Measuring Social Identity in Interfunctional Research in Marketing

Abstract
Management of social identities is important for optimizing intergroup relations in organizations, and for overall organizational performance. Research on marketing's intergroup relations employs different social identity constructs. This leaves managers and academics confused as to what impact different social identity constructs have on organizational outcomes. We therefore tested the impact of competing social identity constructs (i.e., functional identity [FI], organizational identity [OI]) on important outcomes. We find different combinations of social identity constructs result in different levels of relationship quality and departmental performance, and that FI and OI measures provide more useful information than the accepted relative functional identity or OI measures in isolation. Academic and practical implications are advanced.

Keywords: *Social identity, identification, marketing-sales interface, integration, collaboration*

Track: *Sales Management and Personal Selling*

1. Introduction

The way individuals identify with different organizational coalitions/groups has proved a powerful predictor of several important organizational outcomes, including job satisfaction, cooperative behavior, in-role performance, organizational citizenship behavior and customer service (Riketta, 2005). Our interest is in how social identity impacts on marketing's relations with other functional groups. Marketing's collaborative working with other functional groups is required in order to overcome the negative effects on performance that arise from the functional 'silo' mentality. Research has shown that employees' sense of social identity can engender collaborative intergroup behaviors. Extant research in this context employs two social identity constructs: organizational identity (OI) (Wieseke, Ahearne, Lam & Dick, 2009) and RFI (relative functional identity) (Cadogan, Sundqvist, Salmien & Puumalainen, 2005; Fisher, Maltz & Jaworski, 1997). This leaves managers and academics with confusion as to what potential differences might emerge whether one considers managing and applying one social identity construct over the other.

In addressing this gap and in an attempt to provide more prescriptive advice to managers in managing identities, we test the impact of competing social identity constructs (i.e. functional identity, organizational identity) on a range of relevant organizational outcomes. The focus of our research is the intergroup relationship between marketing and sales. Empirical research on the interface of these two, (increasingly often) organizationally differentiated (Workman, Homburg, & Gruner, 1998) but wholly interdependent (Dawes & Massey, 2006) organizational sub-units underlines the importance of collaborative, cooperative and coordinated relations for firm success (Homburg, Jensen & Krohmer, 2008; LeMeunier-FitzHugh & Piercy 2007) and the negative consequences of an uncoordinated marketing-sales interface (Strahle, Spiro, & Acito, 1996). It would seem appropriate to study identity constructs in the context of this critical (Dewsnap & Jobber, 2000) and yet oft-cited dysfunctional and non-collaborative organizational interface (Dewsnap & Jobber, 2009).

2. Literature Review

Social identity theory (SIT) serves as the theoretical foundation and justification of our research (Tajfel, 1978). Tajfel (1978) argues that intergroup perception, attitudes and behaviors result directly from categorizing individuals into groups. People derive a sense of identity from membership of social groups, like organizations and functions. Social identities in organizations are important because they impact on work-related outcomes such as citizenship (Bell & Menguc, 2002; Dukerich, Golden, & Shortell, 2002) and intergroup cooperation (Ashforth & Mael, 1989). Perceived membership of a particular social group will shape an individual's cognition and behavior (Tajfel & Turner, 1979), in the sense that individuals are actively aiming to maintain and enhance their self-image by engaging in processes of social comparisons with relevant outgroups (Tajfel, 1978). From an interfunctional perspective, marketing and sales people would seek a positive identity in these comparisons and this search would express itself in the form of positive differentiation in perceptions, attitudes and behavior, effectively in the form of intergroup differentiation (Dewsnap & Jobber, 2009). So, the mere perception of one's membership to the marketing group, for example, would create a positive affective and evaluative bias towards the marketing group and its members. This perception of shared marketing membership could increase the cooperation and cohesion within the marketing group but could be counter to marketing-sales collaborative, intergroup working (Brewer, 1991). However, if organizational

identification were greater, this could express itself in collaborative and cohesive intergroup working – i.e., to the greater good of the organization rather than to the functional group.

2.1 Social identity constructs in research to date

Research in marketing has used two different constructs to measure social identity. Organizational identity (OI), which derives from Ashforth and Mael (1989), and relative functional identity (RFI), from Fisher, Maltz, and Jaworski (1997). Defined by Wieseke, Ahearne, Lam, and Dick (2009, p. 55) as "the extent to which individuals perceive oneness with the organization", the authors find that OI strongly predicts customer-contact employees' sales performance. RFI assumes that employees feel a stronger sense of oneness with their function compared with the organization, and focus first and foremost on functional problems and solutions rather than the interests of the organization. Fisher, Maltz and Jaworski (1997) found that RFI moderated the relationship between integrated goals, norms for information sharing and communication behaviors between manufacturing and marketing groups. Also in an intergroup context, but in an export marketing setting, Cadogan et al. (2005) found that export employees who have high levels of RFI tended to exhibit lower levels of connectedness and higher levels of conflict with other departments.

2.2 Limitations in current identity measurement – research gap

Theoretically, on the basis of these two measures (OI and RFI) used in extant research in marketing, two opposed forms of social identity exist: Organizational (OI) and Functional (FI). Admittedly, OI captures high and low levels of OI well, although it offers little information on levels of FI. From the wording of the Fisher, Maltz, and Jaworski (1997) RFI scale, respondents choose between identifying with one of two groups. Suppose the groups are function and organization. A respondent can indicate a high level of FI or a high level of OI. But, when indicating a high level of FI, the level of OI remains unknown. Similarly, when indicating a high level of OI, the level of FI remains unknown. Therefore, the RFI scale only captures the high identification of a respondent with one of two groups. Combinations of identity between the two groups (e.g. High-Low, Low-High) are not captured. Given that FI and OI could have differing effects on outcomes, it seems remiss to use a measure that only captures information on FI or OI. Therefore, we propose that those wishing to know more about the effects of FI and OI would be better served by using separate measures of FI and OI, as this should result in better, more detailed, prediction of outcome variables. More formally, we offer the following research hypotheses:

H1: Use of separate FI and OI measures will provide greater detail than RFI measures
H2: Respondents with different levels of FI and OI report different group-related outcomes?

3. Methodology

Our questionnaire was sent to 1890 companies sampled from the Kompass database using the process proposed by Dillman (2006). We obtained 239 questionnaires. We discarded 33 questionnaires for reasons of lack of respondent knowledge, incompleteness, or lack of a clearly defined role (e.g. sales and marketing rather than sales or marketing). All measures were pretested through a pilot study of 154 managers. Based on pilot test results all measures were kept in their initial form. To validate key informant data, we assessed the respondent's 1) knowledge of marketing or sales activities in their company; 2) competence to answer the

questionnaire; and 3) knowledge/overview of the company's situation. Our mean rating for respondent quality was 6.02/7.00, indicating respondents answering our questionnaire had a high level of relevant knowledge. Our final sample was 206 cases, a response rate of 11%.

3.1 Measures

Whenever possible we used existing validated measures for our study constructs. Relative functional identity (RFI) was measured with scales developed by Fisher, Maltz and Jaworski (1997). The Organizational Identity (OI) measure was adapted from Mael and Ashforth's (1992) six-item scale. Functional identity (FI) was adapted from Mael and Ashforth's (1992) scale of OI, but items were reworded to reflect identification with the functional group (i.e., marketing or sales) rather than the organization. Relationship quality (RELQUAL) was measured with a scale developed by Homburg and Jensen (2007, p. 126) and following their definition of this construct as "the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort". Our additional outcome variables, departmental performance (DEPTPERF) and departmental contribution to firm performance (DEPTCONT), were developed specifically for this study. The items for these constructs were drawn from relevant literature and from field interviews with 35 key informants. Interviews assisted in the development and refinement of items. All items were measured on 7-point scales, except departmental performance, which used a 9-point scale, with higher responses indicating greater levels of the construct. We followed DeVellis' (2003) scale development procedures throughout.

4. Analysis and Results

We performed an exploratory factor analysis on 29 items measuring: Relative Functional Identity (RFI), Functional Identity (FI), Organizational Identity (OI), Relationship Quality (RELQUAL), Departmental Performance (DEPTPERF), and Department's Contribution to Firm Performance (DEPTCONT). KMO was .829 indicating data was "meritorious" for factor analysis. Bartlett's Test of Sphericity was significant (p = .000), indicating correlations between variables were not equal to zero, and factor analysis could proceed. A clean EFA solution was generated after the removal of four items measuring FI (items 1, 5, 6, 7). The remaining 25 items captured six factors with Eigenvalues greater than 1.0, explaining 72.21% of the total variance. Item loadings ranged from .565 to .949.

A confirmatory factor analysis of the revised 25 items generated a good fit to the data (X^2 = 469.311, p = .000, d.f. = 260, df/X^2 = 1.81, RMSEA = .0627, RMSEA 95% CI .0535 - .0717, GFI = .846, CFI = .955, NNFI = .948). Factor loadings for the CFA ranged from .607 to .932 and all loadings were significant (p <.05). After the CFA, we computed summed average scores for each construct. Construct reliabilities ranged from .79 to .95. Average variance extracted (AVE) estimates for constructs ranged from .50 to .86, indicating good convergent validity, and the largest squared correlation between any two study constructs was .20, indicating good discriminant validity. Harman's one factor test generated a poor fit to the data (X^2 = 4110.664, p = .000, d.f. = 275, df/X^2 = 14.95, RMSEA = .261, RMSEA 95% CI .254-.268, GFI = .397, CFI = .432, NNFI = .380) indicating that method effects were not present. We also computed a summed average, formative, 6-item Social Desirability Bias construct. This exercise only resulted in one weak, significant correlation between the SDB construct and FI (-.18, p = .01). This gave us confidence that bias was not present.

Next, we used our measures of FI and OI to create identity profiles, matching up high and low levels of each construct in a 2x2 matrix (see Figure 1). We then entered these four

profiles (1, 2, 3 and 4 in Figure 1) into a one-way ANOVA and compared the identity profiles on our outcome measures: RELQUAL, DEPTPERF, and DEPTCONT. ANOVA results indicated that identity profiles influenced levels of outcome variables (see Table 1). We interpreted Hochberg's GT2 statistic, as groups had equal variances (all Levene's tests p > .05) but unequal group sizes (Field, 2009). When profiles were compared on their level of relationship quality, significant differences existed between Low-FI-Low-OI and High-FI-Low-OI groups, and between Low-FI-Low-OI and High-FI-High-OI groups. When profiles were compared on their departmental performance, differences existed between Low-FI-Low-OI and High-FI-Low-OI groups, and between Low-FI-Low-OI and High-FI-High-OI groups. When groups were compared on their level of contribution to firm performance, differences existed between the Low-FI-Low-OI and High-FI-High-OI groups.

5. Discussion, Limitations, Future Research Directions

Our study set out to test two hypotheses. H1 stated that use of separate FI and OI measures will provide more information than RFI measures alone. H1 was supported as ANOVA tests revealed that respondents with High-High and Low-Low combinations of FI and OI reported different levels of relationship quality, departmental performance, and departmental contribution to firm performance. These two groups (High-FI-High-OI and Low-FI-Low-OI) are not captured by commonly used measures of RFI. Thus, separate measures of FI and OI provide more useful information on identity than use of RFI and OI measures do, for both academics and practitioners.

Our second hypothesis sought to test whether different combinations of FI and OI among respondents led to different reported levels of group-related outcomes. By creating four (i.e. 2x2) identity profiles of marketing and sales people, with high or low levels of functional and organizational identity, we consistently demonstrated differences between the High-FI-High-OI and Low-FI-Low-OI profiles, across all three outcome measures of relationship quality, departmental performance, and department contribution to firm performance. Thus, H2 was supported.

Academically, these results provide an argument for the use of both functional and organizational identity measures when trying to illustrate the influence of identity profiles on outcome variables. The use of relative functional identity does not adequately capture all necessary information, while use of OI by itself neglects the potentially important influence of FI. Furthermore, if RFI and OI are used in conjunction, there is the potential for overlap in information captured, and thus information redundancy. Technically, RFI is a scale trying to measure two things at once (functional identity and organizational identity), which would generally be considered bad measurement practice.

For practitioners, these results highlight the importance of due consideration of both functional and organizational identity. Careful management of identity profiles could be adopted, with the aim of increasing certain organizational outcomes.

In identifying the non-validity of RFI, our research offers a valuable methodological contribution. However, as with all research is it not without its limitations. On the basis of a study conducted only with marketing and sales people we are unable to conclude that our results would generalize to other populations beyond that of marketing and salespeople. Future research could therefore usefully explore additional marketing interfaces – e.g., marketing's interface with R&D. Future research could also examine in greater detail the influence of functional and organizational identity on key outcome variables, such as, for example, job satisfaction, role stress, and organizational citizenship behaviors. In addition, replications of these results would help to establish generalizability of our findings.

Notwithstanding these suggestions for future research, the findings presented here offer a valuable theoretical contribution to organizational research.

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FIGURE 1: Functional Identity and Organizational Identity Profiles

		Functional Identity	
		Low	High
Organizational Identity	Low	1	2
	High	3	4

TABLE 1: Levels of Outcome Variables based on Identity Profiles

Variable	Identity Profile Category				F-Value	Differences					
	1 N=59	2 N=33	3 N=40	4 N=74		1-2	1-3	1-4	2-3	2-4	3-4
Relationship Quality	4.434	5.012	4.640	4.981	3.453*	*	n.s.	**	n.s.	n.s.	n.s.
Departmental Performance	5.953	6.576	6.292	6.721	4.589**	*	n.s.	***	n.s.	n.s.	n.s.
Department Contribution to Firm Performance	5.006	5.364	5.467	5.451	2.690*	n.s.	n.s.	*	n.s.	n.s.	n.s.

Relationship Quality and Department Contribution to Performance, 7-point scale, higher numbers indicating more positive ratings
Departmental Performance, 9-point scale, higher numbers indicating more positive ratings

1 = Low Functional Identity – Low Organizational Identity
2 = High Functional Identity – Low Organizational Identity
3 = Low Functional Identity – High Organizational Identity
4 = High Functional Identity – High Organizational Identity

* = $p < .1$, ** = $p < 0.05$, *** = $p < 0.01$, n.s. = non-significant, no differences between groups