Does the performance of other functions in the frontline influence salesperson conflict?

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Abstract
Purpose – The aim of this paper is to examine the effect of servicer and cross-seller functional performance on salesperson perception of cross-functional conflict.
Design/methodology/approach – Frontline employees often specialize in selling, servicing, or cross-selling to customers. Two studies separately examine the effect of servicer and cross-seller functional performance on salesperson perception of cross-functional conflict.
Findings – In Study 1, salesperson conflict with frontline specialists who do not directly sell, called servicers, is examined and it is found that salespeople perceive less cross-functional conflict when servicers perform well. Group cohesion decreases conflict directly. The effect of servicer performance on conflict is less pronounced as cross-functional training increases. In Study 2, salesperson conflict with employees who cross-sell additional goods and/or services to customers, called cross-sellers, is evaluated and it is found that salespeople perceive more cross-functional conflict when cross-sellers perform well. Cross-functional training decreases conflict directly. The effect of cross-seller performance on conflict is less pronounced as group cohesion increases.
Research limitations/implications – The research was carried out in a single setting, automobile dealerships, and only two controls, one formal and one informal, were examined.
Practical implications – The results indicate that salespeople view the performance of each type of specialist differently depending on the specialists’ goals. Based on this finding, the paper provides guidelines for which formal and informal controls are likely to be effective for reducing conflict between different frontline functions.
Originality/value – The paper shows that salespeople view servicer performance positively and cross-seller performance negatively. Thus, the research adds to the understanding of cross-functional relationships among specialized frontline employees.
Keywords Cross-functional conflict, Salespeople, Cross-sellers, Servicers, Group cohesion, Cross-functional training, Frontline specialists, Sales force, Individual perception, Automotive industry, Conflict

Introduction
When servicing customers requires specialized abilities and skills, frontline employees often specialize in performing different tasks (Johnston and Marshall, 2009; Harris et al., 2008; Moncrief and Marshall, 2005). For example, in automobile dealerships, a salesperson first helps customers choose an automobile, then finance employees help customers choose financial and service products, and finally service-coordinators organize final services for the automobile. Similarly, in retail mortgage sales, the
salespeople prospect for customers and help customers choose an appropriate financing option, loan processors coordinate the qualification process, and closers facilitate the signing of the loan contract. In these specialized frontline settings, different functions work together sequentially and often have separate goals. We contend that frontline specialists can be classified as:

- salespeople, who focus on selling the core product to customers;
- servicers, who carry out steps of the selling process but not directly related to selling to customers; and
- cross-sellers, who sell additional goods and/or services to the customer.

Salespeople guide customers between servicers and cross-sellers so that each specialist can perform separate services for the customer.

However, there has been little research investigating relationships between salespeople and other frontline specialists. As retail employee service quality directly impacts customer satisfaction (Jayawardhena and Farrell, 2011), it is important for frontline specialists to work together smoothly so that customers receive a consistent experience (Arndt et al., 2011). When conflict is not well managed, it negatively affects relationship quality (Bobot, 2011). For example, conflict has been shown to produce tension, antagonism, and distract employees from performing tasks (Massey and Dawes, 2007; De Dreu and Weingart, 2003; Dixon et al., 2002), escalate into turf-battles (Cadogan et al., 2005), decrease trust and commitment (Bradford and Weitz, 2009), decrease collaboration (Le Meunier-FitzHugh and Piercy, 2007), and ultimately lead to employee turnover (Dixon et al., 2002). Hence, conflict between salespeople and other frontline specialists risks disrupting the sales process and marring the customer experience. To address this gap, our study examines potential antecedents of conflict perceived by the salesperson in their relationship with servicers and with cross-sellers, respectively.

Consequently, the first objective of our study is to investigate how salesperson perceptions of cross-functional conflict are influenced by the performance of other frontline functions, such as servicers and cross-sellers. Extant research generally proposes that cross-functional conflict impacts team performance because conflict inhibits joint problem-solving towards a shared goal (Le Meunier-FitzHugh and Piercy, 2007; De Dreu and Weingart, 2003). However, in settings where frontline employees carry out specific functions, tasks are completed sequentially and each function works towards separate goals. Accordingly, we argue that salespeople often judge their relationship with other specialists based upon the specialist’s contribution to salesperson goals, not the contribution to the overall sale. If the objectives of a specialist enable salesperson goals, salespeople feel less conflict when the specialist performs well. Conversely, if the objectives of a specialist interfere with salesperson goals, salespeople feel more conflict when the specialist performs well. Thus, our study proposes that functional performance of servicers and cross-sellers are antecedents of salesperson perceived conflict. Although research has shown that conflict is often the result of incongruent goals, rewards and/or structures between departments (Cadogan et al., 2005; Menon et al., 1997), it has not, to our knowledge, considered the effect of functional performance on conflict.

A second objective of this research is to investigate the direct and moderating roles of formal (cross-functional training) and informal (group cohesion) controls on
perceived salesperson cross-functional conflict. Extant literature proposes a variety of controls for facilitating integration, such as cross-functional training, formalization, social orientation, and spatial proximity, for decreasing interdepartmental conflict (e.g. Cadogan et al., 2005; Xie et al., 2003; Mollenkopf et al., 2000). However, the literature has focused on conflict caused by poor goal-alignment and cultural differences (e.g. Le Meunier-FitzHugh and Piercy, 2007; Cadogan et al., 2005; Maltz and Kohli, 2000; Menon et al., 1997), rather than functional performance. This is a research gap because formal and informal controls used in frontline settings are likely to change how salespeople perceive the performance of other frontline specialists. In other words, controls for enabling integration work differently in such specialist frontline setting than in other contexts. We examine one formal control (cross-functional training) and one informal control (group cohesion), to investigate how these controls impact salesperson perception of conflict with functional specialists.

To summarize, the objectives of this study are:

- to investigate how the performance of servicers and cross-sellers impacts the salesperson perception of conflict; and
- to demonstrate the direct and moderating effects of formal and informal controls on perception of conflict.

This research is organized as follows: first, we discuss the extant literature on cross-functional conflict. In order to prevent biases from one relationship carrying over to the other relationship, we examine salesperson conflict with servicers and cross-sellers in two separate studies. In Study 1, we present hypotheses about the impact of servicer performance on salesperson perception of conflict, and how formal and informal controls (cross-functional training and group cohesion) impact the relationship. We test our hypotheses with data collected in the new car dealership setting. In Study 2, we develop hypotheses for the cross-seller context, and test them with a different data set (i.e. different respondents) also collected in the new car dealership setting. Thereafter, we provide the overall theoretical and managerial implications of our findings. Finally, we discuss the limitations and avenues for future research.

The selling process

Frontline employees can be organized as generalists, where a single employee performs all of the steps of the selling process, or as specialists, where multiple frontline employees specialize in different steps of the selling process (Pinker and Shumsky, 2000). Dubinsky (1980) identifies seven selling steps common to most sales jobs:

1. prospecting;
2. pre-approach;
3. approach;
4. presentation;
5. overcoming objections;
6. close; and
7. follow-up.
However, over time, many parts of the selling process have become increasingly specialized, and salespeople are often no longer responsible for the entire selling process (Ahearne et al., 2010; Moncrief and Marshall, 2005). In part, this is due to group selling structures where multiple employees work together during the sales process (Ahearne et al., 2010; Moon and Armstrong, 1994). For example, in automobile dealerships, salespeople are generally not involved in the close or follow-up step; finance employees (often called F/I) are primarily responsible for closing and cross-selling, while service-coordinators are primarily responsible for follow-up. Similarly, Moncrief and Marshall (2005, p. 16) note that in many industries “the salesperson has little or no direct responsibility for prospecting.” Thus, frontline specialists may be split into non-sales and sales functions, based upon their goals during the selling process. In addition to salespeople, servicers are specialists who are responsible for tasks during the sales process but who do not directly sell to customers while cross-sellers are specialists who sell additional goods and services to customers.

**Cross-functional conflict**

Le Meunier-Fitzhugh and Piercy (2010, p. 296) describe inter-functional conflict as “working at cross-purposes, being obstructive and not appreciating each other’s roles.” Likewise, De Dreu and Weingart (2003) explain that conflict is tension between group members because of real or perceived differences. Drawing on this previous work (Maltz and Kohli, 2000; Le Meunier-FitzHugh and Piercy, 2007; De Dreu and Weingart, 2003), we define salesperson’s perception of cross-functional conflict as the salesperson’s perceived tension and frustration with other frontline specialists.

**Antecedents of conflict**

A major cause of conflict between departments is the poor alignment of goals, rewards and/or structures (Meunier-FitzHugh and Piercy, 2010; Cadogan et al., 2005). Morgan and Piercy (1998) explain that conflict often results from goal and action incompatibility. Furthermore, inconsistent terminologies or acronyms between departments can cause confusion (Maltz and Kohli, 2000), and employees in different departments often have different philosophies, education, and experience which lead to misunderstandings and difference of opinion (Le Meunier-FitzHugh and Piercy, 2007). For example, the sales department tends to focus on customer relationships, short-term results, and continuous daily activity while the marketing department focuses on customer analysis, long-term results, and sporadic projects (Rouzies et al., 2005). We argue that the more that frontline employees specialize, the greater the potential for goal incongruity between frontline employees. As such, our research focuses on goal incongruity between the salespeople and different specialists.

**Reducing conflict**

The extant literature on interdepartmental conflict and integration have introduced a number of controls that can decrease cross-functional conflict, including cross-functional training, joint rewards, cross-functional teams, formalization, social orientation, and spatial proximity (e.g. Cadogan et al., 2005; Xie et al., 2003; Mollenkopf et al., 2000). These controls are structures, procedures or control systems that managers can use to decrease conflict between employees (Maltz and Kohli, 2000). Jaworski (1988) explains that controls can be classified as either formal controls, which
are written, management initiated mechanisms, or informal controls, which are
unwritten employee-initiated mechanisms. We argue that controls for facilitating
integration between frontline functional specialists can be classified similarly: formal
controls, such as cross-functional training, which are management initiated processes
and procedures for evaluating how employees behave in cross-functional interactions
(Maltz and Kohli, 2000); and informal cultural controls, such as group cohesion, the
perception of employees getting along and helping each other (Martin and Bush, 2006),
which influences how employees behave across functions.

Study 1
Hypotheses
In Study 1, we focus on the relationship between servicer functional performance and
salesperson perception of conflict. Servicers do not sell directly to customers; instead
they assist salespeople with certain steps of the selling process (see Figure 1).
Servicer performance. Servicers attend to the needs of customers during or at the
end of the sales process. For example, service-coordinators in automobile dealerships
coordinate final detailing of cars and assist existing customers with their on-going
maintenance needs. Hence, when servicers perform well, the needs of customers should
be satisfied. Conversely, when servicers perform poorly customer satisfaction suffers.
From the perspective of salespeople, servicers help salespeople make sales by ensuring
that the needs of the customer are satisfied and the sales process proceeds smoothly.
Thus, the overarching goals of salespeople and servicers are complementary. The

Study 1: Servicer performance → Sales conflict

Study 2: Cross-seller performance → Sales conflict

Figure 1. Conceptual model
extant research suggests that conflict often results from problems involving the alignment of goals, rewards and/or structures between departments (Cadogan et al., 2005). However, we argue that even when goals are aligned between specialists, the failure of a party to achieve its targets and objectives could still result in dysfunctional conflict. Therefore, it is not just goal congruence between functional specialists that leads to conflict, but the attainment of goals.

When servicers perform well, their step of the sales process proceeds smoothly and consistently. In this situation, customers are more likely to be satisfied with that step in the purchasing process, which, in turn, increases the likelihood that customers will be satisfied with their overall sales experience. However, if servicers perform poorly, then customers may become dissatisfied, terminate the encounter or be unable to complete the sales transaction. Thus, poor servicer performance introduces additional instability and obstacles into the sales transaction. In this situation, in order to close the sale, the salesperson has to address any new issues resulting in cross-functional conflict. Therefore, we argue that when servicers perform well, conflict between salespeople and servicers is low. However, when servicers perform poorly, conflict between salespeople and servicers is high:

\[ H1. \text{ The better the functional performance of servicers, the lower the cross-functional conflict perceived by the salesperson.} \]

Formal controls: cross-functional training. Cross-functional training educates employees about other functions (Mollenkopf et al., 2000). It can take the form of classroom education about another function’s subject matter, participating in training sessions with employees from other disciplines, and job rotations, where employees temporarily work in other functions (Maltz and Kohli, 2000). Cross-functional training clarifies what information other specialists need (Maltz and Kohli, 2000), educates employees about the processes and terminology of the other functional areas (Griffin and Hauser, 1996), and provides experience working with other functions (Xie et al., 2003). Cross-functional training reduces misunderstandings that arise from differences in functional “thought-worlds” (Maltz and Kohli, 2000). In the exporting context, Cadogan et al. (2005) find that cross-functional training reduces conflict between export and non-export employees. Similarly, in the context of new product development teams, Xie et al. (2003) find that job rotation decreases goal incongruence. Consistent with the extant literature, we contend that cross-functional training will also ease cross-functional conflict between frontline specialists:

\[ H2. \text{ The greater the cross-functional training, the lower the cross-functional conflict perceived by the salesperson.} \]

Informal controls: group cohesion. Group cohesion refers to the perception of togetherness or sharing among employees (Martin and Bush, 2006). It encourages a climate of support and interest among employees, and establishes shared values, norms, beliefs, and interpretations of events (Naumann and Bennett, 2000). Cohesive groups are committed to shared goals and self-regulate their collective behavior in order to achieve their goals (Marinova et al., 2008). Harris et al. (2008) found that esprit de corps reduces the likelihood of dysfunctional conflict, which inhibits group goals. Group cohesion directs employee behavior by applying social pressure to conform to the group’s values and sanctioning members who deviate (Jaworski, 1988). Rouzies
et al. (2005, p. 119) explain that groups with strong cultures tend to develop “unwritten rules” that help to “resolve dilemmas that can arise in organizations.” Similarly, Maltz and Kohli (2000) contend that informal social interactions are “crucial” in reducing misunderstandings and reducing conflict between functions. Likewise, we argue that group cohesion helps frontline specialists to address cross-functional concerns and pursue super-ordinate goals.

**H3.** The greater the group cohesion, the lower the cross-functional conflict perceived by the salesperson.

*Moderating effect of formal controls.* Formal controls tend to be more useful when uncertainty is relatively low whereas informal controls tend to be better when uncertainty is high (Jaworski, 1988). The more volatile a market, the harder it is to use formalized rules and procedures (Maltz and Kohli, 2000). Thus, formal controls are more helpful in contexts that are routine and consistent than contexts characterized by volatility (Jaworski and Kohli, 1993). We argue that formal controls are more useful in cross-functional contexts characterized by routine activities while informal controls are more desirable in cross-functional contexts where uncertainty is higher.

According to Maltz and Kohli (2000), the effectiveness of controls related to integration may change across different cross-functional relationships. We argue that servicer performance increases the odds of closing sales transactions because their role is to maintain or improve customer satisfaction and efficiency. Thus, salespeople are likely to feel more conflict with servicers when their performance is low. However, cross-functional training can help salespeople to understand the obstacles that servicers encounter and provide the education that salespeople need to communicate effectively about servicer issues. Hence, providing salespeople cross-functional training can help salespeople operate effectively when servicer performance is weak. Therefore, as cross-functional training increases, we expect that the link between servicer performance and salesperson conflict will lessen.

**H4.** As cross-functional training increases, the effect of servicer performance on cross-functional conflict decreases.

**Method**

*Sample and data collection procedure.* This study is carried out in the new car dealership setting as an exemplar of frontline functional specialization. In new car dealerships, customers work sequentially with salespeople followed by finance employees and service-coordinators. The surveys were administered in-person by the primary researcher to the salespeople and service coordinators.

Questionnaires were administered at 20 dealerships in a medium-sized Midwestern city. Out of 248 salespeople, a total of 118 usable questionnaires were collected for a response rate of 47.5 percent. Out of 64 service-coordinators, 60 usable questionnaires were collected for a response rate of 93.7 percent. No systematic factors for non-participation were observed, with the main reason for non-participation being that the employees were with customers. Non-response bias was assessed using the procedure proposed by Armstrong and Overton (1977) in which the responses of early and late responders are compared. The groups were compared by using t-tests. No significant differences were found between early and late responders on a number of
variables such as sales performance, conflict, years at the dealership, and age. Thus, we anticipate very little non-response bias.

There were an average of 13 salespeople per dealership and an average of three service-coordinators. The average age for salespeople was 36 years (range 18-69) and the average age for service-coordinators was 40 (range 23-62). Salespeople had been in a car sales career an average of six years and had been at their current dealership an average of three years. The average career tenure for service-coordinators was 10.5 years and the average time at the current dealership was six years. Most of the respondents were male.

Measures. Servicer performance was measured by service coordinators’ responses to a three-item seven-point Likert scale developed by Oliver and Anderson (1994) and adapted to a servicer context. Cross-functional conflict was measured using salesperson responses to five items from the seven-item Likert scale developed by Jaworski and Kohli (1993), adapted to the car dealership setting. We dropped two reverse-coded items from the original scale (“Most departments in this business unit get along well with each other” and “Employees from different departments feel that the goals of their respective departments are in harmony with each other”) as they overlapped with group cohesion. Cross-functional training was measured using salesperson responses to a three-item seven-point Likert scale, developed after in-depth interviews with salespeople and sales managers. Group cohesion was measured using salesperson answers to three items from the five-item Likert scale developed by Martin and Bush (2006) to measure the group cohesion dimension of psychological climate. One of the items (“In this company, people tend to get along with each other”) was similar to the item that was dropped from the conflict scale and was not included. The second item (“In this company, people tend to have a lot in common”) was not seen as reflecting the work place. In other words, one could potentially not have a lot in common, yet feel strong group cohesion. Therefore, this item was dropped. Group cohesion was measured at the dealership level rather than the team level, because the total number of employees at automotive dealerships is usually small (10-20 salespeople, 2-3 service coordinators and 1-2 finance employees) and teams are typically not fixed; so every salesperson has a chance to work with every other specialist. Hence, limiting the questions to a specific team could be confusing to respondents. Additionally, several statistical controls were included in the analysis:

1. the number of years that salespeople have been at the dealership;
2. salesperson performance as measured by the number of cars sold in the previous month; and
3. size of the dealership (small if less than ten full-time employees/large if ten or more employees).

Please refer to the Appendix for a description of the measures.

Analysis and results
Measure assessment. The measurement scales that were administered to salespeople (i.e. conflict, cross-functional training, and group cohesion) were assessed for convergent and discriminant validity, and reliability using a confirmatory factor analysis. The variance extracted, construct reliability and Cronbach’s alpha were evaluated. The CFA model for the three-salesperson scales had an overall Chi-square of
52.55, a CFI of 0.99, an IFI of 0.99, an NFI of 0.94 and a RMSEA of 0.054. The CFI, IFI, and NFI measures fall above the recommended value of 0.90 and RMSEA is below the recommended value of 0.08. Item loadings are shown in the Appendix. Thus, the fit of the model is good.

The composite reliabilities were above the recommended 0.70 and the average variance explained was greater than 0.50 for each construct (Shook et al., 2004; Fornell and Larcker, 1981). Discriminant validity was assessed using the procedure recommended by Bagozzi et al. (1991), in which discriminant validity is supported if for each pair of factors a two-factor model fits significantly better than a one-factor model. The two-factor model fit the data significantly better than the one-factor model in all cases, supporting discriminant validity among measures. The Cronbach’s alpha for all constructs was above 0.70, except self-report performance which was 0.69, indicating acceptable reliability for the measures. The self-report performance scale administered to service-coordinators was assessed for reliability using Cronbach’s alpha. Correlations are shown in Table I.

**Hypothesis testing.** Hypotheses were tested using a series of regression analyzes (see Table II). H1 states that higher servicer performance leads to salespeople to perceive lower levels of conflict. The overall model for salesperson conflict with servicers is statistically significant \( (F = 3.725, p < 0.01) \). The coefficient for servicer performance is significant and negative \( (\text{Std. } \beta_1 = -0.356, p < 0.01) \), supporting H1. Hence, servicer performance does decrease salesperson conflict. H2 states that cross-functional training reduces cross-functional conflict perceived by the salesperson. However, the coefficient for cross-functional training is not significant; so, H2 is not supported. H3 states that group cohesion reduces cross-functional conflict perceived by the salesperson. The coefficient for group cohesion is statistically significant \( (\text{Std. } \beta_3 = -0.302, p < 0.01) \), indicating support for H3. Thus, group cohesion reduces salesperson conflict with servicers but cross-functional training does not.

H4 states that cross-functional training will reduce the strength of the relationship between servicers’ performance and salesperson perceived conflict. The overall model for salesperson conflict with servicers with the interaction term is statistically significant \( (F = 3.917, p < 0.01) \) and is a significant improvement over the model without the interaction term \( (\Delta F = 4.226, p < 0.05) \). The coefficient for the cross-functional training-servicer performance interaction is significant and negative

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**Notes:** a Pearson’ Correlation; bSpearman’s Rho; ServPerf = Servicer performance; CFT = Cross-functional training; COH = Group cohesion; Salesperf = Sales performance; Dyears = Dealership years; Size = Size of the dealership. *p < 0.05; **p < 0.01

**Table I.** Study 1 correlations
Cross-selling does limit the negative impact of poor servicer performance on salesperson perception of conflict.

**Study 1 discussion**
The results of Study 1 indicate that the performance of servicers does impact salespeople’s perception of conflict. When servicers perform poorly, salespeople feel conflict with the servicers, and when servicers perform well, salespeople feel less conflict with them. Group cohesion reduces conflict directly, but cross-functional training only reduces conflict as servicer performance weakens.

**Study 2**
In Study 2, we investigate how salesperson perception of cross-functional conflict is influenced by the performance of cross-sellers and how controls can reduce this conflict. In Study 2 we modify the hypotheses from Study 1 to fit the cross-seller context. We collect a second set of data from salespeople and cross-sellers, and present the results of the study.

**Hypotheses**

**Cross-sellers performance.** Cross-sellers offer additional products and/or services to customers during the sales transaction, which extend beyond the core product sold. For example, finance employees (F/I) in auto dealerships cross-sell extended warranties, service products and financing options while customers are purchasing an automobile. Given that cross-seller’s performance is based on the “extras” that the cross-seller has sold, more cross-selling results in better firm performance (Günes et al., 2010). While cross-seller performance leads to firm performance, it does not necessarily lead directly to salesperson performance. Indeed, cross-selling means that two separate specialists are pursuing separate sales objectives with the same customer.
The success or failure of cross-sellers in selling additional products to customers does not directly impact the sale of the core product. Thus, salespeople do not depend on the cross-seller’s performance for their own performance. However, the additional cross-selling may add stress and pressure into the sales encounter, which can cause customers to become dissatisfied or terminate the encounter (Günes et al., 2010). Given that cross-selling may be a potential distraction from the sale of the core product/service, salespeople may have to spend more time managing the customer relationship, influencing perceived conflict. Furthermore, if a salesperson develops strong rapport with a customer and the customer is ready to close, the salesperson could resent cross-selling by other employees who have not yet built rapport with the customer.

The perception that cross-functional goals are incongruent leads to higher levels of conflict (Cadogan et al., 2005). However, we contend that the goal incongruence between salespeople and cross-sellers becomes more noticeable to salespeople as cross-seller performance increases. Tellefsen and Eyuboglu (2002, p. 159) explain that functions with different goals try to sway joint decisions and actions to “support their personal goal fulfilment even if it hinders the goal fulfilment of the other employees” causing a “tug-of-war” between the functions. The better the cross-seller’s performance, the more time and effort salespeople have to devote in order to ensure that the core sale is not jeopardized from cross-selling. As such, we expect that better performance by the cross-seller will lead to increased salesperson conflict with the cross-seller:

\[ H5. \] The better the functional performance of cross-sellers, the greater the cross-functional conflict perceived by the salesperson.

**Formal and informal controls.** The effects of formal and informal controls are similar between servicers and cross-sellers as the theoretical arguments remain the same. As stated above, cross-functional training educates employees about each other’s subject matter, informal needs, processes and terminology (Griffin and Hauser, 1996; Maltz and Kohli, 2000; Xie et al., 2003). Therefore, cross-functional training reduces conflict by decreasing misunderstandings, even when functional goals are not congruent.

Similarly, group cohesion refers to a culture of togetherness among employees, which establishes shared values, norms, beliefs, and interpretations of events (Martin and Bush, 2006; Naumann and Bennett, 2000). By encouraging a climate of support and interest among employees, group cohesion also helps salespeople and cross-sellers to address concerns and to strive towards achieving group goals. Therefore, we hypothesize that:

\[ H6. \] The greater the cross-functional training, the lower the cross-functional conflict perceived by the salesperson.

\[ H7. \] The greater the group cohesion, the lower the cross-functional conflict perceived by the salesperson.

**The moderating impact of informal controls.** Unlike formal controls, informal clan controls tend to work more effectively when ambiguity is high (Jaworski and Kohli, 1993). From the salesperson’s point-of-view, cross-selling efforts introduce more uncertainty into the sales encounter. Salespeople are uncertain about how customers will react to cross-selling and may feel greater ambiguity as cross-sales increase. Thus,
informal controls, such as group cohesion, are expected to be more effective in more ambiguous situations.

Informal controls do not focus on overcoming obstacles to selling but rather on changing how salespeople interpret cross-seller performance. Individuals in cohesive groups tend to focus onto the super-ordinate goals of the group, rather than functional goals (Fisher et al., 1997). Group cultures with strong norm sharing and adapting tend to adjust activities to accommodate each other’s concerns and perspectives (Rouzies et al., 2005). Hence, salespeople in cohesive groups tend to be less myopic in viewing functional goals and are less likely to resent accommodating other functional goals. In return, they expect that other groups are also accommodating their concerns. Hence, group cohesion reduces salesperson anxiety and uncertainty caused by strong cross-seller performance. Therefore, as group cohesion strengthens salespeople are less likely to feel conflict with cross-sellers:

H8. As group cohesion increases, the effect of cross-seller performance on cross-functional conflict decreases.

Method
Sample. Consistent with Study 1, the data for Study 2 were collected from new car dealerships, this time with a focus was on salespeople and finance employees. Finance employees (often referred to as F/I) cross-sell to the sender’s customers in the form of financial and service products and service-coordinators service customers without cross-selling. Questionnaires were administered at seven dealerships in a medium-sized Mid-Atlantic city. All sales and finance people were working while the researchers handed out the questionnaire agreed to participate. Excluding unusable questionnaires there were a total of 89 responses for salespeople and 13 responses for finance employees.

There were an average of 18 salespeople per dealership and an average of two finance employees. The average age for salespeople was 38 years (range 20-63), and the average age for finance managers was 38 (range 29-60). Salespeople had been in a car sales career an average of seven years and had been at their current dealership an average of 3.5 years. Finance employees had been in their career an average of eight years and for an average time at the current dealership of five years.

Measures. The measures for cross-functional conflict, cross-functional training, group cohesion, and the control variables were the same as in Study 1. Cross-seller performance of finance employees was measured using the average number of extended warrantees sold at the dealership during the previous month divided by the number of salespeople at the dealership to create a comparable measure. The scales were again assessed for convergent validity, discriminant validity and reliability. The CFA had a chi-square of 69.33, a CFI of 0.97, an IFI of 0.97, an NFI 0.93 and a RMSEA of 0.083. The CFI, IFI and NFI are all above the recommended value of 0.90 and the RMSEA is close to the recommended value of 0.08, which considering the smaller sample size compared to Study 1, indicates that the fit is acceptable. Again, discriminant validity was supported using the Bagozzi et al. (1991) procedure. The average variance explained, construct reliability and Cronbach’s alpha were similar to the first sample, and above the recommended values, demonstrating that the scales have good validity and reliability. Correlations are shown in Table III.
Analysis and results

Study 2 was also tested using a series of regression analyzes (see Table IV). H5 states that higher cross-seller performance leads salespeople to perceive higher levels of conflict. The overall model for salesperson conflict with cross-sellers is statistically significant ($F = 3.163, p < 0.05$) and the coefficient for cross-seller performance is significant and positive (Std.$\beta_5 = 0.381, p < 0.01$), providing evidence to support H5. Thus, as cross-sellers perform better salespeople perceive higher levels of conflict. H6 and H7 state that cross-functional training and group cohesion, respectively, reduce cross-functional conflict between salespeople and cross-sellers. The coefficient for cross-functional training is significant and negative (Std.$\beta_6 = -0.321, p < 0.05$), supporting H6. However, the coefficient for group cohesion is not significant, so H7 is not supported. Therefore, cross-functional training decreases conflict between salespeople and cross-sellers but group cohesion does not.

Finally, H8 states that group cohesion reduces conflict between salespeople and cross-sellers more as cross-seller performance increases. The overall model for

<table>
<thead>
<tr>
<th>IVs</th>
<th>Step 1</th>
<th>Step 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-seller Perf</td>
<td>0.381 **</td>
<td>0.407 **</td>
</tr>
<tr>
<td>CFT</td>
<td>-0.321 *</td>
<td>-0.268 *</td>
</tr>
<tr>
<td>COH</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Perf</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Dyears</td>
<td>NS</td>
<td>NS</td>
</tr>
<tr>
<td>Size</td>
<td>0.330 *</td>
<td>0.369 *</td>
</tr>
<tr>
<td>Interaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-seller Perf × COH</td>
<td>–</td>
<td>0.259 *</td>
</tr>
<tr>
<td>Model $R^2$</td>
<td>0.250</td>
<td>0.310</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.171</td>
<td>0.224</td>
</tr>
<tr>
<td>Model $F$</td>
<td>3.163 *</td>
<td>3.602 **</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>–</td>
<td>0.061</td>
</tr>
<tr>
<td>$F$ for $\Delta R^2$</td>
<td>–</td>
<td>4.925 *</td>
</tr>
</tbody>
</table>

Notes: NS = Not significant; CFT = Cross-functional training; COH = Group cohesion; Perf = Performance; Dyears = Dealership years; Size = Size of the dealership * $p < 0.05$; ** $p < 0.01$

Table III. Study 2 correlations

Table IV. Study 2 regression results
salesperson perception of conflict with cross-sellers that includes the interaction term is statistically significant \( (F = 3.602, p < 0.01) \) and is a significant improvement over the model without the interaction term \( (\Delta F = 4.925, p < 0.05) \). The coefficient for the group cohesion-cross-seller performance interaction is significant \( (\text{Std}.\beta_8 = 0.259, p < 0.05) \), supporting \( H_8 \). Thus, group cohesion reduces the negative impact of cross-seller performance on salesperson perception of conflict.

Study 2 discussion
The results of Study 2 indicate that the performance of cross-sellers positively influences salespeople’s perception of conflict. However, unlike with servicers, salespeople feel greater conflict with cross-sellers when cross-sellers perform well. In other words, salespeople actually view strong cross-seller performance as being negative.

General discussion
Theoretical implications
In this research, we investigate the impact of the functional performance of specialists (servicers and cross-sellers) on cross-functional conflict perceived by the salesperson. We also study the direct and moderating effects of formal (cross-functional training) and informal (group cohesion) controls on cross-functional conflict. While extant research on cross-functional interactions predominantly focuses on structures where employees work together concurrently (e.g. Bobot, 2011; Meunier-FitzHugh and Piercy, 2010; Harris et al., 2008), to our knowledge, ours is the first study to examine conflict between frontline specialists.

We categorize functional specialists as:

- salespeople, the frontline employees responsible for the primary sale;
- servicers, frontline employees who handle steps of the selling process but do not directly sell or cross-sell; and
- cross-sellers, frontline employees who sell additional goods and/or services.

It is important to distinguish between these types of frontline specialists because each has different goals in the selling process, which, in turn, impacts how they work together. According to preliminary interviews, the goals of salespeople are oriented towards selling the core product and/or service, the goals of servicers are oriented towards effectively completing certain tasks during the selling process, and the goals of cross-sellers are oriented towards selling additional products and/or services.

In Study 1, we demonstrate that salesperson perception of cross-functional conflict with servicers, reduces as servicer performance increases. Hence, even when goals are well aligned, poor performance can result in conflict. Conversely, in Study 2, we find that salesperson perception of conflict with cross-sellers decreases as cross-seller performance increases. Thus, incongruent goals cause progressively more conflict between frontline specialists as performance increases. Thus, each function contributes to firm performance in aggregate, yet each function’s goals may complement or be at odds with one another. While extant research has shown that goal alignment impacts cross-functional conflict (e.g. Cadogan et al., 2005; Maltz and Kohli, 2000; Morgan and Piercy, 1998; Menon et al., 1997), the implication of our findings is that it is not just the
alignment of goals, but the attainment of goals (performance) that impacts cross-functional conflict between frontline specialists.

We also examined the effect of formal and informal controls for reducing conflict between functions. We find that group cohesion has a direct and negative impact on salesperson/servicer conflict but does not directly impact salesperson/cross-seller conflict. Cross-functional training, on the other hand, has a direct and negative effect on salesperson/cross-seller conflict but does not directly influence salesperson/servicer conflict. These findings are consistent with Maltz and Kohli’s (2000) conclusion that controls for facilitating integration do not have the same effects between different functional interactions.

Our other findings help to explain why this is the case. When goals are congruent, informal controls decrease conflict directly; whereas, formal controls decrease conflict by changing the interpretation of functional performance (cross-functional training interacts with servicer performance). Conversely, when goals are incongruent, the opposite is true; formal controls decrease conflict directly and informal controls decrease conflict indirectly through interpretation of functional performance (group cohesion interacts with servicer performance).

The theoretical implication of the findings discussed above is that controls can moderate the relationship between functional performance and conflict depending upon the type of functional specialist involved (servicer or cross-seller). Cross-functional training reduces salesperson conflict as servicer performance decreases. This is because cross-functional training teaches salespeople the causes of problems that servicers encounter and helps them to improve communication so that problems can be resolved jointly. Hence, cross-functional training alters how salespeople react to low servicer performance. Similarly, group cohesion reduces conflict as cross-seller performance increases. Group cohesion helps to focus the attention of salespeople on super-ordinate group goals and makes salespeople more willing to accommodating cross-sellers.

Managerial implications

In many firms, multiple frontline specialists work together on the same sales transaction. By splitting frontline employees into separate functional roles, employees can develop stronger competencies, abilities and expertise in their specialization (Moncrief and Marshall, 2005). However, this structure can be difficult to implement because specialists must be able to work together effectively in order to assist customers (Johnston and Marshall, 2009). Conflict between specialists can cause a variety of problems such as increased turnover, arguments, and poor trust (De Dreu and Weingart, 2003; Cadogan et al., 2005; Bradford and Weitz, 2009; Le Meunier-FitzHugh and Piercy, 2007; Dixon et al., 2002). Therefore, it is important for managers to use controls that help to minimize conflict between employees.

Our results indicate that salespeople treat other specialists differently depending on whether they feel the specialists’ product/service offering is complementary or competitive. Salesperson perception of cross-functional conflict with servicers reduces as servicer performance increases. This means that salespeople perceive servicers to be providing important and complementary services. Since salespeople feel they benefit when servicers perform competently, salespeople will feel less conflict with servicers as their performance improves. Accordingly, salespeople likely feel that servicers offer a
valuable contribution to the sales team. Conversely, in Study 2, we find that salesperson perception of conflict with cross-sellers increases as cross-seller performance increases. Salespeople perceive cross-seller performance as a “zero-sum” situation; that is, cross-sales are being made at the expense of salespeople. As such, salespeople likely feel threatened by cross-sales, and are unlikely to cooperate with cross-sellers to improve cross-sales.

Researchers have proposed a number of controls for reducing conflict, such as cross-functional training, joint rewards, cross-functional teams, formalization, social orientation, and spatial proximity (e.g. Cadogan et al., 2005; Xie et al., 2003; Mollenkopf et al., 2000). However, previous research shows and our study supports that controls for facilitating integration do not have the same impact between different functional relationships. Therefore, it is important to implement controls strategically – managers should not use a “one size fits all” approach.

Our results indicate that group cohesion directly reduces salesperson conflict with servicers. Managers are encouraged, therefore, to foster on-going social bonds between the servicer and sales functions. On the other hand, cross-functional training reduces salesperson conflict with servicers to a greater degree as servicer performance decreases. Hence, when servicer performance is generally strong, there is little need to cross-train salespeople with servicers. However, servicer performance is likely to vary over time, and may sometimes be weak. Therefore, if managers can foresee events that might cause servicer performance to decrease, for example, because of a change in management, policy, or key personnel, then managers could pre-emptively cross-train salespeople to avoid an escalation in conflict.

We also found that cross-functional training directly reduces conflict between salespeople and cross-sellers. Thus, it is important for managers to continuously maintain cross-functional training between salespeople and cross-sellers in order to minimize conflict. However, group cohesion reduces salesperson conflict with cross-sellers to a greater extent as cross-selling performance becomes stronger. Hence, managers do not need to foster a cohesive environment for salespeople and cross-sellers if cross-sellers are performing poorly. Yet, in our study F/I cross-selling represents a significant source of profit for automobile dealerships so many dealership encouraged strong cross-selling efforts. As such, prior to introducing new cross-sales or promoting existing ones, we recommend that managers pre-empt conflict by cultivating a suitable environment for the development of group cohesion. In this way, salespeople will be less likely to view cross-sellers as competition and more likely to help cross-sellers.

**Limitations and avenues for future research**

This study has a few limitations. First, this study was carried out in a single industry, new automobile dealerships. It should be carried out in other industries such as mortgage sales or telemarketing in order to improve its external validity. Second, only one formal control and one informal control were studied. The effects of additional controls, particularly those managers can influence directly, would be useful to investigate. Third, our research was carried out as two separate studies, in order to prevent biases from one relationship, carrying over to the other relationship. Data collection using a longitudinal design could potentially be carried out, enabling data collection from salespeople, servicers, and cross-sellers within the same organization.
Fourth, during our data collection, it was evident that the tough economic climate was having an adverse effect on automobile sales. Thus, competition between salespeople and cross-sellers could have been higher than normal. It might be useful to study these issues when the economy improves and the stress on automobile sales decreases. Finally, we use a subjective measure of servicer performance in this research, which did not have as strong a reliability as other measures. In the future, attempts should be made to measure servicer performance more precisely. These extensions will improve our understanding of the relationships among different participants in the sequential frontline selling process.

References


Further reading


(The Appendix follows overleaf).
Appendix

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Study 1</th>
<th>Study 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict1</td>
<td>When members of the sale and service departments get together, tensions frequently run high</td>
<td>0.65</td>
<td>AVE = 0.89</td>
</tr>
<tr>
<td>Conflict2</td>
<td>People in the sales and service departments generally dislike interacting with one another</td>
<td>0.82</td>
<td>CR = 0.63</td>
</tr>
<tr>
<td>Conflict3</td>
<td>Protecting one’s departmental turf is considered to be a way of life at this car lot</td>
<td>0.86</td>
<td>( \alpha = 0.89 )</td>
</tr>
<tr>
<td>Conflict4</td>
<td>The objectives pursued by the sales department are incompatible with those of the service department</td>
<td>0.78</td>
<td></td>
</tr>
<tr>
<td>Conflict5</td>
<td>There is significant interdepartmental conflict at this car lot</td>
<td>0.84</td>
<td></td>
</tr>
<tr>
<td>CFT1</td>
<td>I am required to attend cross-functional training</td>
<td>0.63</td>
<td>AVE = 0.77</td>
</tr>
<tr>
<td>CFT2</td>
<td>I am often informed of the importance of other departments</td>
<td>0.80</td>
<td>CR = 0.53</td>
</tr>
<tr>
<td>CFT3</td>
<td>The sales team receives on-going training on how to improve our relationship with other departments</td>
<td>0.74</td>
<td>( \alpha = 0.76 )</td>
</tr>
<tr>
<td>COH1</td>
<td>There is a lot of “team spirit” at the dealership</td>
<td>0.86</td>
<td>AVE = 0.89</td>
</tr>
<tr>
<td>COH2</td>
<td>In this dealership, people take a personal interest in one another</td>
<td>0.90</td>
<td>CR = 0.72</td>
</tr>
<tr>
<td>COH3</td>
<td>In this dealership, people pitch in to help each other out</td>
<td>0.79</td>
<td>( \alpha = 0.89 )</td>
</tr>
<tr>
<td>PERF1*</td>
<td>My job performance is excellent</td>
<td></td>
<td>( \alpha = 0.69 )</td>
</tr>
<tr>
<td>PERF2*</td>
<td>My effort is much greater than other service-coordinators here</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERF3*</td>
<td>My performance is much better than other service people here</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: CFT = Cross-functional training; COH = Group cohesion; PERF = Self-report performance; AVE = Average variance explained; CR = Construct reliability; \( \alpha \) = Cronbach’s Alpha. *Self-rate performance was measured for servicers only; therefore, it was not included in the CFA Table AI.

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