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Natalia M. Lorinkova, PhD and Sara Jansen Perry, PhD

The Effects of Bedtime Writing

Michael K. Scullin, PhD and Donald L. Bliwise, PhD

Does Liking Lead to Loving?

Leslie K. John, PhD, Oliver Emrich, PhD, Sunil Gupta, PhD, and Michael I. Norton, PhD

Networking Benefits for Real Estate Professionals: Men and Women are Different

Gerrard Macintosh, PhD and Michael Krush, PhD

The Fundamentals of Trust in Business Relationships

Houcine Akrouf, PhD and Mbaye Fall Diallo, PhD

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Keller Center Research Report

Baylor University, Keller Center for Research
Hankamer School of Business
One Bear Place #98007, Waco, TX 76798
www.baylor.edu/kellercenter » Keller_Center@baylor.edu

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Table of Contents

Reducing Employee Cynicism and Time Theft Through Empowering Leadership	1
<i>Natalia M. Lorinkova, PhD and Sara Jansen Perry, PhD</i>	
The Effects of Bedtime Writing	7
<i>Michael K. Scullin, PhD and Donald L. Bliwise, PhD</i>	
Does <i>Liking</i> Lead to Loving?	10
<i>Leslie K. John, PhD, Oliver Emrich, PhD, Sunil Gupta, PhD, and Michael I. Norton, PhD</i>	
Networking Benefits for Real Estate Professionals: Men and Women are Different	16
<i>Gerrard Macintosh, PhD and Michael Krush, PhD</i>	
The Fundamentals of Trust in Business Relationships	21
<i>Houcine Akrouf, PhD and Mbaye Fall Diallo, PhD</i>	
INSIDER: Everything You Need to Know About Social Media	25
<i>Miranda Fair, MBA Candidate</i>	
INSIDER: The Multigenerational Sales Team	29
<i>Clint Ratliff, MBA Candidate</i>	

Reducing Employee Cynicism and Time Theft Through Empowering Leadership

Natalia M. Lorinkova, PhD and Sara Jansen Perry, PhD

What kind of relationships do you have with those who report to you and with your own boss? In turn, what relationship does your boss have with his/her own boss? We study these relationships in conjunction with empowering leadership to suggest that the better these relationships are, the



better position leaders are in to positively influence their employees and anyone else who depends on them for resources. We find that empowering leadership behaviors can indeed be effective in helping employees feel empowered, and subsequently exhibit lower levels of cynicism and deviance, especially if the leader has a good relationship with his/her own boss (i.e., upward exchange).

Employee Cynicism and Time Theft

Employee cynicism is “an evaluative judgment that stems from an individual’s employment experiences” (Cole, Bruch, & Vogel 2006: 463). It is characterized by frustration, disillusionment, and distrust of upper management (Abraham 2000). However, cynical employees are not necessarily “negative people” (Johnson & O’Leary-Kelly 2003: 640); instead, cynical attitudes are shaped by experiences at work. As cynicism entails frustration and other negative emotions, it is likely to result in “time theft,” a non-aggressive form of deviant behavior (Robinson & Bennett 1995). Employees who engage in time theft spend at least a portion of their work hours for nonproductive activities. This may include taking longer breaks than allowed, surfing the internet for personal reasons, or daydreaming. Estimates of time theft in U.S. organizations range from one hour per day (the industry standard, which is typically calculated into salaries) up to two hours per day (Henle et al. 2010; Martin et al. 2010).

Empowering Leadership

Empowering leadership is a promising strategy for leaders to positively shape employee attitudes and behaviors, including cynicism and time theft (Huy 2002; Oreg & Berson 2011). Empowering leaders share power with their subordinates, giving them decision-making authority. They also express confidence in employees’ abilities to perform their jobs autonomously (Spreitzer 1995). Empowerment includes four leader behaviors: highlighting the significance of employee work, allowing employee participation in decision-making, emphasizing employee strengths, and

removing bureaucratic constraints (Ahearne et al. 2005; Kirkman & Rosen 1999; Leach, Wall, & Jackson 2003). In turn, employees feel psychologically empowered if they perceive meaning, competence, autonomy, and impact in their work (Conger & Kanungo 1988; Kirkman & Rosen 1999; Spreitzer 1995).

Based on prior research, we predict empowering leadership is associated with cynicism directly and indirectly via individual psychological empowerment. That is, we expect empowering leader behaviors to motivate employees to want to “repay” those benefits, increasing employee motivation and trust in the leader, as well as employee perception of their own state of psychological empowerment. In turn, we expect cynicism is less likely to develop among psychologically empowered employees, because they adjust their attitudes and workplace behaviors to “pay for” the positive benefits received. The result of empowering leaders should be less employee cynicism leading to higher employee productivity.

Leader-to-Leader Exchange (LLX)

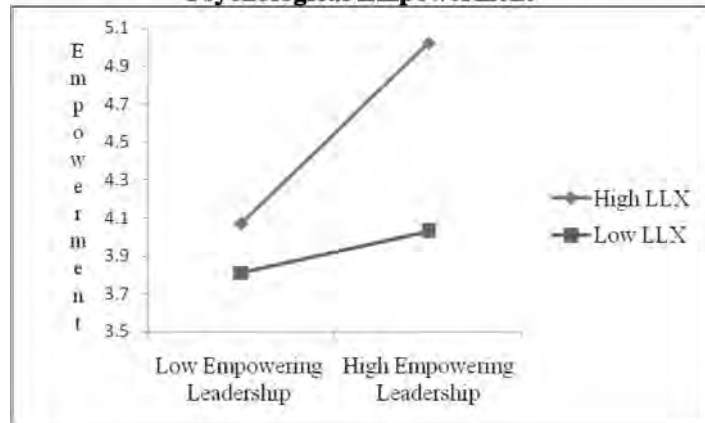
Leaders are also nested in relationships with their own bosses in a chain of convergent hierarchical structures, each level of which is likely to influence the next lower level (Graen, Dansereau, & Minami 1972). In that hierarchy, direct supervisors play the important role of “linking pin” in personally connecting with their subordinates, but also in connecting their subordinates to upper management (Graen, Cashman, Ginsburg, & Schieman 1977: 491). LLX (leader-to-leader exchange) is the quality of the relationship a leader holds with his/her own boss. Research suggests that leaders with high quality boss relationships have more emotional, attitudinal, and physical resources, bestowed as benefits to them by upper management. These resources enable leaders to fully, supportively empower their employees (Cashman et al. 1976); in other words, their empowering efforts are legitimized by the resources they have been given. Leaders with high quality upward relationships also have more positive experiences at work, which they may pass onto their own employees, thus increasing the success of their empowering behaviors (Herscovitch & Meyer 2002). When managers are freed from “watching their back” with their own boss, they are motivated to deliver on an empowering promise, compared to when they have a less secure relationship with upper management.

Findings

We sampled 161 employees reporting to 37 supervisors in a mid-sized R&D organization in the U.S. Mid-Atlantic region, who each completed 2 surveys approximately four months apart. The average age was 42.45 years for employees and 46.78 years for supervisors. The majority of the participants (82%) had a college degree. In addition, the supervisors had worked for the organization for an average of 14.52 years, and all had graduate degrees, which were necessitated by the scientific research nature of the work.

All of our predictions were supported, suggesting that empowering leadership is most effective in helping employees *feel* significantly more empowered if that leader has high-quality LLX (see Figure 1). Fortunately, we also found that empowering leaders can help reduce their employees' cynicism and time theft through their empowering behaviors, even if they do not enjoy those high-quality relationships (LLX) with their bosses.

Figure 1. Interactive Effect of Leader-Leader Exchange and Empowering Leadership on Individual Psychological Empowerment



What it Means

These results are important to the real estate industry because they suggest that empowering leadership may be used by sales managers to increase salesperson psychological empowerment and to ease cynicism. However, sales managers and their bosses are also encouraged to strive to develop quality dyadic relationships, because the effects of these dyadic relationships may impact salespeople. Furthermore, we alert managers to the likelihood that salespeople may use time theft as a way to cope with their own cynical attitudes. Hence, it is important for managers to pay special attention to clues that salespeople are experiencing cynicism and find opportunities to reduce it.

In addition to empowering subordinates and fostering good LLX with their own bosses, managers might directly address cynicism (and therefore reduce likelihood of time theft) by meeting with salespeople to discuss their attitudes and experiences. If salespeople must perform new behaviors during a stressful or highly uncertain period of time (e.g., organizational change; Armenakis & Bedeian 1999), managers might be wise to initially encourage the new behaviors from less cynical employees, allowing them to serve as exemplars and encouragers to more cynical employees (Barsade 2002). By reducing employee cynicism through empowering leadership behaviors exhibited by a leader who also enjoys high-quality relationships with upper management, managers may ensure a happier and more productive workplace.

Recommended Reading

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About the Authors

Natalia M. Lorinkova, PhD

Assistant Professor of Management, Georgetown University

Dr. Natalia M. Lorinkova’s (PhD – University of Maryland) research focuses on leadership and social capital issues (with an emphasis on dynamic and multi-level leadership processes and relational issues in organizations). She also examines non-traditional work arrangements such as virtual teams, teleworking and working from home. From a methodological perspective, Dr. Lorinkova is interested in growth modeling, multi-level modeling and meta-analytical techniques. Her research has appeared in leading academic journals such as *Academy of Management Journal*, *Personnel Psychology* and *Journal of Management*. Dr. Lorinkova is a member of the Academy of Management, Southern Management Association and SHRM (Society for Human Resource Management), and her work has received best paper awards and included in the best conference papers proceedings in a number of divisions. She serves as a

reviewer for the *Academy of Management Journal*, *Journal of Management*, and *Journal of Organizational Behavior*.

Sara Jansen Perry, PhD

Assistant Professor of Management, Baylor University

Dr. Sara Jansen Perry (PhD – University of Houston) teaches courses in HR Staffing and Negotiation & Conflict Resolution and conducts research on stress at work and leadership influences, including in remote work arrangements. In 2017, she won the Outstanding Scholarship Award for research productivity among tenure-track faculty at Baylor University and the Young Scholar Award in the Hankamer School of Business. She has published in several high visibility journals, including *Journal of Applied Psychology* and *Journal of Management*, in addition to a book published by Oxford University Press entitled *Organized Innovation: A Blueprint for Renewing America's Prosperity*. She also serves on the editorial board for *Human Resource Management Review* and as a reviewer for *Journal of Management* and *Journal of Applied Psychology*, among others. She is a member of Academy of Management, Southern Management Association, and Society for Industrial and Organizational Psychologists.

The Effects of Bedtime Writing

Michael K. Scullin, PhD and Donald L. Bliwise, PhD

Bedtime worry, including worrying about incomplete future tasks, is a significant contributor to difficulty falling asleep. Previous research showed that writing about one's worries can help individuals fall asleep. We investigated whether the temporal focus of bedtime writing—writing a to-do list versus journaling about completed activities—affected sleep onset latency.

Our Study



Our study was comprised of 57 individuals, ages 18-30, who were recruited for a multi-night sleep study. Each participant was randomly assigned to write a to-do list or completed-activities list prior to sleep.

Participants were prescreened for self-reported history of sleep disorders (e.g., insomnia, narcolepsy), psychiatric conditions, neurological disorders, and use of any medications that might alter

their sleep architecture. To screen for sleep apnea, we used a nasal pressure transducer, respiratory effort belts, and pulse oximetry.

Overnight polysomnography took place in a sound-attenuated sleep research laboratory. Polysomnography is defined by the Mayo Clinic as a method which “monitors your sleep stages and cycles to identify if or when your sleep patterns are disrupted and why.” All participants were monitored throughout the night via a low-illumination, infrared video system.

Findings

Participants who wrote a to-do list at bedtime fell asleep faster than those who journaled about completed tasks. This find is surprising in light of the evidence that unfinished tasks are a significant source of cognitive activation and worry. However, the key here seems to be that participants wrote their to-do list rather than mentally ruminating about their unfinished tasks. Expressive writing has been demonstrated to reduce anxiety and depression, though its impact on sleep onset latency has been a matter of debate.

In addition to content, quantity of writing was important. There were diverging associations between sleep onset latency and how specific or detailed the individual wrote their to-do list versus completed-activities list. There is some precedent to the idea that to-do list specificity

might be beneficial. By contrast, the more specifically participants journaled about *completed* tasks/activities, the longer it took them to fall asleep.

To the best of our knowledge, the present work constitutes the only sleep and writing study to employ polysomnography, which is considered the gold standard for measuring sleep onset latency. Thus, we can conclude with reasonable confidence that bedtime writing can help some individuals fall asleep, but also that the temporal focus of their writing may be important (i.e., future tasks rather than journaling about completed tasks).

Application

To get the most out of your day, the Sleep Foundation recommends a sleep range of seven to nine hours per night. This number may vary depending upon the person, but this range should be used as a guide to ensure your mind has enough time to recuperate from the daily cognitive load. However, jumping into bed at the end of a long day often isn't enough—how do we shut down to rest well?

The real estate industry is a fast-paced and highly competitive market, demanding excess amounts of time and attention to make the sale. Everyday stressors can make falling asleep difficult. It becomes easy to let the mind take control and keep from getting adequate rest. To combat this, our study suggests that focusing on future tasks and compiling a to-do list prior to bed can help ease a person into sleep more quickly.

To get started, pick a medium for your to-do list. Don't overthink it—the medium is about what suits you and makes you most comfortable in your writing. Start easy and keep it simple. For more in-depth tasks, break down the whole into more manageable parts. Stay specific in your writing and include everything that is on your mind. A focused approach to writing your to-do list before bed may help reduce the sleep onset latency. The quicker you get to sleep, the quicker you get the rest needed for the day ahead.

Conclusion

The present experiment highlights bedtime to-do list writing as a potentially beneficial, easily administered, behavioral sleep aid for adults who may not present in a clinical setting. Of course, consideration must be given to whether bedtime writing will be ineffective in some individuals due to health, contextual/environmental, or personality characteristics. Nevertheless, in today's 24/7 society that emphasizes work productivity, many individuals' to-do lists are extensive and incur substantial negative affect, anxiety, and rumination. Rather than journal about the day's completed tasks or process tomorrow's to-do list in one's mind, the current experiment suggests that individuals spend five minutes near bedtime thoroughly writing a to-do list.

Recommended Reading

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About the Authors

Michael K. Scullin, PhD

Assistant Professor of Psychology and Neuroscience Director, Sleep Neuroscience and Cognition Laboratory, Baylor University

Dr. Scullin (PhD – Washington University in St. Louis) completed his doctorate in the Behavior, Brain, and Cognition program at Washington University in St. Louis and then a post-doctoral fellowship in the Neurology and Sleep Medicine program at Emory University School of Medicine. He is involved in service committees for the Sleep Research Society and the American Psychological Association and he co-founded the APA journal *Translational Issues in Psychological Science*. His research has been supported by grants from the National Institutes of Health and private foundations.

Donald L. Bliwise, PhD

Professor, Emory University School of Medicine

Dr. Bliwise’s (PhD – University of Chicago) primary areas of research are the description, elucidation of the pathophysiology, of sleep disorders in aged humans, with a special focus on disturbed sleep in neurodegenerative conditions such as Alzheimer’s and Parkinson’s diseases. He has used a wide variety of research approaches, including observational, population-based studies, descriptive, laboratory-based research, and randomized clinical trials involving both ambulatory and institutionalized aged populations. His interests also extend to sleep and sleep disorders as they relate to major geriatric syndromes, including nocturia, falls, frailty, incontinence, renal disease and agitation. Dr. Bliwise’s most recent funding from the National Institute of Neurologic Disease and Stroke (1R01 NS-050595) has focused on the non-motor symptoms of Parkinsonism, with particular emphasis on alterations in the sleep/wake cycle.

Does *Liking* Lead to Loving?

Leslie K. John, PhD, Oliver Emrich, PhD, Sunil Gupta, PhD, and Michael I. Norton, PhD

Does *liking* lead to loving? When a customer clicks the *like* button on a brand's Facebook page, what happens? Is that customer then more predisposed to have a favorable attitude towards the brand? Is she more likely to purchase products from that brand and tell others about the brand, simply because she *liked* the page? Or, does loving lead to *liking*? Did that customer just like the page because she already has an



established relationship with the brand? Additionally, if a customer likes a page, will her friends be more motivated to like the brand, as well? Will this brand exposure lead her friends to start making purchases? Or are a customer's friends already predisposed to liking the brand because they have similar tastes to the customer?

With the rise of social media, companies have poured financial and human resources into creating and maintaining online brands. However, 87% of those who have invested in social media marketing are not able to satisfactorily quantify the return on this investment. As we look for ways to measure the success of our marketing efforts in social media, we ask questions like those above. As consumers arbitrarily *like* pages, do those *likes* have value to a company? Or are they merely the click of a button? If liking leads to loving, then it makes sense to focus marketing efforts on increasing the number of customers that *like* your page. If loving leads to liking, then a different approach would be more effective. We conducted a study to address these questions, to provide a starting place for marketers to assess the value of a *like*, and to identify what strategies are most effective.

Our Study

There are three potential effects that could impact the relationship between a customer's online association with a brand and their resulting behavior towards that brand. Using Starbucks as an example, the first possibility is that joining Starbucks' social network causes a consumer to buy more coffee, or to tell others how much she loves Starbucks. This is called a treatment effect.

The second option is that a customer joins Starbucks' Facebook page because she already has a loyalty to the brand; however, the additional act of joining the online community causes that

customer to buy more and rave more than those loyal customers who did not join the brand's social network page. This is a treatment-by-selection effect.

Finally, it is possible that a customer *liked* Starbucks' page simply because she likes Starbucks. In this case, *liking* the page would have no effect on the customer's behavior. In other words, liking the page would not increase her coffee purchases or willingness to recommend Starbucks to others. It's merely a badge of approval. This is a selection effect. Our study addresses the impact of *liking* a brand's Facebook page, in light of these three effects.

We also looked at secondary effects, which are the influences one customer's online relationship with a brand can have on her friends' attitudes and behaviors toward the brand. There are two potential effects at work here, as well. The first is a sort of treatment effect in that the act of a consumer *liking* a page causes her friends to also *like* and purchase that brand. The alternative to this is selection, in that friends of a consumer have similar tastes to their peer, and are thus predisposed to like the brand.

In our first study, we look at pure treatment effects: **does liking a brand's Facebook page have any effect on consumer attitude or behavior?** Some of our participants were randomly selected to be in a control group, others were merely asked to indicate whether or not they liked Coca-Cola, and others were randomly selected to *like* the brand's page. All participants were asked to complete a survey measuring their favorability towards the brand. We compared the results among the different groups and found no evidence of treatment effects, since the favorability of those who *liked* the brand's social page did not differ from those who were not asked to *like* the page. We conducted additional experiments to see if the results were different if the survey was completed after more time had elapsed, or if we used a more novel company. We found the results of these additional studies to be consistent with those of our first study. In fact, these additional results indicate a possible negative association between *liking* a brand and the resulting outcomes.

Our second set of experiments was created to determine if *liking* a page has any effect on those customers who are already predisposed to view the brand favorably, or if customers simply *like* a page because they like the brand. We determined which participants were willing to *like* Pepsi's page. Then, we randomly selected some of those participants to be in a control group, some to attempt to *like* the page (they were told they were unable to *like* the page due to an error and this was a control group, as well), and some to actually *like* the page. As in the first experiment, we used the favorability survey to assess and compare the attitudes and behaviors of our participants.

There was no difference in favorability among the control, "error" control, or experimental groups suggesting that *liking* a page still does not have any positive effect on consumer behavior, even if they already favor the brand. However, favorability among those participants that were

willing to *like* or had already *liked* the brand was higher than that of those who were unwilling to *like* the brand. This suggests that selection effects are present, as we expected.

We ran additional experiments to determine whether *liking* a page would have a positive effect on consumer favorability when paired with advertising or if a longer time elapsed. Advertising itself was effective, but when combined with liking it still had no significant effect on brand favorability. Additionally, results showed that even over time, favorability was not affected by being a part of a brand's network. Thus, there is no evidence to suggest that *liking* a brand on Facebook improves marketing outcomes, even if the consumer is already fond of the brand.

However, as mentioned above, those who were willing to *like* Pepsi's page or those who had already *liked* it did demonstrate more favorability than those who were unwilling to *like* it. This is evidence for a selection effect, or the fact that liking a page does not affect marketing outcomes like consumer behavior and attitude. Our evidence suggests that consumers *like* brand pages just because they like the brand.



In our third experiment, we looked at the effect that a consumer's affinity for a brand would have on her friend's attitudes toward that same brand. We asked consumers to provide us with the names and email addresses of three friends. Those friends were then assigned to one of three groups and sent a coupon for a free deluxe sample set of Grace Choi BB Cream. In the first group, they were told that their friend was sending them a free sample. In the second, they were told that their friend

liked the product and was sending them a free sample. Finally, in the third condition they were told that their friend had *liked* the brand on Facebook and was sending them a free sample. Results showed that the friends of customers were more likely to exhibit positive responses to the brand when they were told that their friend had liked the product in real life, not just on Facebook.

Implications

Overall, our studies demonstrate that liking a brand's Facebook page does not have a direct positive effect on marketing outcomes, such as consumer behavior and attitude toward the brand. Several implications arise from the results of our studies.

Because simply *liking* a brand's page does not seem to have any effect on resulting attitude and behavior, marketers should target their social networking efforts. Importantly however, our results do not imply that Facebook *likes* are entirely useless to marketers. Rather, *likes* can impact consumer attitudes and behavior, if they are used properly. The key is to use the *like* to spark further engagement with the brand. Real estate agents can apply this information to increase the effectiveness of their social media networks, particularly Facebook.

First, encourage involvement. Post a question and ask your clients to respond. Encourage clients to engage in discussion with each other. Consider sharing helpful information about the intimidating parts of home buying, such as financing options. In addition to encouraging involvement, this will also increase your credibility. Ask customers to post pictures of homes they like, or to share pictures of features they are looking for in a home. Post a picture of you with your clients meeting for the first time at a local coffeehouse and post another one when they've found their dream home. Feature your clients on your site, make them feel unique and valuable. Do they volunteer in the community? Post about it. Did they just have a major career victory? Share their accomplishment. Working with football fans? Wish their team good luck on game day. Wish them a happy birthday. Get your clients involved with you and with other clients who *like* your page.

Second, encourage friendship. Consider how your followers' actions are affecting their friends. Encourage them to make meaningful recommendations to their friends, preferably offline and in person. Ask one of your former clients to host a coffee hour or game night in their new home. Invite current clients to bring their friends to meet you. Or, at Christmastime, decorate empty homes and fill them with music, lights, and cookies. Do a local homes tour and encourage your clients to bring their friends. Create social opportunities for clients to introduce friends to you, and for them to make positive recommendations.

So the key is to support *likes* with other marketing activities, including active management of your social media sites. However, our final recommendation for real estate agents is to not overinvest in social media marketing. Don't neglect other forms of marketing and relationship-building. It might be worth considering how much time you are spending on social media versus how much time you are spending face-to-face with potential clients. Continue building relationships and using traditional marketing to further increase referrals.

Conclusion

Loving leads to *liking*. This is what we primarily found in our studies. For real estate professionals who are managing social media efforts, Facebook *likes* can be valuable, but not for the obvious reasons. *Likes* can have value in opening the door to more meaningful interactions. If real estate professionals want to maximize social media marketing efforts, we recommend using *likes* to create community. Encourage clients to put forth effort to connect with your brand, to be

involved with your online community, and to recommend your brand to their friends. This is how you can increase the chances that *liking* leads to loving.

Recommended Reading

John, Leslie K., Oliver Emrich, Sunil Gupta, and Michael I. Norton, (2017), “Does Liking Lead to Loving? The Impact of Joining a Brand’s Social Network on Marketing Outcomes,” *Journal of Marketing Research*, 54(1), 144-55.

About the Authors

Leslie K. John, PhD

Marvin Bower Associate Professor, Harvard Business School

Leslie John’s (PhD – Carnegie Mellon University) research centers around the seemingly paradoxical and sometimes self-destructive decisions that people make, especially as they pertain to two critically important domains: online consumer privacy and health. To explore these topics, she uses laboratory and field-based methods in a complementary and iterative fashion: field experiments (in collaboration with companies) document important real-world phenomena, and laboratory experiments nail down the psychological processes underlying these phenomena. Her work has been published in academic journals including the *Proceedings of the National Academy of Sciences*, *Psychological Science*, *Journal of Marketing Research* and *The Journal of the American Medical Association*. It has also received media attention from outlets such as *The New York Times*, *Financial Times*, *The Wall Street Journal*, and *Time* magazine. She teaches the Negotiations course in the MBA elective curriculum, as well as in various Executive Education courses.

Oliver Emrich, PhD

Professor of Management and Social Media, Johannes Gutenberg University of Mainz

Oliver Emrich (PhD – University of St. Gallen) is Professor of Management and Social Media at Johannes Gutenberg University of Mainz. His research interests are situated in the areas of multichannel management, personalization, and the outcomes of social media activities for companies and consumers. His articles appeared in journals such as *Journal of Marketing Research*, *International Journal of Research in Marketing*, *Journal of Retailing*, and *Harvard Business Review*.

Sunil Gupta, PhD

Edward W. Carter Professor of Business Administration Chair, Harvard Business School

Sunil Gupta (PhD – Columbia University) is the Chair of the General Management Program at Harvard Business School. He is also the co-chair of the executive program on Driving Digital Strategy. Sunil's current research is in the area of digital technology and its impact on consumer behavior and firm strategy. His previous research focused on customer management, pricing, and return on marketing investment. He has published two books and over 80 articles, book chapters, cases and notes on these topics. His research has been well recognized in national and

international circles and his award-winning articles include 1993, 2002, and 2009 O'Dell Award and the 1998 and 2005 Paul Green Award of the *Journal of Marketing Research* for the most significant contribution in the field of marketing; the 1998, 2000, and 2003 Marketing Science Institute award for the best paper; the 2004 best paper award for the *Journal of Interactive Marketing* and the 1999 best paper award for the *International Journal of Research in Marketing*. His last book, *Managing Customers as Investments*, was selected as the 2006 winner of the annual Berry-AMA book prize for the best book in marketing. As a business expert, Sunil has frequently appeared on several national and international television programs, such as CBS, CNN, NPR and BBC, and has been quoted in *Forbes*, *The Fast Company*, *The New York Times* and *The Washington Post*.

Michael I. Norton, PhD

Harold M. Brierley Professor of Business Administration, Harvard Business School

Michael I. Norton (PhD – Princeton University) has studied human behavior in domains ranging from love and discrimination, time and grief, to money and happiness. He is the co-author – with Elizabeth Dunn – of the book, *Happy Money: The Science of Happier Spending*. In 2012, he was selected for *Wired Magazine's* Smart List as one of *50 People Who Will Change the World* and his TEDx talk, *How to Buy Happiness*, has been viewed more than 3 million times.

Networking Benefits for Real Estate Professionals: Men and Women are Different

Gerrard Macintosh, PhD and Michael Krush, PhD



Conventional wisdom suggests that networking is beneficial in sales, but surprisingly little research has examined the real impact of networking behaviors. While networking is an important source of sales prospects, research suggests networking has other potential benefits aligned with sales success (Chang 2005; Üstüner & Godes 2006). Research also shows that men and women network differently and benefit differently from networking. In our

research, we examine different types of networking benefits for female and male real estate professionals which allows us to offer suggestions for more effective networking.

Benefits of Networking

Beyond the obvious benefit of identifying potential clients, networks can provide additional benefits which can be classified as *instrumental* and *expressive* benefits. *Instrumental benefits* relate to work-role performance and include “information, expertise, professional advice, political access and material resources” (Ibarra 1993, p.59). *Expressive benefits* relate to psychosocial resources, such as friendship and emotional support (Kram & Isabella 1985).

Three types of networking benefits that seem particularly relevant to real estate sales are 1) access to information (how to be more effective at my job and particularly, information about sales opportunities), 2) influence (in the form of vouching, recommendations, and referrals), and 3) status.

Status is defined as the perceived quality of a market alternative relative to its competitors (Podolny 1993). Status sounds a bit pretentious, but it simply means how potential clients see you relative to all the other real estate professionals available. Each prospective buyer and seller who works with a real estate professional makes a decision: *with whom should I partner?* Where you stand reflects your status.

Market status is determined by your “track record,” but also by with whom you associate. One’s status is enhanced by relationships with higher status others and diminished by relationships with

others with lower status. Your status is influenced by the status of people with whom you are associated, including your clients, other professionals, and professional groups.

New Perspective Provided by Our Study

In our study (Macintosh & Krush 2017), we were interested in looking at the relationships between different types of networking behavior and sales performance. In particular, we wanted to see if there were differences in benefits based on gender. Networking behavior is defined as “individuals’ attempts to develop and maintain relationships with others who have the potential to assist them in their work or career” (Forret & Dougherty 2001, p. 283).

We measured three types of behavior: 1) peer networking, 2) professional networking, and 3) customer networking. Peer networks can be a valuable resource for information sharing, career strategizing, and job-related feedback that can help people work more effectively. Peers also provide friendship and social support, which can help salespeople deal with the *ups and downs* of selling.

Professional networks may also impact sales performance in a number of ways. Professional networks are a good source of useful non-redundant information about industry trends and best practices (Chang 2005). Professional networks provide an opportunity to meet influential people, identify business opportunities, and learn new skills (Durbin 2011). Professional associations can provide access to external mentors. Professional organizations can also enhance status both by ties to higher status individuals but also by linkage to the professional organization itself (Podolny 1993).

Customer networking is central to the sales role. Greater interaction with customers is likely to provide greater access to important information and other resources (Üstüner & Godes 2006), such as better knowledge of customers and needs, referrals and recommendations (influence), and other relational benefits. In addition, having links to higher status customers should also enhance the salesperson’s status in the market (Podolny 1993).

In our study, performance was measured both objectively (total commissions) and subjectively (asking participants to rate themselves on a number of performance indicators). We then statistically examined the relationship between the different types of networking behaviors and the performance measures, both for the entire sample and for men and women separately.

For the aggregate sample, subjective performance was significantly related to professional networking and customer networking, but not to peer networking. For objective performance, only the link from customer networking was significant. However, when we separated the sample by gender, differences were found for men and women. Both professional networking and customer networking were significantly related to subjective performance for women and only professional networking was related to objective performance. For men, none of the forms

of networking were related to subjective performance, and only customer networking was related to objective performance.

Summarizing, both professional networking and customer networking were related to higher performance. However, men benefited more from customer networking, while women benefited more from professional networking. The finding that customer networking was not related to objective performance (total commissions) for women might be a bit of a concern. An explanation suggested by the literature is that men are better at securing instrumental (job related) benefits from networking.

Suggestions



Networking does not happen without costs in terms of time and effort. Therefore, professionals should consider both the benefits and costs of networking and try to maximize the effectiveness of their networking efforts. Our research suggests that both individual producers and managers should be more proactive in thinking about networking efforts, both in terms of the types of networks and individuals

within those networks that can provide performance enhancing benefits.

We recommend that real estate professionals consider the following questions as they allocate their most precious resource—their time:

- What benefits should I expect from my efforts?
- How can I improve the amount and quality of information I receive?
- How can I leverage my connections to get more referrals and recommendations?
- How can I improve my standing (status) in the eyes of potential clients?

In addition, our research provides strong evidence of the value of active membership in professional organizations for female real estate professionals.

Finally, for those interested in improving your understanding networking, we suggest reading Chang (2005) and Üstüner & Godes (2006), which provide a lot of practical and useful information about effective networking.

Recommended Reading

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About the Authors

Gerrard Macintosh, PhD

Professor of Marketing, North Dakota State University

Gerrard Macintosh’s (PhD – University of Nebraska) research interests focus on interpersonal relationships and other factors impacting performance in both sales and services marketing. Dr. Macintosh’s research has been published in the *International Journal of Research in Marketing*, the *Journal of Business Research*, *Psychology & Marketing*, the *Journal of Personal Selling and Sales Management*, the *Journal of Marketing Theory and Practice* and several other journals. He has received several research awards from the American Marketing Association and the Journal of Personal Selling and Sales Management, and college research awards for outstanding research from both universities where he has served. He is an associate of the NDSU Center for

Professional Selling and Sales Technology and teaches Personal Selling, Sales Management, and Services Marketing. Prior to his academic career, Dr. Macintosh spent twelve years in sales in the financial services and insurance industries.

Mike Krush, PhD

Associate Professor and Director of the NDSU Center for Professional Selling, North Dakota State University

Mike Krush (PhD – University of Nebraska-Lincoln) co-championed and serves as the Director of the NDSU Center for Professional Selling and Sales Technology—the only academic center dedicated to developing the sales skills of college students within the North Dakota University System. During his academic career, Dr. Krush has taught undergraduate and graduate students marketing strategy and sales at three universities. His research interests including strategic marketing issues, marketing capabilities and competencies, and personal sales and sales performance. He has published in journals including the *Journal of the Academy of Marketing Science*, *Journal of Business Research*, *Journal of Business Ethics*, *Industrial Marketing Management*, and the *Journal of Personal Selling and Sales Management*. Prior to his academic career, Dr. Krush served in marketing as a brand manager within a Fortune 500 company. His responsibilities included all areas of strategic marketing for a \$600 million brand. In addition, he has consulted with start-up firms, conducted marketing in the financial services domain, and written a book on career preparation.

The Fundamentals of Trust in Business Relationships

Houcine Akrouf, PhD and Mbaye Fall Diallo, PhD

When you think of a business transaction, what comes to mind? You might envision exchanging cash for groceries or swiping a credit card for new car brakes. You probably think about the basic elements of a business transaction—a monetary exchange for some good or service. But many of us probably do not think beyond the simple exchange. We would not think of the intangible aspects of a business transaction, such as trust. Nevertheless, trust is one of the most crucial elements of any business exchange, because it allows the buyers to exchange money with sellers in good faith that they will provide the agreed-upon goods and services.

If there is a lack of trust in business transactions, there can be negative results, such as lower profitability and customer attrition. However, if trust is present in a business relationship, it improves performance, lowers transaction costs, and acts as a buffer against negative outcomes. Trust is crucial in all business relationships, but because of the magnitude, scope, and complexity of business-to-business transactions (B2B), trust is especially critical for success in these relationships. So, if you are in commercial real estate, trust is especially important for you to foster with your clients. How can you ensure trust is prevalent in your real estate operation? In this article we discuss the three stages of trust, the three forms of trust, and how they affect a client's behavior so that you can successfully and effectively build trust with your clients.



Three Stages of Trust

Trust is a process, evolving and developing over time. From this perspective, trust is solidified over the course of the relationship, progressing from delicate to resilient. Trust can also be viewed as a set of stages through which relationships progress. This is typically the view that we apply to understand trust in B2B relationships. The stages that we focus on are exploration, expansion, and maintenance. In the exploration stage, buyers examine the reputation of sellers to determine whether they are worthy of trust. Once this initial trustworthiness has been somewhat established, the next stage is expansion. As two businesses develop a working relationship, trustworthiness grows as conflicts are resolved, communication is improved, and sympathy develops between parties. As promises are consistently being fulfilled, an interdependency develops. Each business no longer needs to rely so heavily on investigating the other's

trustworthiness as they did in the exploration stage, because a record of trust is being established. Finally, when there is a history of promises kept and expectations met, the businesses can enter a maintenance stage, where they are simply focused on continuing their relationship.

Three Forms of Trust

In addition to the three stages of trust, we also find three different forms of trust in B2B relationships. These three forms of trust are calculative, cognitive, and affective and have been found to coincide with the three stages of trust development, respectively. People typically progress through these forms of trust sequentially, much like they do through the three stages of trust. First, is calculative trust. In the exploration stage, individuals are assessing the other entity with respect to reputation. Buyers will calculate the risks they might take and seek to understand the chance that the other partner will meet or exceed their expectations based on what is generally known concerning the seller. In other words, buyers are essentially calculating the risks associated with trusting this seller. Reputation acts as an indicator of trustworthiness when clients do not yet have a personal history with a business.

The second form of trust is cognitive trust. Like the name suggests, this form of trust is based on knowledge. A small history of interactions allows the buyer to have an idea of whether their partner can fulfill promises. With the cognitive form of trust, the buyer makes assessments and calculations based on the relationship's history. There are three aspects of a relationship that can affect cognitive trust: communication, sympathy, and conflict resolution. Communication helps to foster trust by allowing each partner to receive information that acts as feedback regarding expectations and their partner's ability to meet these expectations. Sympathy fosters more positive emotions and likeability between the two partners, increasing the trust between them. Lastly, if conflicts are resolved in a satisfying way, the buyer will feel more comfortable disagreeing with the seller, which increases honesty and trust.

Finally, the most advanced form of trust is affective trust. Expectations that have been met and promises that have been fulfilled lead to positive emotions, a sense of bonding or devotion between the two partners. These warm feelings are an external representation of the trust that has been built over the life of the relationship.

These three forms of trust can be integrated with the three stages of trust that we discussed earlier. The first stage, exploration, is characterized by calculative trust. The focus is on the fact that at the beginning of a relationship, each partner will be assessing the trustworthiness of the other. Next is the expansion stage, associated with cognitive trust. Finally, the maintenance stage is paired with affective trust.

The stages and forms of trust discussed thus far represent a sort of lens for the understanding of the trust process. Behavioral trust, as a direct outcome, describes the actions that buyers take

when specifically, affective trust, has been established. When buyers acquire affective trust in a business relationship, they are comfortable sharing confidential information and investing resources into that partnership. These resources can be financial or physical, human resources, time or even attention. Our decision to share confidential information or to make an investment reflects the trust that we have placed in our partner.

Our Study

Our study examines the transformation of trust in B2B partnerships, considering the different stages and forms of trust. More than 600 respondents were asked to categorize their relationships with other businesses according to our definitions of the stages and forms of trust. We found that in the exploration stage, reputation does in fact have a positive effect on calculative trust. Additionally, we found that calculative trust influences cognitive trust. In the expansion stage, conflict resolution, communication, and sympathy all have positive effects on cognitive trust. We learned that cognitive trust drives affective trust and that cognitive trust also indirectly affects both relationship investments and confidential communication. Finally, we learned that affective trust directly influences investments in the relationship and confidential communication.

Application to Real Estate

In real estate, fostering trust is essential for success with your clients. Since affective trust is a platform for behavioral trust, you will want to strive to achieve this stage of trust in your



relationships. Trust must be cultivated as it progresses through each stage and form. Specifically, three types of expectations that need to be met for trust to be fully developed; these are technical expectations (competence), relational expectations (communication, sympathy, and conflict resolution), and moral expectations (honesty and benevolence). In order to meet these expectations and foster trust among your clients, you should:

- **Create a strong brand and a solid reputation:** Realize that this reputation will act as a substitute for history in the beginning stages of a relationship with a client. Be proactive about both building and communicating an exceptional reputation. Encourage previous clients to write reviews that you can share on your website or social network sites, or to recommend you to other businesses.
- **Highlight your experience:** Demonstrate your experience and success to build your credibility, your reputation, and meet your client's technical expectations.

- **Foster communication:** Address any concerns your client may have about your credibility, focusing on honesty, transparency, and expertise.
- **Allow clients to disagree with you:** Ensure they feel comfortable expressing their concerns, and work to find a mutually satisfying resolution.
- **Focus on positive emotions:** Emotional connections are what people remember so make sure the memories are positive.

Fostering trust with your clients means your clients will be more likely to invest in the relationship. This will enable you to be more successful in meeting needs of your current and future clients.

Recommended Reading

Akrout, Houcine and Mbaye Fall Diallo (2017), “Fundamental transformations of trust and its drivers: A multi-stage approach of business-to-business relationships,” *Industrial Marketing Management*, 66, 159-171.

Corresponding author: hakrout@inseec.com

About the Authors

Houcine Akrout, PhD

Associate Professor, INSEEC Business School

Pr. Houcine Akrout (PhD – University of Paris I Panthéon-Sorbonne) is responsible for research methodologies course (qualitative and quantitative data analysis) at Inseec Business School, Paris. He holds a PhD in Management Science from University of Paris I Panthéon-Sorbonne and a HDR (Habilitation to supervise research) from Grenoble-Alpes University, France. He specializes in trust in B2B and Relationship Marketing. In addition to receiving a 2011 distinguished teaching award from SMBG, he has published in *Revue des Sciences de Gestion, Management & Avenir, Gestion 2000, Recherche et Applications en Marketing, Décisions Marketing, Journal of Business-to-business Marketing, European Business Review, Journal of Business and Industrial Marketing, Industrial Marketing Management*.

Mbaye Fall Diallo, PhD

Professor, University of Lille

Pr. Mbaye Fall Diallo (PhD – University of Lille, LSMRC Lab) is Professor of Marketing working on retail branding, sustainability and innovation management. He mainly uses quantitative data analysis (structural equation modeling and econometrics of panel data) in his work, which has been published in journals such as *Industrial Marketing Management, International Marketing Review, Journal of Business Ethics, Journal of Business Research, and Psychology & Marketing*. He is the author/co-author of three books and ten book chapters on management. He has been a visiting professor at Georgia State University, University of Stirling, and University of Brasilia.

INSIDER: Everything You Need to Know About Social Media

Miranda Fair, MBA Candidate



In the fall of 2016, Hurricane Matthew struck North Carolina. Chris Williams was left stranded in his home as flood waters were rapidly rising. There seemed to be no hope. Nevertheless, he was able to send S.O.S messages. How? Facebook Messenger and Twitter. This is one of the opening stories that Greta Van Susteren tells in her book, *Everything You Need to Know about Social Media (Without Having to Call A Kid)*, to demonstrate how social media is revolutionizing the world.

Facebook, Twitter, Instagram, and Snapchat have revolutionized the way we communicate, share news, and even advertise products. Having a working knowledge of how to use a variety of social media platforms can be useful to keep up with news, family, and friends. But as a real estate

professional, understanding how to use social media can have positive impacts on your business.

In her book, Greta Van Susteren, former host of shows on FOX, CNN, and MSNBC, provides “everything you need to know about social media.” Whether you are a beginner or an expert, the book has a tip for you. Essentially, the book covers five of the major social media platforms: Facebook, Twitter, Instagram, LinkedIn, and Snapchat. She provides an in-depth tutorial of how to use each site, with additional ways to “level up” if you already have a decent bit of knowledge about these platforms.

Each social media platform is unique and allows you to achieve a different goal. Facebook is great for sharing information. Instagram is perfect for photos. Twitter is designed for short updates. Snapchat provides followers with a behind-the-scenes look. To maximize efforts on these platforms, think of telling one story in several different ways. In other words, each platform gives you an opportunity to show a different side of the same story. Your story might focus on featuring the unique aspects of the community in which you list homes. Maybe these include new local restaurants, small business successes, or influential community members. On Facebook, you might share a recent review from a client who happily moved into their new home. On Instagram, you might share a picture from the local Christmas parade. On Twitter, you might remind followers about an open house. On Snapchat, you might give a video tour of a new

listing. These all fit within your story, but each provides followers a unique look at the community.

THINK POINT #1: Facebook for Real Estate

After providing the basics, Van Susteren gives advice for Facebook users who want to “level up.” First, make sure to have a separate personal and business pages. A personal page will be where you connect with family and friends and share photos. A business page will be more professional—a place where clients and potential clients come to gather information about your services.

To make the most of a business Facebook page, consider sharing photos, videos, and new content. For example, for new listings, post photos and home specs to your page, and consider showcasing a video tour of the home. Highlight client reviews and your business’s specialties to show followers you are credible and respected. Do you have an area of expertise? Showcase it on your page. Followers may also appreciate information about going through the purchase process (i.e. What does the homebuying process look like? How does one prepare before engaging in the process? Which are the most important qualities to look for in a home?). Other posts might feature up-and-coming neighborhoods, fun restaurants, coffee shops, art galleries, or local businesses near your listings.

Van Susteren reminds us that social media should be interactive, so be sure to interact with your followers when they comment or like your photos and posts. Additionally, always put the most important information first. In other words, make sure key information—your specialties, contact information, etc.—are listed at the top of your page.

Know what matters to your clients and capitalize on it. Which photos and posts do they like or share? What questions do they ask? If they show interest in a certain post or topic, continue building on that topic.

Finally, consider upgrading your password. Van Susteren recommends using a password that is a string of random words, keeping in mind any length requirements. For example, brownies/boxes/horsepasture/montana/calligraphy. In addition, she recommends using a separate password for each social media application to keep all accounts secure.

THINK POINT #2: Twitter for Real Estate

As previously mentioned, Twitter is beneficial for sharing shorter messages or updates. As with any platform, be sure to link Twitter to your website. To “level up,” be sure to tweet during rush hour (Twitter rush hour, that is). This maximizes the impact that your tweets have on followers. Do most of your clients or prospects work 9-5? Maybe they are on Twitter right after work before dinner. In this case, a good time to tweet might be between 5:00 and 6:00 pm.

Next, tweet strategically. Be cautious about over-tweeting. Refrain from bombarding people and creating so much noise that they simply don't listen to you. Choose your tweets strategically so that every message has an impact.

Van Susteren mentions that celebrities like Kim Kardashian (who has 54 million followers) can have significant marketing power if they were to retweet you. Your tweet being retweeted by an influencer like Kardashian would make a much larger impact than a \$100,000 advertisement. It may not be necessary or attainable to seek a retweet from someone like Kardashian, so look into your local community. Are there local influencers? Are there organizations, like remodeling groups, that have clients who might one day be interested in your services? Perhaps there are popular coffee shops or boutiques with followers who would make good prospects. Building social media relationships with these local entities might help broaden your reach on Twitter.

Van Susteren also discusses Tweepmap, a free tool that shows where followers are geographically located. Do you have followers in your area, or are your followers from across the country? Think of ways to build your base and broaden your reach, while tailoring your posts to fit your audience.

THINK POINT #3: Instagram for Real Estate

In a society that values images, Instagram allows you to use photos to engage your followers, clients, and prospects. When posted strategically, photos can have a big impact. Instead of putting every photo of a listing on Instagram, choose one that creates intrigue. A sparkling backplash. Iced tea on the back porch. Original hardwoods reflecting the light of a Christmas tree. Choose an image that has emotional value, add a filter to make it shine, and post it with a sentimental comment. Give followers a glimpse at what it would be like to live in a particular home or neighborhood.



Like with Twitter, post on Instagram during “rush hour.” Generally, across Instagram users, the site is most heavily trafficked at 2:00 am and 5:00 pm. These busy times may be different for your clients, though, so post when *you* will get the most exposure.

When posting photos, expand your reach by using #hashtags. These tags categorize photos into topics, allowing anyone searching for that topic to see your photo. As a real estate professional, consider using hashtags such as #realestate, #newhome, #newlisting, or #realtor. You may also develop your own hashtag with your company's name.

In addition to posting select photos from listed homes, consider how to continuously share your story. Some ideas include posting pictures of a latte from a nearby coffee shop, a picture from karaoke at the new food spot, or a picture from a community park. Highlight draws to certain neighborhoods or anything that makes the community unique. Use Instagram to create emotional connections, to showcase things that make each community unique, and to draw homeowners to communities in which you have listings.

THINK POINT #4: Snapchat for Real Estate

Snapchat is quickly becoming a go-to platform, especially for younger demographics, and it is a great way to provide your followers with a behind-the-scenes look. Take followers on a tour of new listings, or partner with contractors to provide behind-the-scenes looks at remodeling efforts. Give followers a first look at new restaurants or parks located near listings.

Another important aspect of Snapchat are filters, which are graphics and special effects that users can overlay onto their photos. You can purchase personalized filters that will appear when users open Snapchat while in certain geographic locations, and users can use your filter when posting their picture. This is a great way to increase advertising and marketing efforts in areas that potential clients might frequent, like hip areas of town, restaurants, or art galleries.

Conclusion

By using social media, you can engage followers and prospects through the story of your community. Share content, post information, connect with people, and take advantage of the power social media has to expand your reach and positively impact your business.

Recommended Reading

Van Susteren, Greta (2017), *Everything You Need to Know About Social Media*, New York, NY: Simon & Schuster Paperbacks.

About the Author

Miranda Fair, MBA Candidate Baylor University

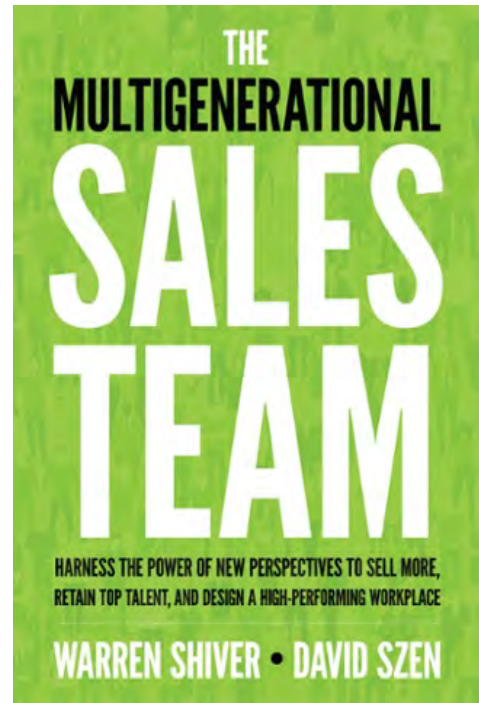
Miranda spent ten years dancing professionally both with The Walt Disney Company and in New York City. During her dance career, she graduated Summa Cum Laude from Liberty University with Bachelors Degrees in Finance and Psychology. She also worked as an event producer for Flash Mob America and led the social media campaign for the election of the Lieutenant Governor in North Carolina. Miranda is currently pursuing an MBA with a concentration in Economics at Baylor University and plans to pursue a career in economic development.

INSIDER: The Multigenerational Sales Team

Clint Ratliff, MBA Candidate

With the advent of the technological age, today's workforce has become increasingly more dynamic and complex. Buyer and seller markets are now comprised of multiple generations that not only see the world differently, but also value vastly different lifestyles. While the differences between generations provide obstacles to overcome, it is also important to recognize the accessibility, innovation and collaboration these differences provide for the workplace. By better understanding the difference between generations, it becomes easier to hone in on what truly makes them remarkable.

In their book, *The Multigenerational Sales Team*, Warren Shiver and David Szen take a unique approach to examining the intersection of sales, leadership, and generational concepts. Through implementing this research into the sales approach, agents and brokers alike have the opportunity to increase sales, promote customer/employee retention and set their teams up for more success in a thriving market. After reevaluating the current market, real estate agencies can adapt their organizations to meet changing demands and build equity in new hires to promote future growth.



THINK POINT #1: Understanding the Market

What consumer trends are seen to be most prevalent in the real estate industry? The homeowner market is shifting—NAR's study of the last four years shows that millennials (36 years and younger) now represent the largest generation in the workforce today and comprise 34 percent of the buyer market. Gen Xers (37-51 years) are second in command, representing 28 percent of recent home buyers. Why do these numbers matter? Knowing the demographics of the market can help real estate professionals adapt to changing customer interactions.

Today, real estate professionals have the opportunity to leverage a variety of mediums to promote their own personal brand and that of their company. According to Shiver and Szen, presentations demand a collaborative environment that is engaging and informative. Communication methods are no longer limited to a fax machine, phone call or even a face-to-face meeting. As the buying market changes, success requires that real estate professionals do more to capture the attention of their audience.

THINK POINT #2: Adapting the Organization

Understanding the ways that generational nuances influence buyer behaviors keeps the sales process on course and moving in the right direction. To understand the difference between market segments, successful real estate professionals avoid generational stereotypes and draw inferences through examining the data.

By conducting focus groups coupled with extensive research, Shiver and Szen found that 78 percent of breakdowns in the sales process are derived from friction in communication style or method. Recognizing the differences in preferred styles of communication allows real estate professionals to capitalize on selling opportunities across generations.

When approaching millennial buyers, real estate professionals must understand the social milieu to which millennials relate. The typical person spends two to three hours a day on social media, with millennials often boasting a higher rate of consumption. Younger markets tend to investigate new products or service offerings via mobile, scouring LinkedIn, Twitter, Instagram, and Snapchat to find the right buy. Shiver and Szen encourage organizations to leverage their social networks to generate leads, source references and build their credibility via personal brand management. Consider implementing a mobile-friendly website or strategies on various social media platforms to ensure accessibility for this market.

The investigative process of the millennial buyer differs from other generations in the amount of research done prior to initiating the buying conversation. Millennial buyers spend adequate amounts of time researching each available selling option in the marketplace. Real estate organizations can differentiate themselves among their competitors by demonstrating openness and responsiveness in their communication. Millennials have grown up with information available at their fingertips and expect the same during the buying process. Millennial buyers know what they want and move quickly to procure it. Steady communication and guidance throughout the selling process determines which organization remains in the mind of the buyer.

Gen X buyers require a slightly different approach. This generation values transparency in direct communication, placing less emphasis on the technological component of an agent's offering. Gen Xers may appear skeptical and confrontational at times—they simply want to get to the point. Resist the temptation to take these conversations personally by understanding that Gen Xers maintain a high value for their time. Expediting the process with clear, concise communication can help real estate organizations engender loyalty among these buyers.

For either generation, it is imperative that agents know the audience. Clear communication is key in any buyer-seller relationship, regardless of the channel through which it occurs. By differentiating the approach used to sell to each generational buyer, real estate organizations develop credibility with prospective homeowners.

THINK POINT #3: Preparing the Workforce



The key to promoting success across a diversified buyer market is developing the right multigenerational sales team. Managing generational differences can be a difficult process and often leads to frustration. However, understanding generational tendencies and how they complement each other allows real estate agencies to prepare teams capable of meeting any market's demands. Agencies succeed with multigenerational sales teams through

employing effective hiring, onboarding, training and performance management processes.

It all starts with hiring—agencies must evaluate their current team and understand the areas in which they are lacking. Once an agency knows its needs, it is then helpful to identify what ideal candidates want in a company. Understand these wants and interview for the right fit. Look beyond generalizations and clichés; focus on the candidate to confirm motivations. Select candidates based on skills and fit then develop a strong onboarding plan.

Onboarding extends beyond providing a patchwork of training and administrative documents; effective onboarding helps new hires figure out the skills they need to be successful and assimilate into the culture of the work environment. It is the company's responsibility to develop initiatives that help new hires get up to speed as quickly as possible. From a multigenerational perspective, the key to creating a successful onboarding program is assessing the needs of the agency sales force in the aggregate and respecting the acculturation time required for each generation.

Effective training programs consider the needs of their agents and adjust accordingly. The research of Shiver and Szen found that the three major generations (millennial, Gen X and baby boomer) prefer shadowing and experiential learning to other training methods. While online/eLearning offers convenience, catering to preferred learning styles is more conducive to molding new agents in the image of the agency.

Performance management requires a more meticulous approach to navigate the intricacies of each generation. How an agency—and broker, for that matter—positions coaching can make or break adoption, especially if the desired behavior is counter to an assumed generational preference. When coaching, the preferences across generations are one-on-one and “in the field” coaching. Incorporating regular feedback into these experiential approaches provides a benchmark for performance and improves retention. By setting clear expectations and promoting

open lines of communications, agencies break down barriers employees face when assimilating into the agency.

The successful incorporation of multiple generations into an agency's roster provides the agency with additional perspective and accessibility for its market. By making agents aware expectations and arming them with tools better suited to their target market, agencies have the ability to close the gap between the buyer and seller.

Conclusion

To maintain relevancy in the current housing market, real estate agencies must find innovative ways to harness the power of multigenerational teams. In *The Multigenerational Workforce*, Shiver and Szen provide excellent research and personal experiences to guide companies through this process. By understanding the current market, adapting the organization, and preparing the workforce, agencies can discover viable solutions for approaching a multigenerational market.

Recommended Reading

Shiver, Warren, and David Szen (2017), *The Multigenerational Sales Team: Harness the Power of New Perspectives to Sell More, Retain Top Talent, and Design a High-Performing Workplace*, Wayne, NJ: Career Press.

Reference

Lautz, Jessica., Meredith Dunn, Brandi Snowden, Amanda Riggs, and Brian Horowitz (2018), "Home Buyer and Seller Generational Trends," <https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends>.

About the Author

Clint Ratliff, MBA Candidate

Baylor University

Clint Ratliff is a graduate student from Durango, Texas. After spending the last six years in Los Angeles working in Music and Film, Clint is now pursuing an MBA with a concentration in Data Analytics. He earned his Bachelor's degree in Marketing from Baylor University. Clint plans to work in advertising post grad school, finding innovative ways to seamlessly integrate data into the creative.

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Baylor University » Keller Center for Research » Hankamer School of Business
One Bear Place #98007 » Waco, TX 76798
www.baylor.edu/kellercenter » Keller_Center@baylor.edu

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