

Institute for
Market-Oriented Management
University of Mannheim
P.O. Box 10 34 62

68131 Mannheim
Germany

Series:
Scientific Working Papers
No.: W102

**Institute for
Market-Oriented Management**

Homburg Ch. / Jensen O.

The Thought Worlds of Marketing and Sales:

Which Differences Make a Difference?

Mannheim 2007

Prof. Dr. Dr. h. c. Christian Homburg

Chair of the Business Administration and Marketing I department at the University of Mannheim, Scientific Director of the Institute for Market-Oriented Management (IMU) at the University of Mannheim and Chairman of the Advisory Board of Professor Homburg & Partner, management consulting firm.

Dr. Ove Jensen

Assistant Professor at the School of Business Administration and Marketing I at Mannheim University. Prior to that position, he worked for several years as a marketing and sales consultant, most recently as Managing Director of the management consulting firm Prof. Homburg & Partner (based in Mannheim, Germany).

Das Institut für Marktorientierte Unternehmensführung

Das **Institut für Marktorientierte Unternehmensführung** an der Universität Mannheim versteht sich als Forum des Dialogs zwischen Wissenschaft und Praxis. Der wissenschaftlich hohe Standard wird gewährleistet durch die enge Anbindung des IMU an die beiden Lehrstühle für Marketing an der Universität Mannheim, die national wie auch international hohes Ansehen genießen. Die wissenschaftlichen Direktoren des IMU sind

Prof. Dr. Hans H. Bauer und **Prof. Dr. Dr. h.c. Christian Homburg**.

Das Angebot des IMU umfasst folgende Leistungen:

◆ **Management Know-How**

Das IMU bietet Ihnen Veröffentlichungen, die sich an Manager in Unternehmen richten. Hier werden Themen von hoher Praxisrelevanz kompakt und klar dargestellt sowie Resultate aus der Wissenschaft effizient vermittelt. Diese Veröffentlichungen sind häufig das Resultat anwendungsorientierter Forschungs- und Kooperationsprojekte mit einer Vielzahl von international tätigen Unternehmen.

◆ **Wissenschaftliche Arbeitspapiere**

Die wissenschaftlichen Studien des IMU untersuchen neue Entwicklungen, die für die marktorientierte Unternehmensführung von Bedeutung sind. Hieraus werden praxisrelevante Erkenntnisse abgeleitet und in der Reihe der wissenschaftlichen Arbeitspapiere veröffentlicht. Viele dieser Veröffentlichungen sind inzwischen in renommierten Zeitschriften erschienen und auch auf internationalen Konferenzen (z.B. der American Marketing Association) ausgezeichnet worden.

◆ **Schriftenreihe**

Neben der Publikation wissenschaftlicher Arbeitspapiere gibt das IMU in Zusammenarbeit mit dem Gabler Verlag eine Schriftenreihe heraus, die herausragende wissenschaftliche Erkenntnisse auf dem Gebiet der marktorientierten Unternehmensführung behandelt.

◆ **Anwendungsorientierte Forschung**

Ziel der Forschung des IMU ist es, wissenschaftliche Erkenntnisse zu generieren, die für die marktorientierte Unternehmensführung von Bedeutung sind. Deshalb bietet Ihnen das IMU die Möglichkeit, konkrete Fragestellungen aus Ihrer Unternehmenspraxis heranzutragen, die dann wissenschaftlich fundiert untersucht werden.

Wenn Sie weitere Informationen benötigen oder Fragen haben, wenden Sie sich bitte an das **Institut für Marktorientierte Unternehmensführung, Universität Mannheim, L5, 1, 68131 Mannheim (Telefon: 0621 / 181-1755)** oder besuchen Sie unsere Internetseite: **www.imu-mannheim.de**.

In seiner Arbeit wird das IMU durch einen **Partnerkreis** unterstützt. Diesem gehören an:

Dr. Arno Balzer,
Manager Magazin

BASF AG,
Hans W. Reiners

Bremer Landesbank,
Dr. Stephan-Andreas Kaulvers

BSH GmbH,
Matthias Ginthum

Carl Zeiss AG,
Dr. Michael Kaschke

Cognis Deutschland GmbH & Co. KG,
Dr. Antonio Trius

Continental AG,
Tor O. Dahle

Deutsche Bank AG,
Rainer Neske

Deutsche Messe AG,
Ernst Raue

Deutsche Post AG,
Jürgen Gerdes

Deutsche Telekom AG,
N.N.

Dresdner Bank AG,
Andree Moschner

Dürr AG,
Ralf W. Dieter

E.On Energie AG,
Dr. Bernhard Reutersberg

EvoBus GmbH,
N.N.

Hans Fahr

Fiege Deutschland GmbH & Co. KG,
Jens Meier

Freudenberg & Co. KG,
Jörg Sost

Focus Magazin Verlag,
Frank-Michael Müller

Fuchs Petrolub AG,
Stefan Fuchs

Stephan M. Heck

Heidelberg Druckmaschinen AG,
Dr. Jürgen Rautert

HeidelbergCement AG,
Andreas Kern

Hoffmann-La Roche AG,
Dr. Hagen Pfundner

HUGO BOSS AG,
Dr. Bruno Sälzer

IBM Deutschland GmbH,
N.N.

IWKA AG,
N.N.

K + S AG,
Dr. Ralf Bethke

KARSTADT Warenhaus GmbH,
Prof. Dr. Helmut Merkel

Prof. Dr. Dr. h.c. Richard Köhler

Körber PaperLink GmbH,
Martin Weickenmeier

L'Oréal Deutschland GmbH,
Rolf Sigmund

Nestlé Deutschland AG,
Christophe Beck

Pfizer Pharma GmbH,
Jürgen Braun

Dr. Volker Pfahlert,
Roche Diagnostics GmbH

Thomas Pflug

Dr. Ing. h.c. F. Porsche AG,
N.N.

Procter & Gamble GmbH,
Willi Schwerdtle

Dr. h.c. Holger Reichardt

Hans Riedel

Robert Bosch GmbH,
Uwe Raschke

Roche Diagnostics GmbH,
Jürgen Redmann

Rudolf Wild GmbH & Co. KG,
N.N.

RWE Energy AG,
Dr. Andreas Radmacher

R+V Lebensversicherung AG,
Hans-Christian Marschler

Thomas Sattelberger,
Continental AG

SAP Deutschland AG & Co. KG
Joachim Müller

Dr. Karl H. Schlingensief,
Hoffmann-LaRoche AG

St. Gobain Deutsche Glass GmbH
Udo H. Brandt

Prof. Dr. Dieter Thomaschewski
FH Ludwigshafen

TRUMPF GmbH & Co. KG,
Dr. Mathias Kammüller

VDMA e.V.,
Dr. Hannes Hesse

Voith AG,
Dr. Helmut Kormann

- W111 Bauer, H. H. / Hammerschmidt, M. / Falk, T. / Lammert, F.: Serviceeffizienz: Messung und Erfolgswirkungen, 2007
- W110 Bauer, H. H. / Huber, F. / Martin, I.: Verkaufstechniken für ein erfolgreiches Kundengespräch im Einzelhandel, 2007
- W109 Bauer, H. H. / Albrecht, C.-M. / Kühnl, Ch.: Aspekte der Einführungsstrategie als Erfolgsfaktoren von Produktinnovationen. Eine qualitative Studie, 2006
- W108 Bauer, H. H. / Hahn, O. K. / Hammerschmidt, M.: Patientenbindung durch Kommunikation – Impulse für das Pharmamarketing, 2006
- W107 Bauer, H. H. / Falk, T. / Zipfel, B. / Hammerschmidt, M.: Ein neuer Ansatz des Zufriedenheitsmanagements – Wie begeistern Sie Ihre Online-Kunden?, 2006
- W106 Bauer, H. H. / Neumann, M. M. / Bryant, M. D. / Thomas, T.: Effective Product Placement, 2006
- W105 Homburg, Ch. / Hoyer, W. / Stock-Homburg, R.: How to get lost customers back? Insights into customer relationship revival activities, 2006
- W104 Homburg, Ch. / Fürst, A.: See No Evil, Hear No Evil, Speak No Evil: A Study of Defensive Organizational Behavior towards Customer, 2006
- W103 Homburg, Ch. / Klarmann, M.: Die Kausalanalyse in der empirischen betriebswirtschaftlichen Forschung - Problemfelder und Anwendungsempfehlungen, 2006
- W102 Homburg, Ch. / Jensen, O.: The Thought Worlds of Marketing and Sales: Which Differences Make a Difference?, 2006
- W101 Homburg, Ch. / Luo, X.: Neglected Outcomes of Customer Satisfaction, 2006
- W100 Bauer, H. H. / Donnevert, T. / Hettenbach, M.: Ist eine Panne eine Chance für die Automobilindustrie? Value-Added Recovery-Services als Instrument zur Steigerung der Kundenzufriedenheit, 2006
- W099 Homburg, Ch. / Fürst, A.: Beschwerdeverhalten und Beschwerdemanagement. Eine Bestandsaufnahme der Forschung und Agenda für die Zukunft, 2006
- W098 Bauer, H. H. / Exler, S. / Reichardt, T. / Ringeisen P.: Der Einfluss der Dienstleistungsqualität auf die Einkaufsstättentreue. Ein empirischer Vergleich zwischen Deutschland und Spanien, 2006
- W097 Bauer, H. H. / Mäder, R. / Wagner, S.-N.: Übereinstimmung von Marken- und Konsumentenpersönlichkeit als Determinante des Kaufverhaltens – Eine Metaanalyse der Selbstkongruenzforschung, 2005
- W096 Bauer, H. H. / Haber, T. E. / Reichardt, T. / Bökamp, M.: Akzeptanz von Location Based Services. Eine empirische Untersuchung, 2006
- W095 Bauer, H. H. / Schüle, A. / Reichardt, T.: Location Based Services in Deutschland. Eine qualitative Marktanalyse auf Basis von Experteninterviews, 2005
- W094 Bauer, H. H. / Reichardt, T. / Schüle, A.: User Requirements for Location Based Services. An analysis on the basis of literature, 2005
- W093 Bauer, H. H. / Reichardt, T. / Exler, S. / Kiss, S.: Entstehung und Wirkung von Smart Shopper-Gefühlen. Eine empirische Untersuchung, 2005
- W092 Homburg, Ch. / Stock, R. / Kühlborn, S.: Die Vermarktung von Systemen im Industriegütermarketing, 2005
- W091 Homburg, Ch. / Bucerius, M.: Is Speed of Integration really a Success Factor of Mergers and Acquisitions? An Analysis of the Role of Internal and External Relatedness, 2006
- W090 Bauer, H. H. / Falk, T. / Kunzmann, E.: Akzeptanz von Self-Service Technologien – Status Quo oder Innovation?, 2005
- W089 Bauer, H. H. / Neumann, M. M. / Huber F.: Präferenzschaffung durch preis-psychologische Maßnahmen. Eine experimentelle Untersuchung zur Wirkung von Preispräsentationsformen, 2005
- W088 Bauer, H.H. / Albrecht, C.-M. / Sauer, N. E.: Markenstress bei Jugendlichen. Entwicklung eines Messinstruments am Beispiel von Kleidung, 2005
- W087 Bauer, H. H. / Schüle, A. / Neumann, M. M.: Kundenvertrauen in Lebensmitteldisounter. Eine experimentelle Untersuchung, 2005
- W086 Bauer, H. H./ Neumann, M. M. / Mäder, R.: Virtuelle Verkaufsberater in interaktiven Medien. Eine experimentelle Untersuchung zur Wirkung von Avataren in interaktiven Medien, 2005
- W085 Bauer, H. H. / Neumann, M. M. / Haber, T. E. / Olic, K.: Markendifferenzierung mittels irrelevanter Attribute. Eine experimentelle Studie, 2005
- W084 Homburg, Ch. / Kuester, S. / Beutin, N. / Menon, A.: Determinants of Customer Benefits in Business-to-Business Markets: A Cross-Cultural Comparison, 2005

- W083 Homburg, Ch. / Fürst, A.: How Organizational Complaint Handling Drives Customer Loyalty: An Analysis of the Mechanistic and the Organic Approach, 2005
- W082 Homburg, Ch. / Koschate, N.: Behavioral Pricing-Forschung im Überblick – Erkenntnisstand und zukünftige Forschungsrichtungen, 2005
- W081 Bauer, H. H. / Exler, S. / Sauer, N.: Der Beitrag des Markenimage zur Fanloyalität. Eine empirische Untersuchung am Beispiel der Klubmarken der Fußball-Bundesliga, 2004
- W080 Homburg, Ch. / Bucerius, M.: A Marketing Perspective on Mergers and Acquisitions: How Marketing Integration Affects Post-Merger Performance, 2004
- W079 Homburg, Ch. / Koschate, N. / Hoyer, W. D.: Do Satisfied Customers Really Pay More? A Study of the Relationship between Customer Satisfaction and Willingness to Pay, 2004
- W078 Bauer, H. H. / Hammerschmidt, M. / Garde, U.: Messung der Werbeeffizienz – Eine Untersuchung am Beispiel von Online-Werbung, 2004
- W077 Homburg, Ch. / Jensen, O.: Kundenbindung im Industriegütergeschäft, 2004
- W076 Bauer, H. H. / Reichardt, T. / Neumann, M. M.: Bestimmungsfaktoren der Konsumentenakzeptanz von Mobile Marketing in Deutschland. Eine empirische Untersuchung, 2004
- W075 Bauer, H. H. / Sauer, N. E. / Schmitt, P.: Die Erfolgsrelevanz der Markenstärke in der 1. Fußball-Bundesliga, 2004
- W074 Homburg, Ch. / Krohmer, H.: Die Fliegenpatsche als Instrument des wissenschaftlichen Dialogs. Replik zum Beitrag „Trotz eklatanter Erfolglosigkeit: Die Erfolgsfaktorenforschung weiter auf Erfolgskurs“ von Alexander Nicolai und Alfred Kieser, 2004
- W073 Bauer, H. H. / Neumann, M. M. / Lange, M. A.: Bestimmungsfaktoren und Wirkungen von Mitarbeiterzufriedenheit. Eine empirische Studie am Beispiel des Automobilhandels, 2004
- W072 Bauer, H. H. / Hammerschmidt, M. / Garde, U.: Marketingeffizienzanalyse mittels Efficient Frontier Benchmarking - Eine Anwendung der Data Envelopment Analysis, 2004
- W071 Bauer, H. H. / Neumann, M. M. / Hölzing, J. A.: Markenallianzen als Instrument des Imagetransfers im elektronischen Handel, 2004
- W070 Bauer, H. H. / Mäder, R. / Valtin, A.: Auswirkungen des Markennamenwechsels auf den Markenwert. Eine Analyse der Konsequenzen von Markenportfoliokonsolidierung, 2003
- W069 Bauer, H. H. / Neumann, M. M. / Hoffmann, Y.: Konsumententypologisierung im elektronischen Handel. Eine interkulturelle Untersuchung, 2003
- W068 Homburg, Ch. / Stock, R.: The Link between Salespeople's Job Satisfaction and Customer Satisfaction in a Business-to-Business Context. A dyadic Analysis, 2003
- W067 Homburg, Ch. / Koschate, N.: Kann Kundenzufriedenheit negative Reaktionen auf Preiserhöhungen abschwächen? Eine Untersuchung zur moderierenden Rolle von Kundenzufriedenheit bei Preisanstiegen, 2003
- W066 Bauer, H. H. / Neumann, M. M. / Hölzing, J. A. / Huber, F.: Determinanten und Konsequenzen von Vertrauen im elektronischen Handel. Eine kausalanalytische Studie, 2003
- W065 Bauer, H. H. / Hammerschmidt, M. / Elmas, Ö.: Messung und Steuerung der Kundenbindung bei Internetportalen, 2003
- W064 Bauer, H. H. / Falk, T. / Hammerschmidt, M.: Servicequalität im Internet. Messung und Kundenbindungseffekte am Beispiel des Internet-Banking, 2003
- W063 Bauer, H. H. / Sauer, N. E. / Müller, V.: Nutzen und Probleme des Lifestyle-Konzepts für das Business-to-Consumer Marketing, 2003
- W062 Bauer, H. H. / Sauer, N. E. / Ebert, S.: Die Corporate Identity einer Universität als Mittel ihrer strategischen Positionierung. Erkenntnisse gewonnen aus einem deutsch-amerikanischen Vergleich, 2003
- W061 Homburg, Ch. / Sieben, F. / Stock, R.: Einflussgrößen des Kundenrückgewinnungserfolgs. Theoretische Betrachtung und empirische Befunde im Dienstleistungsbereich, 2003
- W060 Bauer, H. H. / Sauer, N. E. / Müller, A.: Frauen als Zielgruppe. Das Beispiel einer geschlechtsspezifischen Vermarktung von Bildungsangeboten, 2003
- W059 Bauer, H. H. / Keller, T. / Hahn, O.K.: Die Messung der Patientenzufriedenheit, 2003
- W058 Homburg, Ch. / Stock, R.: Führungsverhalten als Einflussgröße der Kundenorientierung von Mitarbeitern. Ein dreidimensionales Konzept, 2002
- W057 Bauer, H. H. / Hammerschmidt, M./Staat, M.: Analyzing Product Efficiency. A Customer-Oriented Approach, 2002
- W056 Bauer, H. H. / Grether, M.: Ein umfassender Kriterienkatalog zur Bewertung von Internet-Auftritten nach markenpolitischen Zielen, 2002
- W055 Homburg, Ch. / Faßnacht, M. / Schneider, J.: Opposites Attract, but Similarity Works. A Study of Interorganizational Similarity in Marketing Channels, 2002

Weitere Arbeitspapiere finden Sie auf unserer Internet-Seite: www.imu-mannheim.de

Abstract

The literature is divided on whether differences between the thought worlds of marketing and sales are deleterious or beneficial. This paper empirically investigates various facets of thought world differences and their effects on various outcomes. It confirms that differences generally hamper the cooperation between marketing and sales which leads to a lower market performance of the business unit. However, some facets of thought world differences enhance the market performance of the business through a direct effect that outweighs the negative effect mediated by the quality of marketing and sales cooperation: Market performance is enhanced if one side plays the customers' advocate while the other plays the products' advocate. Market performance is also enhanced if one side plays the advocate of short-term considerations while the other plays the advocate of long-term considerations. In contrast, differences between marketing and sales in regard to product knowledge and interpersonal skills are deleterious to market performance. Thus, the kind of difference makes a difference.

Table of Contents

1	Introduction	1
2	Developing the Thought World Perspective on Marketing and Sales	3
2.1	Orientation Dimensions.....	4
2.2	Competence Dimensions.....	4
2.3	Outcome Variables	5
2.4	Control Variables	6
3	Hypotheses Development	7
3.1	The “Thought World Differences are Bad” Perspective.....	7
3.2	The “Thought World Differences Are Both Good and Bad” Perspective .	8
3.3	Impact of Thought World Differences on Cooperation Quality: A Clear Hypothesis	8
3.4	Impact of Thought World Differences on Market Performance: Two Competing Hypotheses.....	9
3.5	Impact of Cooperation Quality on Market Performance	11
4	Methodology.....	12
4.1	Data Collection Procedure	12
4.2	Measurement Procedure	13
4.3	Hypotheses Testing Procedure.....	15
5	Results	16
5.1	Descriptive Results	16
5.2	Results of the Hypotheses Tests	17
5.3	Assessing the Effects of the Respondents’ Functional Background	19
5.4	Assessing the Validity of the Performance Measure.....	20
6	Discussion.....	22
6.1	The Kind of Difference Makes a Difference	22
6.2	Academic Contribution.....	23
6.3	Limitations and Avenues for Future Research	24
6.4	Managerial Implications	25
7	Conclusion.....	26

1 Introduction

Marketing's interfaces with other business functions have attracted increasing research attention. Most studies have focused on marketing's boundaries with R&D (Gupta, Raj, and Wilemon 1986; Ruekert and Walker 1987a) and manufacturing (Griffin and Hauser 1992; Kahn and Mentzer 1998). Others have investigated its interfaces with quality management (Morgan and Piercy 1998), engineering (Fisher, Maltz, and Jaworski 1997), HR (Chimhanzi 2004), IT (Glazer 1997), and finance (De Ruyter and Wetzels 2000; Zinkhan and Verbrugge 2000). Finally, there has been integrative work, comparing several interfaces (Maltz and Kohli 1996, 2000; Ruekert and Walker 1987b).

Curiously, only little attention so far has been devoted to the interface between marketing units and sales units. Research by Panigyrakis and Veloutsou (1999), Piercy (1986) as well as by Workman, Homburg, and Gruner (1998) has indicated that marketing and sales are very often separate departments in organizational reality. Pioneering qualitative work on the interface between marketing and sales (M & S henceforward) has pointed out that it is highly conflict-laden in managerial practice: "The marketing-sales relationship, whilst strongly interdependent, is reported as neither collaborative nor harmonious" (Dewsnap and Jobber 2000, p. 109). Montgomery and Webster (1997, p. 16) report from an MSI conference that "intrafunctional conflict within marketing was a more important topic (...) than we had expected. The most frequently discussed issue was the conflict between sales and marketing."

The pioneering articles consistently attribute these frictions between M & S to differing goals (Strahle, Spiro, and Acito 1996) and "windows on the world" (Cespedes 1996, p. 27). Marketing has been characterized as more long-term oriented and sales as more short-term oriented, marketing as oriented toward products and sales as oriented toward customer relationships (Cespedes 1994). The concept of departmental orientations has been introduced to the organizational literature by Lawrence's and Lorsch's (1969) work on differentiation. More recently, departmental orientations have been framed as part of a broader concept in the organizational literature: departmental thought worlds. The thought world concept has found several applications in literature on strategy-making and new product development (Dougherty 1992; Franckwick et al. 1994; Griffin and Hauser 1996; Maltz 1997; Workman 1993). In their research agenda, Deshpandé and Webster (1989, p. 12, emphasis added) call for more research on "the thought worlds of managers (...). Such an inquiry would center on understanding how

differences in the world views of different groups or departments would help or hinder the enactment of marketing decisions. This approach can be applied usefully to several of the subfunctional divisions, including marketing versus sales.

This statement by Deshpandé and Webster (1989) raises the question whether differences between departmental thought worlds are helpful or hindering. As we will show in our hypothesis development, different research traditions have come to partly contradicting conclusions. However, to the best of our knowledge, no academic research so far has empirically distinguished which kinds of thought world differences are helpful and which are hindering.

Interestingly, contradicting perspectives on the nature of thought world differences can also be found in the managerial literature: Some authors call for similar thought worlds of M & S (Donath 1999). Others call for differentiated thought worlds: Cespedes (1996, p. 30) purports that “the solution is not to eliminate differences among these groups” and that “paradoxically, there is virtue in separating and distinguishing functional roles in order to improve the cross-functional coordination needed” (Cespedes 1995, XXII). Again, Cespedes’ paradox has, to the best of our knowledge, never been followed up on by large-scale empirical research.

Against this background, our study focuses on the thought worlds of M & S. Taking up the unsolved puzzle raised by both academic and managerial literature, the key question of our study is: How do differences between the thought worlds of M & S impact their organizational outcomes? We will especially inquire whether various facets of thought world differences (e.g., product vs. customer orientation, short-term vs. long-term orientation) have positive or negative consequences. To wit: Does the kind of difference make a difference?

At this point, we should clarify which understanding of M & S was used in our study. The literature distinguishes an activity-based perspective and a functional group perspective (Workman, Homburg, and Gruner 1998). The activity-based perspective defines marketing based on specific tasks, such as communication, market research, product management, or pricing – regardless of which organizational subunit carries them out. The functional group perspective focuses on the departmental subunits labelled marketing and sales, regardless of their activities. As our paper studies departmental thought worlds, our perspective follows a functional group perspective.

2 Developing the Thought World Perspective on Marketing and Sales

This section translates the thought world concept to the M & S context. We will develop the conceptualization of M & S thought worlds from the top down, starting with categories of thought world dimensions and ending with definitions of specific dimensions. Figure 1 provides an overview of our conceptual framework.

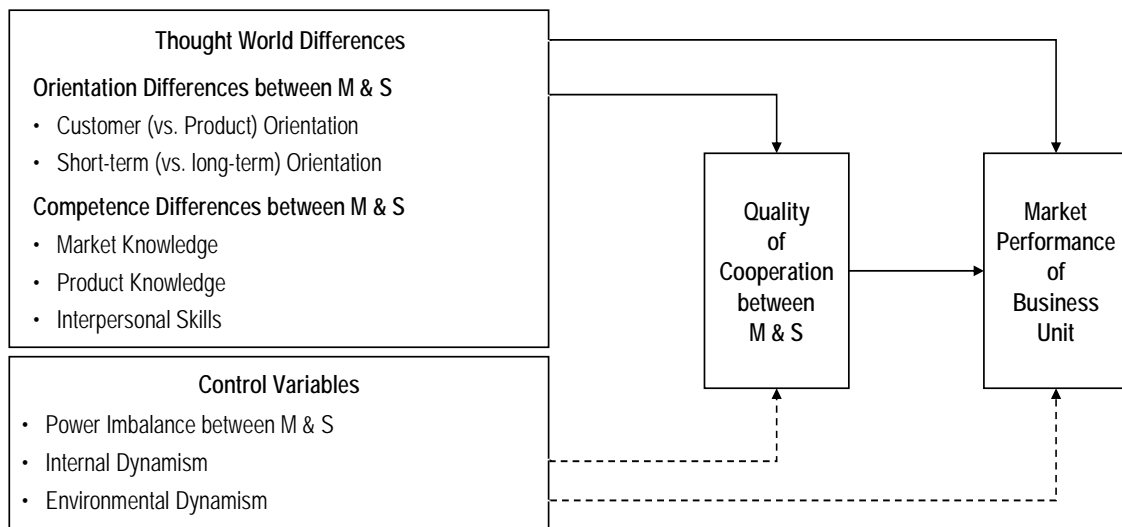


FIGURE 1: Conceptual Model

Dougherty (1992) groups thought world dimensions by two categories: funds of knowledge and systems of meaning. Dougherty explicates systems of meaning in terms of what is seen when looking into the future, what is considered critical, and how the task is understood. In her terminology, then, thought world differences would be different funds of knowledge and different systems of meaning. Interestingly, this parallels the differentiation concept of Lawrence and Lorsch (1969, p. 11) who define differentiation as “the difference in cognitive and emotional orientation among managers in different functional departments”, explicitly subsuming (p. 9) “working styles and mental processes”, “differences in attitude and behavior, not just the simple fact of segmentation and specialized knowledge.” It is important to note that both concepts encompass knowledge and cognitive orientations. Building on these well-known concepts, our framework specifies two types of thought world dimensions: competence dimensions and orientation dimensions. We refer to orientations as the goals, time hori-

zons, and objects at which M & S array their activities. Orientations regulate which information is processed and how conflicting arguments are weighted. We define competence as the level of technical and social capabilities in M & S.

2.1 Orientation Dimensions

Our conceptualization of the orientation dimensions is, on the one hand, grounded in the work of Lawrence and Lorsch (1969). Their conceptualization of differentiation winnows several types of departmental orientations. The two types that have been picked up the most frequently by later research are goal orientation and time orientation (Dougherty 1992; Griffin and Hauser 1996). On the other hand, the orientation dimensions hark back to the managerial reports of differences between M & S referenced in our introduction (e.g., Cespedes 1995; Lorge 1999): Sales has been claimed to be rather short-term oriented and marketing has been conjectured to be comparatively long-term oriented. Differing time orientations are important because they affect judgments on organizational resource investments. As an example, a short-term oriented department may give investments into customer loyalty less priority than a long-term oriented department. Therefore, we define short-term (vs. long-term) orientation of marketing/sales as the extent to which the activities of marketing/sales are guided by immediate action rather than by extensive planning.

Another type of difference has been reported in regard to what M & S seek to optimize: Cespedes (1995) and Lorge (1999) argue that marketing often focuses on products, while sales focuses on customer accounts. One potential clash between a product-oriented and a customer-oriented department occurs when the product-oriented department suggests to eliminate an unprofitable product whereas the customer-oriented department wants to preserve the product because it is the “anchor product” in one important customer relationship. Dougherty (1992, p. 188) uses a similar distinction to compare systems of meaning: Some view their task in building the product while others in developing relationships with buyers. Hence, we define customer (vs. product) orientation of marketing/sales as the extent to which the activities of marketing/sales are guided by customer-related rather than product-related strategies, plans and performance evaluations.

2.2 Competence Dimensions

One hallmark of interdepartmental division of labor is the development of specialized knowledge (McCann and Galbraith 1981). Given constraints on time and other resources, the depth

of knowledge required to cope with a complex task can be accomplished only by forsaking proficiency in other fields of knowledge. Considering knowledge is important in the study of thought worlds as specialized knowledge hampers the ability of two departments to communicate. In fact, “technology-market funds of knowledge” are a key dimension of Dougherty’s (1992) thought world concept. While market knowledge pertains to the external environment of the organization, technology pertains primarily to the internal environment of the organization. Building on this dichotomy, we define market knowledge of marketing/sales as the extent to which a typical employee in marketing/sales is knowledgeable about competitors and customers, and product knowledge of marketing/sales as the extent to which a typical employee in marketing/sales is knowledgeable about products and internal processes.

In addition to such “hard” skills as market and product knowledge, the literature has also discussed “soft” skills or social skills. Important social skills are the abilities to deal with conflicts or to gain trust. Several authors have highlighted that the social competence of the interfacing parties facilitates building interfunctional relations (Hutt 1995; Lucas and Bush 1988; Maltz and Kohli 2000). A similar reasoning is proposed in the early work of Lawrence and Lorsch (1969) whose conceptualization of interdepartmental differentiation includes what they call “interpersonal orientation”. Thus, we deem it crucial to the thought world concept to include the interpersonal skills of marketing/sales which we define as the extent to which a typical employee in marketing/sales is able to sustain conflicts, to communicate, and to convince.

2.3 Outcome Variables

Our framework distinguishes two levels of outcomes: the level of interdepartmental cooperation and the overall level of the business unit. At the cooperation level, the integration construct coined by Lawrence and Lorsch (1969) is widely used in the interface literature (e.g., Kahn 1996; Leenders and Wierenga 2002). It has originally been defined as “the quality of the state of collaboration that exists among departments that are required to achieve unity of effort by the demands of the environment” (Lawrence and Lorsch 1969, p. 11). However, ever since Lawrence and Lorsch (1969, p. 11), the term integration has been fraught with ambiguity: “While we will be using the term ‘integration’ primarily to refer to this state of interdepartmental relations, we will also, for convenience, use it to describe both the process by which this state is achieved and the organizational devices used to achieve it.” Therefore, we

prefer the term quality of cooperation between M & S which we define as the extent to which there exists a state of collaboration between M & S that is characterized by unity of effort.

It is worth emphasizing that a lot of prior literature on marketing's interfaces has merely looked at the quality of cooperation and has not taken the business level into account (e.g., Maltz and Kohli 1996, 2000; de Ruyter and Wetzels 2000; Kahn, Reizenstein, and Rentz 2004). However, thought world differences may have a different impact on cooperation quality than on the overall performance of the business. Therefore, it is indispensable to analyze cooperation-level and business-level outcomes simultaneously. We define the market performance of the business as the extent to which the organization achieves better market-related outcomes than its competitors with respect to such metrics as customer satisfaction and loyalty, new customer acquisition, market share etc.

2.4 Control Variables

Finally, our framework comprises three context variables that have been shown to affect interfunctional relationships and that we need to control for. First, research has pointed out the enormous variation in the structural and non-structural design of the marketing organization (Homburg, Workman, and Jensen 2000; Workman, Homburg, and Gruner 1998). These design variations manifest themselves in varying degrees of power that marketing and sales units have over marketing activities (Homburg, Workman, and Krohmer 1999; Piercy 1989). By controlling for varying degrees of power, we ensure that our results hold across different organizational configurations. Moreover, power imbalance between two groups has been shown to negatively affect their relationship (Anderson and Weitz 1989; Bucklin and Sengupta 1993) which makes its consideration even more essential. We define power imbalance between M & S as the extent to which power over market-related activities is biased toward either marketing or sales. Second, internal change has been demonstrated to encumber internal working relationships and attitudes (Reilly, Brett, and Stroh 1993; Worrall, Parkes, and Cooper 2004) as well as marketing's interfunctional relationships (Maltz and Kohli 2000; Maltz, Souder, and Kumar 2001). We define internal dynamism as the extent to which organizational structures, processes, leadership, and strategy within the organization change frequently. Third, market turbulence and technological turbulence have been shown to impact the market performance of the firm (Kirca, Jayachandran, and Bearden 2005). We define environmental dynamism as the extent to which competitive activities, customer needs, and technology in the market change frequently.

3 Hypotheses Development

As pointed out in the introduction, it is contentious whether differences between M & S are helpful or hindering. In this chapter, we will first juxtapose two general perspectives on differences between organizational subunits: the “thought world differences are bad” perspective and the “thought world differences are both good and bad” perspective. We will then argue that, while these perspectives permit a clear hypothesis with respect to how thought world differences affect interdepartmental cooperation quality, they do not permit a clear hypothesis with respect to how thought world differences affect overall market performance. Therefore, we will suggest two competing hypotheses concerning the impact of thought world differences on overall market performance.

3.1 The “Thought World Differences are Bad” Perspective

The first perspective on thought world differences is grounded in the social psychology of groups. This research has a strong tradition of viewing thought world differences as detrimental to inter-group cooperation. One simple type of arguments that have been advanced against thought world differences, are variations on the “similarity leads to attraction” theme. As Brown (1996, p. 176) notes, “if there is one ‘law’ of social relations which is almost universally accepted in social psychology it is that similarity leads to attraction”. Conversely, differences are conjectured to lead to inter-group aversion.

A more refined argument is proffered by the social identity and self-categorization perspective (Abrams and Hogg 1999; Tajfel and Turner 1986): Striving to positively distinguish their in-group, people tend to develop negative stereotypes of the out-group (Brown 1996; Hogg and Terry 2000). As Ashford and Mael (1989, p. 33) note, this “desire for favourable inter-group comparisons generates much conflict between differentiated and clearly bounded subunits.” The theory holds that even small thought world differences are exacerbated by the desire for positive distinctiveness.

3.2 The “Thought World Differences Are Both Good and Bad” Perspective

The second perspective on thought world differences is grounded in literature on (strategic) team decision making. This perspective separates two levels of outcomes: the cooperation between organizational subunits and the overall performance of the business. Thought world differences are held to hamper the quality of inter-unit cooperation and to fuel inter-unit conflict, but also to foster decision quality and organizational (or team-) performance. Milliken and Martins (1996, p. 403) use the metaphor of a “double-edged sword”.

Much literature in the “both good and bad” tradition revolves around the diversity of teams (Simons, Pelled, and Smith 1999; Williams and O’Reilly 1998). Some facets of diversity jeopardize team cohesion: For instance, diversity in regard to race, tenure, and values tends to fuel dysfunctional relationship conflicts (Amazon 1996; Jehn 1997; Menon, Bharadwaj, and Howell 1996). In contrast, other facets of diversity represent an opportunity for the quality of team decisions: Informationally and functionally diverse teams are better linked to external networks and have better access to information.

These arguments are related to earlier work on lens models (Mason and Mitroff 1981; Mitroff 1974): Brunswik (1955) suggested that, in an uncertain environment, decision makers cannot observe the “true state” of reality, but have to infer it from a set of available cues. The cues function as a lens between reality and judgment. Depending on how they weight the cues, different people arrive at different judgments. This means that, by confronting and combining diverse views, more precise inferences to real states are possible (Kim and McLeod 1999; Licata, Mowen, and Chakraborty 1995).

3.3 Impact of Thought World Differences on Cooperation Quality: A Clear Hypothesis

It is important to note that the two perspectives make consistent predictions on cooperation quality as an outcome variable: There is consensus in the literature that thought world differences are deleterious to interdepartmental cooperation. Different orientations imply different priorities in the allocation of resources: As an example, compared to a product-oriented department, a customer-oriented department will be more critical of investments into additional product features that are technically fancy, but that the customer is not willing to pay for. On the contrary, a product-oriented department will be more critical of creating additional product variants that please one important account but drive up engineering costs.

Different competences mean that one side has greater market knowledge, product knowledge, or interpersonal skills than the other. As a consequence of this dissimilarity, M & S will develop a stronger in-group identification and more stereotypes about the other group, which ultimately increases conflict (Hogg and Terry 2000). Knowledge differences and different interpersonal skills will also hinder communication between M & S, which negatively affects their ability to reach agreement on debated issues. Therefore, we submit:

H1: Thought world differences between M & S with respect to

- a) customer (vs. product) orientation,
- b) short-term (vs. long-term) orientation,
- c) market knowledge,
- d) product knowledge, and
- e) interpersonal skills

are negatively related to the quality of cooperation between M & S.

3.4 Impact of Thought World Differences on Market Performance: Two Competing Hypotheses

After our review of the two perspectives, the impact of thought world differences on market performance is everything but unequivocal. The “thought world differences are bad” perspective conjectures a negative impact on cooperation quality, which imposes the question why the same negative mechanisms should not also apply to market performance. In contrast, the “thought world differences are both good and bad” perspective suggests that a positive impact of thought world differences on market performance is possible. As Millikan and Martins (1996, p. 403) summarize, “diversity offers both a great opportunity for organizations as well as an enormous challenge.” In addition, it is not clear whether all differences are good for market performance, or only some. As the current state of theory is ambiguous and permits two equally plausible lines of reasoning, we will submit two competing sets of hypotheses to empirical exploration.

On the one hand, it can be argued that different orientations and different competences undermine market performance just as they undermine the quality of cooperation between M & S. As far as different orientations are concerned, frequent internal debates on alternative strategic directions can paralyze the organization. Due to the paralysis, the organization may miss

market opportunities. The positive effect of consensus on performance has also received some empirical support (Bourgeois 1980; Dess 1987; Homburg, Krohmer, and Workman 1999).

As far as different competences are concerned, these may create an interpretive barrier (Dougherty 1992). As a consequence, M & S may interpret strategies differently, causing strategies to get badly implemented. Interpretive barriers due to knowledge differences and different interpersonal skills may even preclude an informed discussion and decision-making of the coalitions in the first place (Frankwick et al. 1994). Finally, it has been shown that market performance is positively influenced by market knowledge and market-oriented capabilities throughout the organization (Day 1994; Marinova 2004). These arguments would lead to hypothesizing:

H2-1: Thought world differences between M & S with respect to

- a) customer (vs. product) orientation,
- b) short-term (vs. long-term) orientation,
- c) market knowledge,
- d) product knowledge, and
- e) interpersonal skills

have a negative impact on the market performance of the business unit.

On the other hand, different orientations and different competences can be argued to enhance market performance. In fact, some studies have found that strategic dissent, rather than strategic consensus, enhances performance (Bourgeois 1985; Dooley and Fryxell 1999). If diverse orientations enter the discussion, more arguments will be processed, more alternatives will be pondered, different skills are shared, and the quality of decisions increases (Eisenhardt and Schoonhoven 1990). Studies have repeatedly shown the advantages of such dialectical and devil's advocacy approaches to decision-making (Cosier 1978; Schweiger, Sandberg, and Ragan 1986). The synthesis emerging from task conflict over the diverse standpoints has been proven as superior to the individual perspectives themselves (Jehn and Mannix 2001; Mason and Mitroff 1981; Schweiger and Sandberg 1989) and has been shown to lead to higher profits for the business (Balasubramanian and Bhardwaj 2004). As far as different competences are concerned, they allow the integration of more information. Contrasting diverse ideas and

competences has been shown to stimulate creativity and learning (Fiol 1994; Jehn, Northcraft, and Neale 1999). Hence, an alternative hypothesis is:

H2-2: Thought world differences between M & S with respect to

- a) customer (vs. product) orientation,
- b) short-term (vs. long-term) orientation,
- c) market knowledge,
- d) product knowledge, and
- e) interpersonal skills

have a positive influence on the market performance of the business unit.

3.5 Impact of Cooperation Quality on Market Performance

Our final hypothesis pertains to the relationship between the cooperation-level and the business-level of consequences. Numerous studies have demonstrated that the quality of cooperation between two departments bears on the market-related outcomes jointly achieved by those departments (for instance, the meta-analysis of Kirca, Jayachandran, and Bearden 2005). Two conceptual arguments shed light on this observation: One line of reasoning emphasizes that high-quality cooperation leads to market performance due to better processing and usage of market-related information in the organization (Jaworski and Kohli 1993; Menon, Jaworski, and Kohli 1997). Another line of reasoning points out that high-quality cooperation means a commitment to implementing decisions (Amason 1996; Homburg, Krohmer, and Workman 1999). Therefore, we hypothesize:

H3: The quality of cooperation between M & S is positively related to the market performance of the business unit.

4 Methodology

4.1 Data Collection Procedure

Given the need for empirical research on the M&S interface, we have conducted a large scale mail survey in seven industry sectors in one European country: financial services, chemical and pharmaceutical industry, machinery industry, utilities, electronics, consumer-packaged goods, and automotive. These sectors were selected based on their macroeconomic importance. By including consumer goods, industrial goods, and services, we also sought for a variety of market settings. We obtained a random sample of strategic business units from a commercial list provider. The sample was stratified by company size in order to have enough variance with respect to this important organizational antecedent. Telephone calls were made in order to verify that the SBU had both a marketing and a sales subunit and to identify informants with an overview of both subunits. The names of 1700 executives were obtained through these procedures.

Respondents were asked to refer to their strategic business unit, or, if their company only had one SBU, to their company. Given our prior identification of SBUs with separate marketing and sales units, respondents were familiar with both terms and were asked to refer to the units labelled marketing and sales.

All respondents were addressed by a personalized letter. As an incentive to participate, we offered a benchmarking report as well as free papers from our University's working paper series. Four weeks after mailing the questionnaires, follow-up phone calls were made. As a further step to ensure the appropriateness of the respondents, two items were included at the end of the questionnaire asking how competent the respondents felt to answer the questions and how strongly the respondents are involved in the cooperation between M & S. Returned questionnaires were discarded if one of these items was rated lower than four on a five-point scale, five indicating high competence. As a result, 337 completed and usable questionnaires were obtained, which is a response rate of 20%. We controlled for a possible non-response bias by comparing construct means for early and late respondents (Armstrong and Overton 1977). Only one of the ten constructs showed significant ($p < .10$) differences between early and late respondents. Hence, this test speaks against the existence of a major non-response bias. Table 1 describes the composition of our sample. Beyond the information contained in Table 1, it is important to note that 177 of our respondents have professional experience in

both M & S, i.e., know both thought worlds from inside. The average job experience of these people in M & S is 16.6 years, with a median of 14 years.

Given that our independent and dependent measures stem from the same person, we collected additional performance data from independent sources to validate our market performance measure. Using two financial databases and annual reports from the firms' websites, we obtained operating profits and operating revenues. Segment reports were used when available. We did not use the objective performance data if the revenues figures obtained from the financial reports were substantially larger than the self-reported revenues stated in the questionnaire. As publicity requirements are less comprehensive in Europe than in the United States, we could not get the required figures for many family-owned, foundation-owned, and state-owned companies. Overall, these procedures yielded financial performance data for 185 of our 337 datasets. Matching the time horizon of the market performance measure, a 3-year average was computed for the return on sales. We standardized that return on sales by industry.

Industry		Position of Respondent		Number of Employees	
Financial Services	26%	Head of Marketing	46%	<400	23%
Consumer Packaged Goods	19%	Head of Sales	36%	400-999	15%
Utilities	12%	General Manager / Director	4%	1000-2999	27%
Chemical/Pharmaceutical	12%	Head of Marketing Communication	4%	>3000	28%
Automotive	11%	Head of Product Management	4%		
Machinery	10%	Other	6%		
Electronics	5%				
Other	5%				

TABLE 1: Sample Composition

4.2 Measurement Procedure

General Measurement Approach. Two types of measures were used in the survey: reflective multi-item measures, and formative multi-item measures. If observed variables (and their variances and covariances) were manifestations of underlying constructs, we used a reflective measurement model (Bagozzi and Baumgartner 1994). In that case, the scales' psychometric properties can be assessed by means of confirmatory factor analysis (Anderson and Gerbing 1988; Fornell and Larcker 1981). We applied reflective measures if not otherwise indicated.

If a construct was a summary index of observed variables, a formative measurement model is more appropriate (Diamantopoulos and Winklhofer 2001; Jarvis, MacKenzie, and Podsakoff 2003). In that case, observed variables cover different facets of the construct and cannot be expected to have significant intercorrelations. We used a formative scale to measure market knowledge and product knowledge because, for example, being knowledgeable about customers does not necessarily go along with being knowledgeable about competitors. Thus, the knowledge constructs represent a knowledge index across the partial facets of knowledge. We applied the same formative measurement logic to the power imbalance construct: for example, if sales dominates price-related tasks, that does not inevitably entail that sales dominates market research tasks as well.

Scale Development. As our study is the first to quantitatively explore the thought worlds of marketing and sales, we could not draw on many well-established scales in the literature. Most scales had to be modified from existing scales or newly created. The modification and creation of scales was based on an extensive literature review and semi-structured qualitative interviews with at least one manager from each of the industries sampled. A draft of the questionnaire was pre-tested and refined with 20 additional managers. Through these procedures, we ensured the content validity of our items. Appendix A lists our scale items and the literature that we built on. As our thought world domains are rather broad and unexplored, we used quite heterogeneous items (Little, Lindenberger, and Nesselrode 1999). No questionnaire items of the thought world constructs were eliminated. As indicated in Appendix A, only on one of the control variables (environmental dynamism) the item pool was purified due to extremely low item-to-total correlations.

Scale Assessment. Appendix A provides our scale properties. Appendix B provides summary statistics and correlations. Measure reliability and validity of the reflective measurements were assessed using confirmatory factor analysis, which is considered to be superior to more traditional criteria (such as Cronbach's alpha) because of its less restrictive assumptions (Bagozzi, Yi, and Phillips 1991; Gerbing and Anderson 1988). All independent and dependent latent variables were included in one multi-factorial CFA model. This model showed a satisfactory fit to the data (AGFI=.9, RMSEA=.08, SRMR=.08). Based on the estimates from this model, composite reliability and discriminant validity were scrutinized. Composite reliability represents the shared variance among a set of observed variables measuring an underlying construct (Fornell and Larcker 1981). All of our constructs exceed the threshold value of

.6 that is recommended in the literature (Bagozzi and Yi 1988, p. 82), the lowest reliability being .63. Discriminant validity was assessed based on the criterion suggested by Fornell and Larcker (1981) and did not show any violation: The highest extent of shared variance between two latent variables in the phi matrix is .18, which is much lower than the average variance extracted of any construct.

Measurement of Differences. For each orientation and competence variable, a twin scale was used: one for marketing and the other for sales. The items for the differences between orientations and competences were computed by subtracting the item scores of marketing from the item scores of sales and by squaring that difference (Tsui and O'Reilly 1989). Hence, the larger the discrepancy between M & S, the larger the difference score, regardless of who has the higher and who has the lower score. Our approach is consistent with diversity research that uses measurements of dissimilarity built on squared differences (Jehn, Chadwick, and Thatcher 1997; Tsui, Egan, and O'Reilly 1992). An alternative approach, polynomial regression, cannot be applied in our case as it assumes measurement without error (Edwards 1994, 2001; Smith and Tisak 1993; Tisak and Smith 1994). One important caveat is that, depending on the correlation between the constituents, the reliability of algebraic difference scores may be poor (Peter, Churchill, and Brown 1993). However, given composite reliabilities of .88, .63 and .69 for our reflective measures, this is not a serious problem in our case.

4.3 Hypotheses Testing Procedure

Our hypotheses propose both direct and indirect effects of thought world differences on market performance. The indirect effects, mediated by the quality of cooperation, are all hypothesized to be negative, whereas the direct effects may be positive. As we seek to simultaneously test the direct and the indirect path hypotheses and to explore whether the direct or the indirect effects are stronger, we are bound to using structural equation modelling. We used the LISREL 8.72 software package. Polynomial regression which has been suggested as an alternative to difference scores (Edwards 1994, 2001) cannot model the direct and indirect paths that are essential to testing our hypotheses.

Given our sample size of 337, it is impossible to include all constructs into one single structural equation model: The ratio between the number of observations and the number of parameters to be estimated ($N : t$) would be only 1.5 : 1 for this complex model. However, a ratio of 5 : 1 is generally viewed as a minimum requirement to achieve stable inference, given

that methods for the estimation and testing of structural equation models are based on asymptotic theory (Bentler and Chou 1987; Baumgartner and Homburg 1996). Complex covariance structure models with small sample sizes are receiving increasing attention in methodological research (Hoogland and Boomsma 1998). Recent simulation studies hypothesize that even higher ratios than 5 : 1 may be necessary for stable inferences on the total model (Herzog, Boomsma, and Reinecke 2006). Against this background, we analyze five separate models, one for each thought world facet (i.e., product knowledge, interpersonal skills etc.). Each model contains the difference construct, the two outcome variables, and the three control variables. Our N : t ratios are 6 : 1 for two of the five models and 5 : 1 for the other three. Given that the highest correlation between two constructs in Appendix B is only .32, separating the models involves a rather limited danger of a missing variable bias.

Measures of overall fit evaluate how well the model reproduces the observed variables' covariance matrix. GFI and AGFI are two descriptive overall fit measures for which a minimum value of 0.9 is usually considered to be acceptable (Bagozzi and Yi 1988; Baumgartner and Homburg 1996). RMSEA is a fit measure based on the concept of noncentrality. Usually values up to .08 are considered to indicate reasonable model fit (Browne and Cudeck 1993). As shown in Table 2, three models miss the RMSEA criterion very closely (.09 after rounding up). However, AGFI and GFI values indicate satisfactory fit for all our five models.

5 Results

5.1 Descriptive Results

Figure 2 shows the overall means for the five thought world dimensions. Mean differences are highly significant ($p < .001$) for customer (vs. product) orientation, short-term (vs. long-term) orientation and market knowledge. The average thought world profile of marketing and sales is fairly balanced between customers and products as well as between the short run and the long run. However, sales inclines toward a customer orientation and a short-term orientation, while marketing inclines toward a product orientation and a long-term orientation. Sales has a higher market knowledge than marketing. M & S do not differ in regard to product knowledge and interpersonal skills.

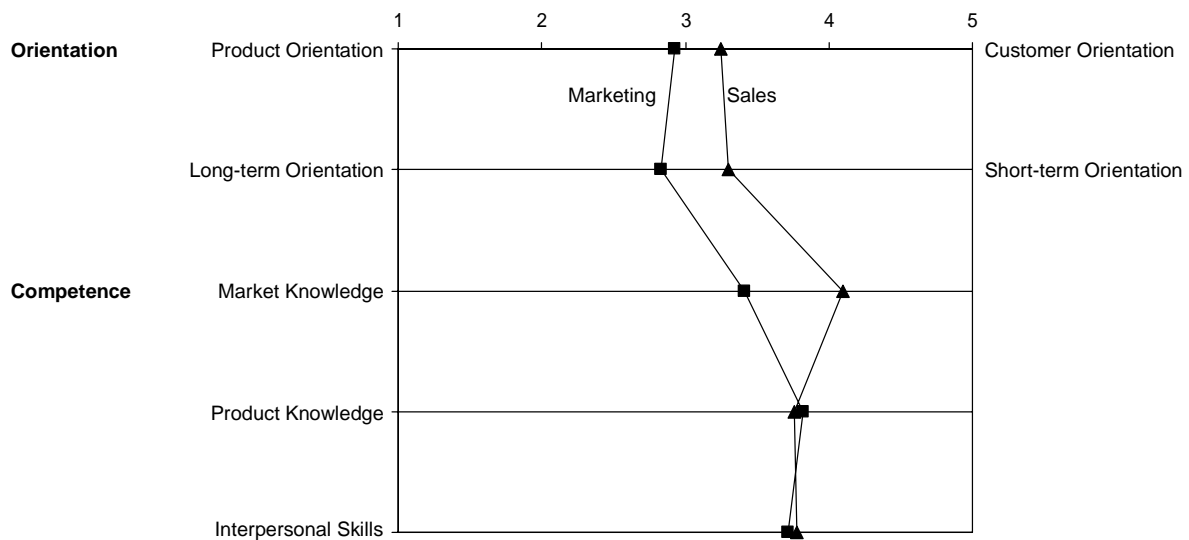


FIGURE 2: Thought World Profiles of Marketing and Sales

These results provide large-scale empirical confirmation to anecdotal descriptions of M & S thought worlds in the literature. As an example, Cespedes (1994) as well as Kotler (1977) state that sales has a shorter time horizon than marketing. With respect to customer (vs. product) orientation, Cespedes (1996, p. 27) claims that “each group has a different window on the world: Product management tends to view developments in terms of assigned products, (...) sales in terms of its specific accounts.” Carpenter (1992, p. 29) points out the superior market knowledge of sales: “Salespeople are in constant contact with prospects and customers. They’re a fantastic informational conduit.”

5.2 Results of the Hypotheses Tests

Table 2 summarizes the results of our five structural equation models. To begin with the least complex hypothesis, Hypothesis 3 is corroborated: All five models consistently show a positive and highly significant impact of the quality of M & S cooperation on the market performance of the business unit. Hypotheses 1a through 1e are also confirmed: Different orientations as well as different competences of M & S adversely affect the quality of cooperation. The effects are highly significant. To summarize, thought world differences are bad for the quality of cooperation between M & S.

We now evaluate which of the competing hypotheses concerning the effect of thought world differences on market performance are empirically supported. The results are intriguing. Dif-

ferences in regard to customer (vs. product) orientation have a positive direct effect on the market performance of the business unit, confirming Hypothesis 2-2a. Hence, it is beneficial to have one side champion a product orientation and the other side champion a customer orientation. In the same way, differences in regard to short-term (vs. long-term) orientation have a positive direct effect on the market performance of the business unit, which supports Hypotheses 2-2b: It is beneficial to have one side play the advocate of short-term considerations and the other side the advocate of long-term considerations.

Independent Variable		Dependent Variable				
Domain	Construct	Model	Quality of Cooperation between M & S		Market Performance of Business Unit	
			Hyp.	Result	Hyp.	Result
Performance	Quality of Cooperation between M & S	1				.24 ***
		2				.25 ***
		3			H ₃ : + ✓	.25. ***
		4				.24 ***
		5				.21 ***
Orientation	Differences between M & S in regard to Customer (vs. Product) Orientation	1	H _{1a} : - ✓	-.11 ***	H _{2-1a} : - H _{2-2a} : + ✓	.14 ***
	Differences between M & S in regard to Short-term (vs. Long-term) Orientation	2	H _{1b} : - ✓	-.23 ***	H _{2-1b} : - H _{2-2b} : + ✓	.10 **
Competence	Differences between M & S in regard to Market Knowledge	3	H _{1c} : - ✓	-.07 **	H _{2-1c} : - H _{2-2c} : +	.00
	Differences between M & S in regard to Product Knowledge	4	H _{1d} : - ✓	-.08 ***	H _{2-1d} : - ✓ H _{2-2d} : +	-.09 **
	Differences between M & S in regard to Interpersonal Skills	5	H _{1e} : - ✓	-.28 ***	H _{2-1e} : - ✓ H _{2-2e} : +	-.13 ***
Model	Global Fit Statistics		χ^2 / df	RMSEA	GFI	AGFI
		1	3.0	.08	.95	.94
		2	3.2	.08	.95	.94
		3	3.3	.09	.95	.94
		4	3.2	.09	.96	.94
5	2.7	.08	.95	.94		

Values shown are completely standardized path coefficients
n.s.: $t < 1.282$; *: $t \geq 1.282$, $p < 0.10$; **: $t \geq 1.645$, $p < 0.05$; ***: $t \geq 2.326$, $p < 0.01$; ✓: hypothesis confirmed

TABLE 2: Results of Hypotheses Tests

As different orientations have a negative effect on cooperation quality, but a positive impact on market performance, it is insightful to compare its positive direct effect on market per-

formance to the negative indirect effect that is mediated by cooperation quality. For differences in regard to customer (vs. product) orientation, the direct effect is .14 while the indirect effect is -.03, yielding a positive total effect on market performance of .11. In the case of differences in regard to short-term (vs. long-term) orientation, the direct effect is .10 while the indirect effect is -.06, yielding a positive total effect on market performance of .04. It is one of our key findings that the beneficial effect of different orientations on market performance, both in regard to customer (vs. product) orientation and in regard to short-term (vs. long-term) orientation, outweighs the detrimental effect on cooperation quality.

To continue the tests of the competing hypotheses, we found no significant effect for differences in regard to market knowledge, so that neither hypothesis is supported. However, there are significant effects for differences in regard to product knowledge and in regard to interpersonal skills: Differences in regard to product knowledge have a negative impact on market performance. This confirms Hypothesis 2-1d. Likewise, differences in regard to interpersonal skills have a negative direct impact on the market performance of the business unit, which confirms Hypothesis 2-1e. Thus, another key finding of our study is that the signs for different competences between M & S are opposite to the signs for different orientations: different orientations between M & S are good for market performance, while different competences are bad for market performance.

5.3 Assessing the Effects of the Respondents' Functional Background

As shown in Table 1, our sample cumulates respondents from marketing and respondents from sales. Thus, it is necessary to probe whether the results of our hypotheses tests differ between marketing respondents and sales respondents. Using the two largest groups in the dataset, the "Head of Sales" (n=120) and the "Head of Marketing" (n=155), we conducted two tests to assess whether the effects of thought world differences differ between the marketing respondents and the sales respondents. First, we tested whether the correlations between the difference variables and the dependent variables are significantly different. Toward this end, correlations were transformed into Fisher z values. The correlations are significantly different on a 5% (two-tail) level if the normal curve deviate of the z difference exceeds 1.96 (Cohen et al. 2003, p. 49). As shown in Table 3, none of the 10 correlations differs significantly between marketing and sales respondents: the highest value found was 1.64, the lowest 0. Hence, comparing the key correlations does not indicate a single violation that would speak against cumulating marketing respondents and sales respondents.

As a second test, we analyzed two-group LISREL-models for the marketing respondents and the sales respondents. We compared a constrained case where the effects of thought world differences on the dependent variables are set equal across the marketing and sales groups to an unconstrained case. If the introduction of the equality constraint increases the Chi-Square statistic by more than 3.841, the equality model fits the data significantly (5%) worse. As shown in Table 3, none of the Chi-Square differences even gets close to the critical value of 3.841. To conclude, there is strong evidence that the results of the hypotheses tests do not differ between marketing respondents and sales respondents and that pooling them is justified.

Predictor Variable	Dependent Variable	Correlation Comparison	Multi-Group Model Comparison
		Normal Curve Deviate of z Difference*	χ^2 - Difference between Constrained and Unconstrained Model**
Differences regard to Customer (vs. Product) Orientation	Quality of Cooperation	.33	.88
	Market Performance	-.83	2.06
Differences in regard to Short-term (vs. Long-term) Orientation	Quality of Cooperation	-.60	1.94
	Market Performance	.08	.03
Differences in regard to Market Knowledge	Quality of Cooperation	1.64	.05
	Market Performance	-.65	1.07
Differences in regard to Product Knowledge	Quality of Cooperation	.82	.01
	Market Performance	-.08	.09
Differences in regard to Interpersonal Skills	Quality of Cooperation	-.95	.00
	Market Performance	0	.04

* Values < 1.96 and values > -1.96 indicate $p > .05$; ** Values < 3.841 indicate $p > .05$

TABLE 3: Comparing Respondents From Marketing to Respondents From Sales

5.4 Assessing the Validity of the Performance Measure

In order to scrutinize whether the results of our hypotheses tests are merely statistical artifacts of a same source bias (Podsakoff et al. 2003), we used the objective performance data obtained from independent sources. We reanalyzed the structural equation models for the five difference constructs substituting the objective performance measure for the perceptual market performance measure.

Table 4 shows the parameter estimates for our validation analyses. The results are largely consistent with those for the market performance measure (Table 2). To begin with, all positive and negative effect signs are the same as in the main analyses: Orientation differences

positively affect overall business performance, while competence differences negatively affect overall business performance. The performance effects of customer (vs. product) orientation, short-term (vs. long-term) orientation, product knowledge, interpersonal skills, and cooperation quality are significant, which is consistent with the main analyses. The effect of market knowledge differences on overall business performance is significant in the validation analysis, while it is not significant in the main analysis. However, we do not see this as a major concern for the validity of our performance measure, because the sign of the market knowledge effect is consistent with the emergent hypotheses on thought world differences (orientation differences are good, competence differences are bad). To conclude, our validation analyses suggest that our subjective performance measure has external validity.

Independent Variable		Model	Dependent Variable	
Domain	Construct		Quality of Cooperation between M & S	Standardized Financial Performance
Performance	Quality of Cooperation between M & S	1		.30 ***
		2		.27 ***
		3		.18 ***
		4		.19 ***
		5		.18 ***
Orientation	Differences between M & S in regard to Customer (vs. Product) Orientation	1	-.47 ***	.23 **
	Differences between M & S in regard to Short-term (vs. Long-term) Orientation	2	-.26 ***	.29 **
	Differences between M & S in regard to Market Knowledge	3	-.07 *	-.33 ***
Competence	Differences between M & S in regard to Product Knowledge	4	-.12 ***	-.07 *
	Differences between M & S in regard to Interpersonal Skills	5	-.20 ***	-.14 **

Values shown are completely standardized path coefficients

n.s.: $t < 1.282$; *: $t \geq 1.282$, $p < 0.10$; **: $t \geq 1.645$, $p < 0.05$; ***: $t \geq 2.326$, $p < 0.01$

TABLE 4: Replication of Hypotheses Tests with Objective Performance as Dependent Variable

6 Discussion

6.1 The Kind of Difference Makes a Difference

Harking back to the seeming paradox that we discussed in the introduction of this paper, we are now in a better position to answer whether differences between M & S are beneficial or deleterious. Our empirical results reject the “thought world differences are bad” perspective and support the more differentiated “thought world differences are both good and bad” perspective. The results for our exploratory hypotheses suggest that different orientations between M & S have a positive effect on overall market performance, whereas different competences have a negative effect on overall market performance. The kind of difference obviously makes a difference.

What does it mean that different orientations are good? One typical situation that illustrates how market performance is enhanced by different time orientations, arises in the context of pricing: Faced with price pressure from customers, sales may be tempted to myopic price cuts (and hence, revenue and profit sacrifices) if marketing did not act as the devil’s advocate (Schweiger, Sandberg, and Ragan 1986) arguing for a long-term perspective. Kotler (1977, p. 68) has noted that, in the sales organization, “people are not counterbalanced often enough with ‘brand management’ personnel, who think in terms of long-run product strategy and its financial implications.” A typical situation that exemplifies how different customer (vs. product) orientations foster market performance occurs in the context of new product development: the product-oriented department may be tempted to equip a new product version with too many new features, if it were not counterbalanced by the customer-oriented department that warns against overcharging the customer.

But whence comes it that competence differences are bad? Why do diverse competences decrease market performance? The thought world literature draws attention to one adverse effect of diverse competences: Dougherty (1992, p. 182) points out that “thought worlds with different funds of knowledge cannot easily share ideas”. And: “These differences can preclude the development of an optimal design” (p. 196). We conclude that there is a fundamental difference between orientation differences and competence differences: Different orientations do not inhibit mutual exchange and synthesis of positions. In contrast, differences between the interpersonal skills and between the knowledge funds of M & S pose an interpretive barrier

that precludes the exchange, understanding, and synthesis of ideas, and, ultimately, optimal decisions (Frankwick et al. 1994; Workman 1993).

6.2 Academic Contribution

This study extends academic marketing research in several ways. First, it is one of the first to deal with the managerially important interface between M & S. This interface has long been neglected in the literature, but has lately been chosen as one of the topics of the AMA thought leadership forums (Rouziès et al. 2005). In the past, many organizational studies have treated M & S as one functional unit although they are often separate departments in practice. Moreover, many writers have assumed that the unification of M & S is advantageous, if not mandatory for the implementation of the marketing concept. Finally, it has been suggested that, as organizations move toward process forms, functional differences become less relevant (Piercy 1986; Webster 1992; Workman, Homburg, and Gruner 1998). Our study challenges these assumptions by showing which benefits accrue from differences between separate M & S units.

Second, ours is, to the best of our knowledge, the largest empirical database of the M & S interface. The M & S interface has long been empirically under-researched. We collected questionnaires from several industries and from more than 300 firms. In comparison, the pioneer studies of Strahle, Spiro, and Acito (1996) sampled 25 firms while Workman, Homburg, and Gruner (1998) sampled 47 firms. Our large sample allows us to derive statements that can be generalized across industries.

Third, this paper identifies dimensions of M & S thought worlds. Our conceptualization of the thought world dimensions unites the work of Lawrence and Lorsch (1969) on differentiation with new literature on thought world differences (Dougherty 1992). This paves the way for more quantitative work on the thought worlds of M & S and on thought worlds in general. We hold that a quantitative approach to thought worlds is a valuable complement to a qualitative (or interpretive) approach (Dougherty 1992; Frankwick et al. 1994; Workman 1993). Both approaches make specific contributions to knowledge and stimulate each other.

Fourth, our study conceptually and empirically distinguishes between beneficial and deleterious kinds of thought world differences. It challenges the widespread notion that all thought world differences are deleterious. For example, Dewsnap's and Jobber's (2002) conceptual work on the M & S interface had unilaterally focused on the negative consequences of inter-

group differentiation between M & S. Our finding that different orientations can be beneficial, builds a bridge to the new theory of team diversity (Jehn, Northcraft, and Neale 1999; Simons, Pelled, and Smith 1999) and team conflict (Jehn and Mannix 2001; Pelled, Eisenhardt, and Xin 1999) that has pointed out the positive effects of diversity and task conflict.

6.3 Limitations and Avenues for Future Research

We would like to indicate several limitations of our study. First, the response rate is fairly low. Therefore, despite the encouraging tests reported in the paper, we cannot exclude that the respondents to our survey are already concerned with the M & S interface and that our perceptual measures are truncated. Second, the marketing-related questions and the sales-related questions were answered by the same informant. Hence, although the tests reported in this paper do not indicate larger problems, we cannot exclude a potential common method bias and a potential loss of information. Third, almost half of our observations stem from respondents who have, in their career, been immersed only in either a marketing or a sales thought world. Therefore, the thought world assessments provided by these respondents are perceptions of an outsider. Future research should obtain all measures from paired thought world insiders. Fourth, although we collected performance data from independent sources, we do not have that data for all firms in our sample. Fifth, although our conceptualization of M & S thought worlds covers the most frequently mentioned differences between M & S, we cannot claim to cover all dimensions that are relevant. Future research should additionally explore such cognitive orientations as quantitative vs. qualitative orientation, analytical vs. intuitive orientation, ability to deal with structured vs. unstructured problems, such emotional orientations as high vs. low arousal, positive vs. negative outlook, expressive vs. non-expressive attitude. Sixth, future research should investigate whether thought worlds are really shaped by functional membership or rather by educational background. For example, it should be explored whether engineers in marketing, in terms of their thought world, are closer to engineers in sales or to their commercial colleagues in marketing. Seventh, as our study asked the respondents to refer to the units labelled marketing and sales in their organization and as different organizations use the terms marketing and sales differently, the marketing units and the sales units in our study are not homogeneous. While our power imbalance measure controls for different activity profiles of M & S, our data does not permit to discern the reporting relationships of M & S, budgets, and access to top management. Future research should also investigate the relationship between interdepartmental differences and integration mechanisms

(Martinez and Jarillo 1989; McCann and Galbraith 1981; Van den Ven, Delbequec, and Koenig 1976). Finally, there is a need for taxonomical work identifying empirical varieties of M & S configurations.

6.4 Managerial Implications

Our results send four messages to managerial practice. First, this study shows that identical thought worlds in M & S are not desirable. It refutes the often-heard claim to completely level any differences between M & S. Thought world differences are both good and bad. It is the kind of difference that makes a difference.

Second, this study cautions managers not to maximize harmony between M & S. What is good for the quality of cooperation between M & S is not necessarily good for the market performance of the business unit. Our results encourage firms to install an internal role structure that fosters devil's advocacy. Devil's advocacy ensures that more relevant information and more arguments enter into market-related decisions.

Third, this study demonstrates that different goal orientations and different time orientations of M & S are bad for the cooperation quality between M & S, but good for the market performance of the business unit. One side should champion the product dimension of the business while the other side should champion the customer dimension of the business. Likewise, one side should champion the long-term dimension of the business while the other side should champion the short-term dimension of the business. In this sense, our study confirms our introductory citation from Cespedes (1996, p. 30) "not to eliminate differences" and to distinguish the functional roles of M & S.

Fourth, this study suggests that differences between M & S in regard to interpersonal skills and product knowledge are detrimental both cooperation quality and market performance. Thus, in terms of interpersonal skills, Donath's (1999) call to get marketing and sales "one the same wavelength" is supported as well.

To summarize, the mode of symbiosis suggested by this study is that M & S should have similar competences and different orientations. In a nutshell: similar people with different missions. People in the M & S organization should be qualified to work in either a marketing or a sales environment. This can be achieved through training policies in the short-run, job rotation in the mid-run, and hiring policies in the long-run. Tasks should be assigned such that one side, likely marketing, plays the long-term oriented advocate of product profitability,

while the other side, likely sales, plays the short-term oriented advocate of customer relationship profitability. Design of incentive systems helps to achieve the desired orientations.

7 Conclusion

We believe that just as conflict is being rehabilitated in recent organizational research (Pondy 1992), it is time to “un-demonize” interdepartmental differences in research on marketing’s interfaces. This is underscored by our finding that market performance grows best in an environment that maintains a certain level of tension between marketing as a long-term, product’s voice and sales as a short-term, customer’s voice.

APPENDIX A

Scale Items for Construct Measures

Construct	Items	Composite Reliability	Construct
Quality of Cooperation between M&S	To what extent do you agree with the following statements: In our business unit / company, marketing and sales <ul style="list-style-type: none"> collaborate frictionless act in concert coordinate their market-related activities have few problems in their cooperation achieve their common goals trust each other 	.93	<ul style="list-style-type: none"> reflective measure based on Ellinger (2000) 5-point scale anchors: <ul style="list-style-type: none"> 1=strongly disagree, 5=strongly agree
Market Performance of Business Unit	To what extent has your business unit / your company achieved better results than the competition in the following areas over the last 3 years: <ul style="list-style-type: none"> achieving customer satisfaction and loyalty achieving or maintaining the envisioned market share gaining new customers making profits fast reaction to opportunities and threats in the market 	.78	<ul style="list-style-type: none"> reflective measure based on Homburg and Pflesser (2000) 5-point scale anchors: 1=much worse, 3=like, 5= much more than competition
Differences between M & S in regard to Customer (vs. Product) Orientation	The sales (marketing) unit of our business unit / company <ul style="list-style-type: none"> aligns volume and revenue plans primarily by... <ul style="list-style-type: none"> 1=products vs. 5=customers aligns strategy definition primarily by... <ul style="list-style-type: none"> 1=products vs. 5=customers aligns performance evaluations primarily by... <ul style="list-style-type: none"> 1=products vs. 5=customers 	.88	<ul style="list-style-type: none"> reflective measure based on Cespedes (1995), Lawrence and Lorsch (1969) 5-point semantic differential squared difference between marketing and sales item scores
Differences between M & S in regard to Short-term (vs. Long-term) Orientation	The sales (marketing) unit of our business unit / company <ul style="list-style-type: none"> is characterized by a... <ul style="list-style-type: none"> 1=systematic/analytical approach vs. 5=pragmatic/intuitive approach has a planning horizon that is rather... <ul style="list-style-type: none"> 1=long-term vs. 5=short-term 	.63	<ul style="list-style-type: none"> reflective measure based on Cespedes (1995), Lawrence and Lorsch (1969) 5-point semantic differential squared difference between marketing and sales item scores
Differences between M & S in regard to Market Knowledge	Please think of a typical employee in marketing (sales) in your business unit / in your company. How do you assess this employee with respect to the following aspects: <ul style="list-style-type: none"> knowledge about customers knowledge about competitors 	formative scale	<ul style="list-style-type: none"> formative measure 5-point scale anchors: 1=low, 5=high squared difference between marketing and sales item scores
Differences between M & S in regard to Product Knowledge	Please think of a typical employee in marketing (sales) in your business unit / in your company. How do you assess this employee with respect to the following aspects: <ul style="list-style-type: none"> knowledge about products knowledge about internal processes 	formative scale	<ul style="list-style-type: none"> formative measure 5-point scale anchors: 1=low, 5=high squared difference between marketing and sales item scores
Differences between M & S in regard to Interpersonal Skills	Please think of a typical employee in marketing (sales) in your business unit / in your company. How do you assess this employee with respect to the following aspects: <ul style="list-style-type: none"> ability to work in a team communication skills negotiation skills persuasiveness and assertiveness conflict tolerance empathy 	.69	<ul style="list-style-type: none"> reflective measure 5-point scale anchors: <ul style="list-style-type: none"> 1=low, 5=high squared difference between marketing and sales item scores
Power Imbalance between M&S	Please rate who in your business unit/in your company is primarily responsible for the following tasks: <ul style="list-style-type: none"> Communication tasks (e.g., definition of communication activities, design of trade fair appearances) Market research tasks (e.g., analysis of market potential, planning and execution of a customer satisfaction analysis) Distribution tasks (e.g., customer relationship management, definition of sales channels) Service tasks (e.g., definition of product-related services and training offers) Strategic tasks (e.g., definition of a market strategy) Product-related tasks (e.g., design and introduction of new products) Price-related tasks (e.g., definition of price positioning, discounts, and price promotions) 	formative scale	<ul style="list-style-type: none"> formative measure based on Homburg, Workman, and Krohmer (1999) 5-point scale anchors: 1=predominantly marketing's responsibility, 3=joint responsibility, 5=predominantly sales' responsibility computed as squared deviation from scale middle (i.e., 3)

Construct	Items	Composite Reliability	Construct
Internal Dynamism	<p>Please indicate how frequently the following aspects change in your business unit / in your company:</p> <ul style="list-style-type: none"> • work processes • evaluation criteria for employees • organizational structure • superiors • business strategy 	.78	<ul style="list-style-type: none"> • reflective measure • 5-point scale • anchors: 1=very seldom, 5=very frequently
Environmental Dynamism	<p>Please indicate how frequently the following aspects change in the market served by your business unit / by your company:</p> <ul style="list-style-type: none"> • products of the competition • customer needs • product technology • (services of the competition, eliminated) • (advertising campaigns of the competition, eliminated) 	.66	<ul style="list-style-type: none"> • reflective measure • based on Maltz and Kohli (1996) • 5-point scale • anchors: 1=very seldom, 5=very frequently



APPENDIX B
Correlations and Summary Statistics

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1. Market Performance of BU	1.00																			
2. Quality of Cooperation between M&S	.27	1.00																		
3. Differences between M&S in regard to Customer (vs. Product) Orientation	.11	-.05	1.00																	
4. Customer (vs. Product) Orientation of M	.05	.08	-.32	1.00																
5. Customer (vs. Product) Orientation of S	.17	.13	.14	.26	1.00															
6. Differences between M&S in regard to Short-term (vs. Long-Term) Orientation	.02	-.21	.25	-.05	-.07	1.00														
7. Short-term (vs. Long-term) Orientation of M	-.18	-.11	-.06	.05	-.00	-.30	1.00													
8. Short-term (vs. Long-term) Orientation of S	-.10	-.24	.23	-.07	.00	.25	.13	1.00												
9. Differences between M&S in regard to Interpersonal Skills	-.14	-.23	.02	-.03	-.06	.18	.10	.06	1.00											
10. Interpersonal Skills of M	.25	.29	-.00	.22	.04	-.02	-.21	-.03	-.31	1.00										
11. Interpersonal Skills of S	.23	.40	.08	.02	.14	-.11	-.11	-.17	-.16	.37	1.00									
12. Differences between M&S in regard to Market Knowledge	.02	-.05	.13	-.20	.12	.01	.09	-.08	.31	-.22	.07	1.00								
13. Market Knowledge of M	.20	.18	-.06	.23	-.03	-.01	-.20	.00	-.17	.50	.16	-.58	1.00							
14. Market Knowledge of S	.25	.18	.08	.03	.19	-.09	-.05	-.10	-.02	.22	.44	.18	.17	1.00						
15. Differences between M&S in regard to Product Knowledge	-.08	-.10	-.04	-.02	.01	.13	.13	.00	.32	-.21	-.07	.30	-.23	.00	1.00					
16. Product Knowledge of M	.27	.23	.15	-.11	.10	-.01	-.20	.10	-.28	.41	.24	-.17	.39	.22	-.33	1.00				
17. Product Knowledge of S	.14	.12	-.03	.22	.00	-.05	-.04	-.27	.00	.17	.21	.02	.22	.40	-.11	-.07	1.00			
18. Power Imbalance between M&S	-.04	-.11	-.04	.07	.04	.10	.07	-.14	.14	-.04	.02	.12	-.03	.11	.17	-.15	.09	1.00		
19. Internal Dynamism	-.12	-.06	.09	.03	.00	-.01	-.07	.07	-.06	.04	.04	-.05	.07	.02	-.04	-.03	-.02	-.03	1.00	
20. Environmental Dynamism	.10	.16	.13	-.09	.00	-.04	.01	-.01	-.07	.07	.19	.02	-.01	.07	.01	-.04	-.03	-.05	.22	1.00
Summary Statistics																				
Empirical Range	1.4-5	1.3-5	0-16	1-5	1-5	0-16	1-5	1-5	0-8.8	1.2-5	1-5	0-16	1-5	2-5	0-16	1-5	1.5-5	0-4	1-4.8	1-5
Mean	3.46	3.51	2.07	2.93	3.25	2.12	2.83	3.30	1.25	3.72	3.78	2.51	3.41	4.10	2.06	3.82	3.76	2.03	2.69	2.80
Standard Deviation	0.66	.80	3.00	1.04	1.01	2.60	.95	0.93	1.36	.72	.65	2.39	.85	.66	2.41	.82	.70	.80	.69	.78

Further References and Readings

- Abrams, Dominic and Michael A. Hogg (1999), *Social Identity and Social Cognition*, Oxford.
- Amason, Allen C. (1996), "Distinguishing the Effects of Functional and Dysfunctional Conflict on Strategic Decision Making: Resolving a Paradox for Top Management Teams," *Academy of Management Journal*, 39 (1), 123-148.
- Anderson, James C. and David W. Gerbing (1988), "Structural Equation Modeling in Practice: A Review and Recommended Two-Step Approach," *Psychological Bulletin*, 103 (May), 411-423.
- Anderson, Erin and Barton A. Weitz (1989), "Determinants of Continuity in Conventional Industrial Channel Dyads," *Marketing Science*, 8 (4), 310-323.
- Armstrong, J. Scott and Terry S. Overton (1977), "Estimating Nonresponse Bias in Mail Surveys," *Journal of Marketing Research*, 14 (August), 396-402.
- Ashford, Blake E. and Fred Mael (1989), "Social Identity Theory and the Organization," *Academy of Management Review*, 14 (1), 20-39.
- Bagozzi, Richard P. and Hans Baumgartner (1994), "The Evaluation of Structural Equation Models and Hypothesis Testing," in *Principles of Marketing Research*, Richard P. Bagozzi, ed., Cambridge MA, 386-422.
- and Youjae Yi (1988), "On the Evaluation of Structural Equation Models," *Journal of the Academy of Marketing Science*, 16 (1), 74-94.
- , ----, and Lynn W. Phillips (1991), "Assessing Construct Validity in Organizational Research," *Administrative Science Quarterly*, 36 (September), 421-458.
- Balasubramanian, Sridhar and Pradeep Bhardwaj (2004), "When Not All Conflict is Bad: Manufacturing-Marketing Conflict and Strategic Incentive Design," *Management Science*, 50 (4), 489-502.
- Baumgartner, Hans, and Christian Homburg (1996), "Applications of Structural Equation Modeling in Marketing and Consumer Research: A Review," *International Journal of Research in Marketing*, 13 (2), 139-161.
- Bentler, Peter M. and Chih-Ping Chou (1987), "Practical Issues in Structural Modeling," *Sociological Methods & Research*, 16 (1), 78-117.
- Bourgeois, L.J. III (1980), "Performance and Consensus," *Strategic Management Journal*, 1 (3), 227-248.

- (1985), "Strategic Goals, Environmental Uncertainty, and Economic Performance in Volatile Environments," *Academy of Management Journal*, 28 (3), 548-573.
- Brown, Rupert (1996), "Tajfel's Contribution to the Reduction of Intergroup Conflict," in *Social Groups and Identities: Developing the Legacy of Henri Tajfel*, William P. Robinson, ed., Oxford, 169-189.
- Browne, Michael W. and Robert Cudeck (1993), "Alternative Ways of Assessing Model Fit," in *Testing Structural Equation Models*, Kenneth A. Bollen and J. Scott Long, eds., Newbury Park.
- Brunswik, Egon (1955), "Representative Design and Probabilistic Theory in a Functional Psychology," *Psychological Review*, 62 (3), 193-217.
- Bucklin, Louis P. and Sanjit Sengupta (1993), "Organizing Successful Co-Marketing Alliances," *Journal of Marketing*, 57 (April), 32-46.
- Carpenter, Philip (1992), "Bridging the Gap Between Marketing and Sales," *Sales&Marketing Management*, March 1992, 29-31.
- Cespedes, Frank V. (1994), "Industrial Marketing: Managing New Requirements," *Sloan Management Review*, Spring 1994, 45-60.
- (1995), *Concurrent Marketing: Integrating Product, Sales, and Service*, Boston.
- (1996), "Beyond Teamwork: How the Wise Can Synchronize," *Marketing Management*, 5 (1), 25-37.
- Chimhanzi, Jacqueline (2004), "The Impact of Marketing/HR Interactions on Marketing Strategy Implementation," *European Journal of Marketing*, 38 (1/2), 73-98.
- Cohen, Jacob et al. (2003), *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*, 3rd ed., Mahwah, NJ.
- Cosier, Richard A. (1978), "The Effects of Three Potential Aids for Making Strategic Decisions on Prediction Accuracy," *Organizational Behavior and Human Performance*, 22, 295-306.
- Day, George S. (1994), "The Capabilities of Market-Driven Organizations," *Journal of Marketing*, 58 (October), 37-52.
- Denison, Daniel R. (1996), "What Is the Difference Between Organizational Culture and Organizational Climate? A Native's Point of View on a Decade of Paradigm Wars," *Academy of Management Review*, 21 (3), 619-654.

- De Ruyter, Ko and Martin Wetzels (2000), "The Marketing-Finance Interface: A Relational Exchange Perspective," *Journal of Business Research*, 50, 209-215.
- Deshpandé, Rohit and Frederick E. Webster (1989), "Organizational Culture and Marketing: Defining the Research Agenda," *Journal of Marketing*, 53 (January), 3-15.
- Dess, Gregory G. (1987), "Consensus on Strategy Formulation and Organizational Performance: Competitors in a Fragmented Industry," *Strategic Management Journal*, 8 (3), 259-277.
- Dewsnap, Belinda and David Jobber (2000), "The Sales-Marketing Interface in Consumer Packaged-Goods Companies: A Conceptual Framework," *Journal of Personal Selling & Sales Management*, 2/2000, 109-119.
- and ---- (2002), "A Social Psychological Model of Relations Between Marketing and Sales," *European Journal of Marketing*, 36 (7/8), 874-894.
- Diamantopoulos, Adamantios and Heidi M. Winklhofer (2001), "Index Construction with Formative Indicators: An Alternative to Scale Development," *Journal of Marketing Research*, 38 (May), 269-277.
- Donath, Bob (1999), "Get Marketing, Sales On Same Wavelength," *Marketing News*, Sept. 13, 16.
- Dooley, Robert S. and Gerald E. Fryxell (1999), "Attaining Decision Quality and Commitment from Dissent: The Moderating Effects of Loyalty and Competence in Strategic Decision-Making Teams," *Academy of Management Journal*, 42 (4), 389-402.
- Dougherty, Deborah (1992), "Interpretive Barriers to Successful Product Innovation in Large Firms," *Organization Science*, 3 (2), 179-202.
- Edwards, Jeffrey R. (1994), "The Study of Congruence in Organizational Behavior Research: Critique and a Proposed Alternative," *Organizational Behavior and Human Decision Processes*, 58, 51-100.
- (2001), "Ten Difference Score Myths," *Organizational Research Methods*, 4 (3), 265-287.
- Eisenhardt, Kathleen M. and Claudia Bird Schoonhoven (1990), "Organizational Growth: Linking Founding Team, Strategy, Environment, and Growth among U.S. Semiconductor Ventures, 1978-1988," *Administrative Science Quarterly*, 35 (3), 504-529.
- Ellinger, Alexander E. (2000), "Improving Marketing/Logistics Cross-Functional Collaboration in the Supply Chain," *Industrial Marketing Management*, 29 (1), 85-96.

- Fiol, C. Marlene (1994), "Consensus, Diversity, and Learning in Organizations," *Organization Science*, 5 (3), 403-420.
- Fisher, Robert J., Elliot Maltz, and Bernard J. Jaworski (1997), "Enhancing Communication Between Marketing and Engineering: The Moderating Role of Relative Functional Identification," *Journal of Marketing*, 61 (July), 54-70.
- Fornell, Claes and David F. Larcker (1981), "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error," *Journal of Marketing Research*, 18 (February), 39-50.
- Frankwick, Gary L. et al. (1994), "Evolving Patterns of Organizational Beliefs in the Formation of Strategy," *Journal of Marketing*, 58 (April), 96-110.
- Gerbing, David W. and James C. Anderson (1988), "An Updated Paradigm for Scale Development Incorporating Unidimensionality and Its Assessment," *Journal of Marketing Research*, 25 (2), 186-192.
- Glazer, Rashi (1997), "Strategy and Structure in Information-Intensive Markets: The Relationship Between Marketing and IT," *Journal of Market Focused Management*, 2/1997, 65-81.
- Griffin, Abbie and John R. Hauser (1992), "Patterns of Communication Among Marketing, Engineering, and Manufacturing: A Comparison Between Two New Product Teams," *Management Science*, 38 (3), 360-373.
- and ---- (1996), "Integrating R&D and Marketing: A Review and Analysis of the Literature," *Journal of Product Innovation Management*, 13, 191-215.
- Gupta, Ashok K., S.P. Raj, and David Wilemon (1986), "A Model for Studying R&D-Marketing Interface in the Product Innovation Process," *Journal of Marketing*, 50 (April), 7-17.
- Herzog, Walter, Anne Boomsma, and Sven Reinecke (2006), "The Model-Size Effect on Traditional and Modified Tests of Covariance Structures," *Structural Equation Modeling*, forthcoming.
- Hogg, Michael A. and Deborah J. Terry (2000), "Social Identity and Self-Categorization Processes in Organizational Contexts," *Academy of Management Review*, 25 (1), 121-140.
- Homburg, Christian, Harley Krohmer, and John P. Workman, Jr. (1999), "Strategic Consensus and Performance: The Role of Strategy and Market-Related Dynamism," *Strategic Management Journal*, 20, 339-357.

- and Christian Pflesser (2000), "A Multiple-Layer Model of Market-Oriented Organizational Culture: Measurement Issues and Performance Outcomes," *Journal of Marketing Research*, 37 (November), 449-462.
- , John P. Workman Jr., and Ove Jensen (2000), "Fundamental Changes in Marketing Organization: The Movement Toward a Customer-Focused Organizational Structure," *Journal of the Academy of Marketing Science*, 28 (Fall), 459-478.
- , ----, and Harley Krohmer (1999), "Marketing's Influence Within the Firm," *Journal of Marketing*, 63 (April), 1-17.
- Hoogland, Jeffrey J. and Anne Boomsma (1998), "Robustness Studies in Covariance Structure Modeling: An Overview and a Meta-Analysis," *Sociological Methods & Research*, 26 (3), 329-367.
- Hutt, Michael D. (1995), "Cross-Functional Working Relationships in Marketing," *Journal of the Academy of Marketing Science*, 23 (4), 351-357.
- Jarvis, Cheryl B., Scott B. Mackenzie and Philip M. Podsakoff (2003), "A Critical Review of Construct Indicators and Measurement Model Misspecification in Marketing and Consumer Research," *Journal of Consumer Research*, 30 (September), 199-218.
- Jaworski, Bernard J. and Ajay K. Kohli (1993), "Market Orientation: Antecedents and Consequences," *Journal of Marketing*, 57 (July), 53-70.
- Jehn, Karen A. (1997), "A Qualitative Analysis of Conflict Types and Dimensions in Organizational Groups," *Administrative Science Quarterly*, 42, 530-557.
- , Clint Chadwick and Sherry M. Thatcher (1997), "To Agree or Not to Agree: The Effects of Value Congruence, Individual Demographic Dissimilarity, and Conflict on Workgroup Outcomes," *International Journal of Conflict Management*, 8 (4), 287-305.
- , and Elizabeth A. Mannix (2001), "The Dynamic Nature of Conflict: A Longitudinal Study of Intragroup Conflict and Group Performance," *Academy of Management Journal*, 44 (2), 238-251.
- , Gregory B. Northcraft, and Margaret A. Neale (1999), "Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups," *Administrative Science Quarterly*, 44, 741-763.
- Kahn, Kenneth B. (1996), "Interdepartmental Integration: A Definition with Implications for Product Development Performance," *Journal of Product Innovation Management*, 13, 137-151.

- and John T. Mentzer (1998), "Marketing's Integration with Other Departments," *Journal of Business Research*, 42, 53-62.
- , Richard C. Reizenstein, and Joseph O. Rentz (2004), "Sales-Distribution Interfunctional Climate and Relationship Effectiveness," *Journal of Business Research*, 57 (10), 1085-1091.
- Kim, Choong N. and Raymond McLeod, Jr. (1999), "Expert, Linear Models, and Nonlinear Models of Expert Decision Making in Bankruptcy Prediction: A Lens Model Analysis," *Journal of Management Information Systems*, 16 (1), 189-206.
- Kirca, Ahmet H., Satish Jayachandran, and William O. Bearden (2005), "Market Orientation: A Meta-Analytic Review and Assessment of Its Antecedents and Impact on Performance," *Journal of Marketing*, 69 (2), 24-41.
- Kotler, Philip (1977), "From Sales Obsession to Marketing Effectiveness," *Harvard Business Review*, 55 (6), 67-75.
- Lawrence, Paul R. and Jay W. Lorsch (1969), *Organization and Environment: Managing Differentiation and Integration*, Homewood.
- Licata, Jane W., John C. Mowen, and Goutam Chakraborty (1995), "Diagnosing Perceived Quality in the Medical Service Channel," *Journal of Health Care Marketing*, 15 (4), 42-49.
- Little, Todd D., Ulman Lindenberger, and John R. Nesselroade (1999), "On Selecting Indicators for Multivariate Measurement and Modeling With Latent Variables: When 'Good' Indicators Are Bad and 'Bad' Indicators Are Good," *Psychological Methods*, 4 (2), 192-211.
- Lucas, George H. and Alan J. Busch (1988), "The Marketing-R&D Interface: Do Personality Factors Have An Impact?," *Journal of Product Innovation Management*, 5, 257-268.
- Leenders, Mark and Berend Wierenga (2002), "The Effectiveness of Different Mechanisms for Integrating Marketing and R&D," *Journal of Product Innovation Management*, 19, 305-317.
- Lorge, Sarah (1999), "Marketers are from Mars, Salespeople are from Venus," *Sales & Marketing Management*, 151 (4), 27-32.
- Maltz, Elliot (1997), "An Enhanced Framework for Improving Cooperation Between Marketing and Other Functions: The Differential Role of Integrating Mechanisms," *Journal of Market Focused Management*, 2, 83-98.
- and Ajay K. Kohli (1996), "Market Intelligence Dissemination Across Functional Boundaries," *Journal of Marketing Research*, 23 (February), 47-61.

- and ---- (2000), "Reducing Marketing's Conflict With Other Functions: The Differential Effects of Integrating Mechanisms," *Journal of the Academy of Marketing Science*, 28 (4), 479-492.
- , William E. Souder, and Ajith Kumar (2001), "Influencing R&D/Marketing Integration and the Use of Market Information by R&D Managers: Intended and Unintended Effects of Managerial Actions," *Journal of Business Research*, 52 (1), 69-72.
- Marinova, Detelina (2004), "Actualizing Innovation Effort: The Impact of Market Knowledge Diffusion in a Dynamic System of Competition," *Journal of Marketing*, 68 (July), 1-20.
- Martinez, Jon I. and J. Carlos Jarillo (1989), "The Evolution of Research on Coordination Mechanisms in Multinational Corporations," *Journal of International Business Studies*, (Fall), 489-514.
- Mason, Richard O. and Ian I. Mitroff (1981), *Challenging Strategic Planning Assumptions*, New York.
- McCann, Joseph and Jay R. Galbraith (1981), "Interdepartmental Relations," in *Handbook of Organizational Design*, 1, P.C. Nystrom and W.H. Starbuck, eds., 60-84.
- Menon, Ajay, Bernard J. Jaworski, and Ajay K. Kohli (1997), "Product Quality: Impact of Interdepartmental Interactions," *Journal of the Academy of Marketing Science*, 25 (3), 187-200.
- Menon, Anil, Sundar G. Bharadwaj, and Roy Howell (1996), "The Quality and Effectiveness of Marketing Strategy: Effects of Functional and Dysfunctional Conflict in Intraorganizational Relationships," *Journal of the Academy of Marketing Science*, 24 (4), 299-313.
- Milliken, Frances J. and Luis L. Martins (1996), "Searching for Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups," *Academy of Management Review*, 21 (2), 402-433.
- Mitroff, Ian I. (1974), "A Brunswik Lens Model of Dialectical Inquiring Systems," *Theory and Decision*, 5, 45-67.
- Montgomery, David B. and Frederick E. Webster, Jr. (1997), "Marketing's Interfunctional Interfaces: The MSI Workshop on Management of Corporate Fault Zones," *Journal of Market-Focused Management*, 2/1997, 7-26.
- Morgan, Neil A. and Nigel F. Piercy (1998), "Interactions Between Marketing and Quality at the SBU Level: Influences and Outcomes," *Journal of the Academy of Marketing Science*, 26 (3), 190-208.

- Panigyrakis, George C. and Cleopatra A. Veloutsou (1999), "Brand Managers' Interfaces in Different Consumer Goods Industries," *Journal of Product & Brand Management*, 8 (1), 19-37.
- Pelled, Lisa, Kathleen M. Eisenhardt, and Katherine R. Xin (1999), "Exploring the Black Box: An Analysis of Work Group Diversity, Conflict, and Performance," *Administrative Science Quarterly*, 44, 1-28.
- Peter, J. Paul, Gilbert A. Churchill, Jr., and Tom J. Brown (1993), "Caution in the Use of Difference Scores in Consumer Research," *Journal of Consumer Research*, 19, 655-662.
- Podsakoff, Philip M. et al. (2003), "Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies," *Journal of Applied Psychology*, 88 (5), 879-903.
- Pondy, Louis, R. (1992), "Reflections on Organizational Conflict," *Journal of Organizational Behavior*, 13, 257-261.
- Piercy, Nigel F. (1986), "The Role and Function of the Chief Marketing Executive and the Marketing Department," *Journal of Marketing Management*, 1 (3), 265-289.
- (1989), "The Power and Politics of Sales Forecasting: Uncertainty Absorption and the Power of the Marketing Department," *Journal of the Academy of Marketing Science*, 17 (2), 109-120.
- Reilly, Anne H., Jeanne M. Brett, and Linda K. Stroh (1993). "The Impact of Corporate Turbulence on Employee Attitudes," *Strategic Management Journal*, 14, 167-179.
- Rouziès, Dominique et al. (2005), "Sales and Marketing Integration: A Proposed Framework," *Journal of Personal Selling & Sales Management*, 25 (2), 113-122.
- Ruekert, Robert W. and Orville C. Walker, Jr. (1987a), "Marketing's Interaction with Other Functional Units: A Conceptual Framework and Empirical Evidence," *Journal of Marketing*, 51 (January), 1-19.
- and ---- (1987b), "Interactions Between Marketing and R&D Departments in Implementing Different Business Strategies," *Strategic Management Journal*, (8), 233-248.
- Schweiger, David M. and William R. Sandberg (1989), "The Utilization of Individual Capabilities in Group Approaches to Strategic Decision-Making," *Strategic Management Journal*, 10, 31-43.

- , ----, and James W. Ragan (1986), "Group Approaches for Improving Strategic Decision Making: A Comparative Analysis of Dialectical Inquiry, Devil's Advocacy, and Consensus," *Academy of Management Journal*, 29 (1), 51-71.
- , ----, and Paula L. Rechner (1989), "Experiential Effects of Dialectical Inquiry, Devil's Advocacy, and Consensus Approaches to Strategic Decision Making," *Academy of Management Journal*, 32 (4), 745-772.
- Simons, Tony, Lisa Hope Pelled, and Ken A. Smith (1999), "Making Use of Difference: Diversity, Debate, and Decision Comprehensiveness in Top Management Teams," *Academy of Management Journal*, 42 (6), 662-673.
- Smith, Carlla S. and John Tisak (1993), "Discrepancy Measures of Role Stress Revisited: New Perspectives on Old Issues," *Organizational Behavior and Human Decision Processes*, 56, 285-307.
- Strahle, William M., Rosann L. Spiro, and Frank Acito (1996), "Marketing and Sales: Strategic Alignment and Functional Implementation," *Journal of Personal Selling & Sales Management*, 16 (Winter), 1-20.
- Tajfel, Henri and John C. Turner (1986), "The Social Identity Theory of Intergroup Behavior," in: *Psychology of Intergroup Relations*, Stephen Worchel, ed., Chicago, 7-24.
- Tisak, John and Carlla S. Smith (1994), "Defending and Extending Difference Score Methods," *Journal of Management*, 20, 691-694.
- Tsui, Anne S. and Charles A. O'Reilly, III. (1989), "Beyond Simple Demographic Effects: The Importance of Relational Demography in Superior-Subordinate Dyads," *Academy of Management Journal*, 32, 402-423.
- , Terri D. Egan, and Charles A. O'Reilly (1992), "Being Different: Relational Demography and Organizational Commitment," *Administrative Science Quarterly*, 37, 549-579.
- Van den Ven, Andrew H., André L. Delbequec, and Richard Koenig, Jr. (1976), "Determinants of Coordination Modes within Organizations," *American Sociological Review*, 41 (April), 322-338.
- Webster, Frederick E. (1992), "The Changing Role of Marketing in the Corporation," *Journal of Marketing*, 56 (October), 1-17.
- Williams, Katherine Y. and Charles A. O'Reilly, III. (1998), "Demography and Diversity in Organizations," in *Research in Organizational Behavior*, 20, Barry M. Staw and Robert M. Sutton eds., Stanford, CT, 77-140.

- Workman, John P., Jr. (1993), "Marketing's Limited Role in New Product Development in One Computer Systems Firm," *Journal of Marketing Research*, 30 (November), 405-421.
- , Christian Homburg, and Kjell Gruner (1998), "Marketing Organization: An Integrative Framework of Dimensions and Determinants," *Journal of Marketing*, 62 (July), 21-41.
- Worrall, Les, Carole Parkes, and Cary L. Cooper (2004), "The Impact of Organizational Change on the Perceptions of UK Managers," *European Journal of Work and Organizational Psychology*, 13 (2), 139-163.
- Zinkhan, George M. and James A. Verbrugge (2000), "The Marketing/Finance Interface: Two Divergent and Complementary Views of the Firm," *Journal of Business Research*, 50, 143-148.