of creating interpersonal effectiveness and social capital. It is widely recognized that political skill enables employees to secure valuable resources within their own companies and to promote positive outcomes with customers.

In this study, we focus on salespeople specifically, recognizing their job tasks and processes vary significantly from other roles. Salespeople typically drive the bottom line more than other staff because of their direct effect on sales. In fact, some customers may purchase products or services because of their relationships with salespeople rather than their relationship with the company. Due to this phenomenon, a salesperson’s political skill determines their work outcomes, and because of this, companies are focusing more on their salespeople’s political skill when hiring and developing employees. In this study, political skill is measured by how much respondents agree with such statements as “I spend a lot of time and effort at work networking with others,” and “I am good at getting people to like me.”

What is Salesperson-Customer Guanxi?

We use the Chinese word guanxi a great deal in our study because it encompasses an idea not easily expressed in one word in the English language. Guanxi is commonly translated as “relationship,” but this is insufficient because relationships can be positive or negative; however, guanxi can only be categorized as positive. Guanxi refers to the quality of interactions between buyers and sellers and involves the exchange of trust. It is essentially the realm of influential relationships that facilitate business and other dealings. In Chinese culture, guanxi regulates social interactions. For centuries, the need to establish and maintain harmonious relationships has created a reciprocal system of trust and favors between individuals. As a fundamental principle, guanxi plays a huge role in social interactions as well as individual and firm performance.
Buildup of Salesperson-Customer Guanxi, Political Skill, Access to Resources, and Work Outcomes

Political skill reflects individual differences in one’s ability to understand and navigate the interpersonal fabrics within organizations and between salespersons and customers. In definition, it is the ability to effectively understand others at work and to use such knowledge to influence others to act in ways that enhance one’s personal or organizational objectives. Politically skilled employees can influence others to enhance their personal image, prestige, and personal objectives through interpersonal interactions. Because of this, political skill can lead to positive work outcomes such as job performance and satisfaction, and career growth. Since politically skilled employees appear as having greater integrity, sincerity, and genuineness, they are more likely to have better social networking abilities that are critical in achieving work goals. Such networking abilities are crucial in the development of relationship ties, which are the building blocks of social capital. Because internal resources such as information, money, and materials are located at the workplace, political skill enables employees to gain greater access using their networking abilities. Thus, politically skilled employees are more likely to obtain valuable resources, which is especially helpful for salespeople in finding ways to better serve customers. Unlike internal resources, salesperson-customer guanxi is derived from meaningful social exchanges between salespeople and customers.

Politically skilled salespeople understand that their interactions with customers are opportunities to benefit their sales performance, so they are motivated to proactively interact with customers and build guanxi. Additionally, those with a high level of political skill effectively observe and understand their customers’ needs. Access to resources is a key factor in job performance. Employees use resources, including capital, materials, information, and time, to achieve their personal or organizational goals. Thus, their performance relies heavily on their ability to acquire organizational resources. Employees with higher levels of access are more likely to experience being empowered and comfortable, thus they are motivated to perform well.

Our Study

In our study, we approached this process of building trust from a resource perspective. The phenomena of relationship orientation in China differs somewhat from relationships in the West. For example, Chinese salespeople have an extremely strong motivation to interact with customers, even after work hours. It is considered normal in China for work and social relations to overlap. We propose that in this context, political skill enables salespeople to uncover and utilize internal and external resources, which in turn enhance their sales performance and overall job satisfaction.

We also propose that the interaction of internal and external resources shapes and constrains salespeople’s work outcomes. Internal resources refer to salespeople’s access to organizational resources and external resources refers to their build-up of salesperson-customer guanxi. To
examine these factors, we analyzed data collected from over 200 salespeople in China. The results gave us valuable insight into important aspects of sales and the relationships between various elements of relationship building and business success.

**Application to Real Estate Professionals**

Our model highlights the importance of the build-up of salesperson-customer guanxi to the success of salespeople and their organizations. This article examines the effect of political skill in the sales context and helps draw several conclusions which can be directly applied to the real estate field. What we found was that active efforts to build and improve the seller-customer relationship are crucial to a business’s long-term success. Through our research, we found that it paid dividends in the form of higher sales, higher customer retention rates, and higher overall job satisfaction. Real estate agents, more than any other type of salespeople, must realize how vital positive relationships with their clients are to their professional success.

It is seven times more expensive to take on a new customer than to keep an existing one, and research shows that over 80% of those customers are willing to pay more for an enriched and personalized experience. This research shows how important it is to pay attention to what customers want. If agents concentrate efforts on building constructive relationships with clients, they are much more likely to be trusted with not only the initial sale but all of the client’s future real estate endeavors and their recommendations to others. Instead of just focusing on short-term goals such as monthly sales, the best agents work to foster long-term customer loyalty, which drives future growth and profitability. The idea behind this is building a foundation of reciprocal trust so customers feel a personal connection to you as an agent. If you can accomplish this, you have effectively differentiated yourself from other agents in your area and set yourself up for success in real estate.

**Recommended Reading**

About the Authors

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