

# Charismatic Leadership as a Driver of Marketing-Sales Collaboration

## Abstract

**The purpose of this study is to develop an integrative framework for investigating the organizational consequences of marketing leadership. The new integrative framework employs the theories of charismatic leadership and organizational identification as foundation. Combining constructs and propositions from these two theories, and informed by initial insights from in-depth interview research, our proposed framework offers an holistic model to explore and explain how marketing leadership behaviours influence (1) relations between marketing and sales groups, and (2) consequent firm performance. The paper develops propositions and offers future research directions.**

*Keywords: Charismatic leadership, marketing leadership, organizational identification, relative functional identification, marketing and sales, marketing-sales interface, integration, collaboration.*

*Track: Sales Management and Personal Selling*

## 1. Introduction

Effective working relationships between organizational departments are essential to organizational success. Organizations have to integrate specialized and differentiated organizational sub-groups in order to overcome the dysfunctional effects arising from differentiation (Lawrence & Lorsch, 1967). Within this context, research has explored marketing's relationship with other organizational departments and most recently, research has focused on marketing's intrafunctional relationship with the sales function (Le Meunier-Fitzhugh & Piercy, 2007; Homburg, Jensen, and Krohmer, 2008). Such research is justified by the reported conflict and non-collaboration (e.g., Dewsnap & Jobber, 2000; Kotler, Rackham, and Krishnaswamy, 2006) between two ostensibly interdependent organizational sub-groups (Dawes & Massey, 2006; Ruckert & Walker, 1987) and the two departments most responsible for managing market relationships (Homburg, Workman, and Krohmer, 1999).

This extant research has focused on developing an understanding of the organizational antecedents and consequences of marketing-sales relations. Importantly, it confirms that marketing-sales collaboration is a determinant of firm performance. Additionally, the attitude of senior management towards marketing-sales collaboration, specifically the extent to which senior managers place value on such integration, has proved a key determinant of collaboration between the two groups (Le Meunier-Fitzhugh & Piercy, 2007). This study now extends this focus on senior managers' attitudes to embrace the concept of leadership behaviours in general.

Leadership behaviours of sales managers have been widely studied and have been found to have positive performance effects (Bass & Bass, 2008; MacKenzie, Podsakoff, and Rich, 2001; Wieseke, Ahearne, Lam, and van Dick, 2009). However, to our best knowledge, research has not explored the leadership behaviours of marketing managers. In addition, little is known about the effects of leadership behaviours on marketing's interfunctional collaboration. The present research aims to address this knowledge gap by answering the following questions: How do marketing leader behaviours affect important outcomes of their leadership? What factors might mediate and moderate the relationship between marketing leadership and leadership outcomes? In the context of the marketing-sales interface, what are the consequences of marketing leadership for relations between the two groups, and for relevant firm outcomes? The theories of charismatic leadership and social identity underpin the preliminary model as both have been found to drive cooperative intraorganizational behaviours. The value of this research to theory and to practice is enhanced because of its applicability to intrafunctional relations in general; i.e., its applicability to relations between different organizational functions, not just to the relationship between marketing and sales departments.

This paper develops a conceptual framework for investigating the organizational consequences of marketing leadership. Integrating constructs and propositions from the theory of charismatic leadership and social identity theory, combined with preliminary insights from in-depth interview research, our proposed framework offers an holistic model to explore and explain how charismatic marketing leadership behaviours influence, (1) relations between marketing and sales groups, and (2) consequent organizational performance. To support operationalization of the model, the paper advances research propositions.

## **2. Literature Review**

### *2.1 Charismatic leadership*

The leadership literature explores the correlates and outcomes of different styles of leadership. Our focus is on charismatic leadership and specifically the widely accepted behavioural model of charismatic leadership (Conger & Kanungo 1998; Conger, Kanungo, and Menon 2000). Charismatic leaders demonstrate high sensitivity to the environment and to followers' needs. They articulate an attractive vision for the organization, communicate behavioural norms and inspire followers to adopt their attitudes and behaviours.

### *2.2 Norms for collaborative behaviour and superordinate goals*

An organization's culture provides norms for a wide variety of organizational behaviours (Trice & Beyer, 1993) including customer focus and interfunctional relationships (Homburg & Pflesser, 2000). Our interest is in norms that are likely to affect intrafunctional collaboration in marketing. We define such norms as organizational expectations and guidelines that encourage volitional, cooperative and collaborative team work and the free exchange of information and resources between marketing and sales functions.

Integrated group goals, that is, goals or objectives that are superordinate to the interests of individual groups, offer an additional approach to regulating group behaviours (Sherif, 1966). Interaction and collaboration among group members are promoted on the basis that achievements of one group benefit the other (Eagly & Chaiken, 1993). Rewarding employees for performance outcomes that benefit the organization as a whole rather than individuals or departments encourages interfunctional interaction because functional areas are interdependent in goal attainment (McCann & Galbraith, 1981). [Although marketing and sales personnel are typically evaluated on the basis of functionally-specific performance outcomes, marketing academics (Hauser, Simester, and Wernerfelt, 1994) have suggested changing the firm's reward systems to include greater goal integration.]

### *2.3 Organizational identification (OI) and relative functional identification (RFI)*

OI and RFI are grounded in social identity theory (Tajfel & Turner, 1979). Tajfel (1978) argues that intergroup perception, attitudes and behaviours result directly from categorizing individuals into groups. People derive a sense of identity from membership of social groups like organizations and functions (Kelman, 1958). Social identities in organizations are important because they impact on work-related outcomes such as citizenship (Bell & Menguc, 2002; Dukerich, Golden, and Shortell, 2002) and intergroup cooperation (Ashforth & Mael, 1989). We combine Tajfel's social identity and Ashforth and Mael's OI work to conceptualize OI as the cognitive, affective and evaluative significance of belongingness to the organization. We adopt Fisher, Maltz and Jaworski's (1997, p.55) definition of RFI as "the extent to which managers feel a sense of connection with their function compared with the organization as a whole". We argue managers demonstrating a higher level of RFI will focus on functional problems and solutions, at the expense – in extreme cases – of organizational interests.

### *2.4 Marketing-sales collaboration*

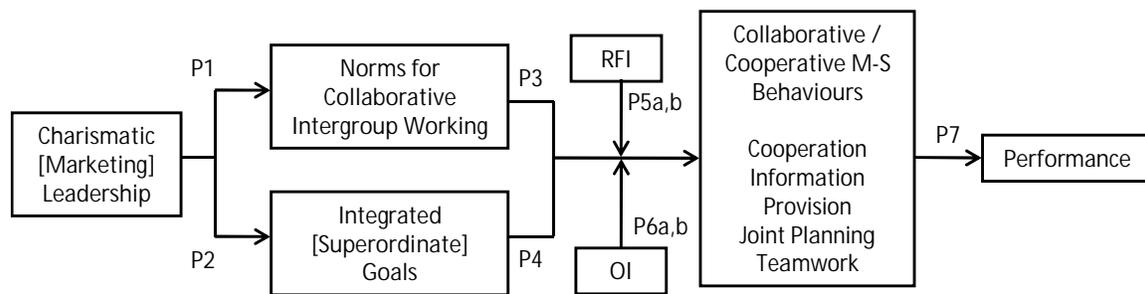
Interfunctional integration has been conceptualized as a construct that embraces notions of interaction, collaboration or both (Kahn, 1996). Collaboration, as the "affective and

mutual/shared element of integration, corresponding to a willingness to work together” (Kahn & McDonough III, 1997, p.163), has proved the strongest predictor of performance (e.g., Kahn & McDonough III, 1997; Kahn & Mentzer, 1998). We therefore plan to investigate the impact of collaboration on performance.

### 3. The Integrative Model

The conceptual model that we develop is presented in Figure 1. It is based on literature and preliminary insights<sup>1</sup> gathered from 21 in-depth interviews with marketing and sales managers operating at a range of management levels in a wide variety of industry sectors. Respondents provided strong support for the importance of charismatic leaders in generating norms for collaborative behaviour, a shared “commercial vision” and joint goals. Thus, we expect charismatic (marketing) leadership to influence, (1) norms for collaborative working between marketing and sales groups; and (2) the perception of superordinate intergroup goals. These norms and goals should influence collaborative intergroup working and subsequent organizational performance. (Figure 1 presents collaborative marketing-sales (M-S) behaviours as a multi-dimensional construct. However, given the space limitations we have developed propositions on the basis of a global collaboration construct.)

**Figure 1: A model of marketing leadership and its organizational consequences**



#### 3.1 Effects of charismatic leadership

Empirically, previous research has found that charismatic leaders influence followers’ attitudes and behaviour, from increased follower motivation and trust to lower role stress and improved performance (Conger, Kanungo, and Menon, 2000; Shamir, House, and Arthur, 1993). We advance the following, based on prior literature and our qualitative research:

**Proposition 1:** *Charismatic leadership behaviour will be positively related to norms for collaborative behaviour between marketing and sales groups.*

**Proposition 2:** *Charismatic leadership behaviour will be positively related to integrated/superordinate goals between marketing and sales groups.*

#### 3.2 Effects of norms and superordinate goals

Marketing and sales personnel who perceive that collaborative intergroup behaviours are strongly encouraged by their leaders are likely to undertake such behaviours:

**Proposition 3:** *Norms for collaborative behaviour between marketing and sales groups will be positively related to collaborative intergroup behaviour(s).*

<sup>1</sup> Not reported here owing to restrictions on space

The institution of integrated/superordinate marketing-sales goals, potentially supported by reward systems aligned to such goals, can be used to facilitate marketing-sales collaboration:

**Proposition 4:** *Integrated/superordinate marketing-sales goals will be positively related to collaborative intergroup behaviour(s).*

### 3.3 Moderating effects of RFI and OI on norms and integrated goals

Organizational norms encourage collaborative marketing-sales behaviour, but if the marketing or sales manager identifies more strongly with their respective function, reflecting high RFI, the effects of organizational norms would be lessened because of the ambivalence caused by his or her strong functional association. By contrast, if RFI is low, the manager identifies more strongly with the organization, and so compliance with organizational expectations is seen as part of his or her role. The role of RFI as a moderator of norms for collaborative working is expressed as follows:

**Proposition 5a:** *The effects of norms for collaborative behaviour(s) between marketing and sales groups will be stronger for high-RFI managers than for low-RFI managers.*

The absolute level of organizational identification (in addition to low RFI) should also increase the strength of compliance with organizational norms for marketing-sales collaboration:

**Proposition 6a:** *The effects of norms for collaborative behaviour(s) between marketing and sales groups will be stronger for high-OI managers than for low-OI managers.*

The effectiveness of integrated goals in enhancing collaborative working between marketing and sales depends on managers' RFI and OI. High-RFI managers emphasize functional goals that could be suboptimal from an organizational standpoint. By contrast, low-RFI managers seek to align themselves with organizational goals. When goals are integrated/superordinate, functional and organizational goals/interests become one and the same. In this context, high-RFI marketing/sales managers will increase their efforts to work collaboratively with their colleagues in the other function. However, the effects of integrated goals will be lower for low-RFI and high-OI personnel who are already highly motivated by their organizational identity to work collaboratively with their marketing or sales counterparts:

**Proposition 5b:** *The effects of integrated/superordinate marketing-sales goals for collaborative behaviour between marketing and sales groups will be stronger for high-RFI managers than for low-RFI managers.*

**Proposition 6b:** *The effects of integrated/superordinate marketing-sales goals for collaborative behaviour between marketing and sales groups will be stronger for low-OI managers than for high-OI managers.*

### 3.4 Consequences of marketing-sales collaboration

Prior empirical research indicates positive correlations between marketing-sales collaboration and organizational performance (Le Meunier-Fitzhugh & Piercy, 2007). Thus, where individuals in marketing and sales work together as a team, often informally, where they share the same vision for the company, where they share information and resources, and where they develop mutual understanding, the probability of achieving their shared company vision is enhanced. Further, cooperative working, information sharing, team work and joint planning are central to high performing marketing-sales configurations (Homburg, Jensen and Krohmer, 2008). We therefore propose:

**Proposition 7:** *Collaborative behaviour between marketing and sales groups will be positively related to firm performance.*

#### **4. Conclusion, Contributions and Research Agenda**

Marketing leadership *per se* and the effects of charismatic marketing leadership for relations between marketing and sales groups remain unresearched. This paper has developed a conceptual framework for use in addressing this research opportunity. Theoretical underpinning is provided by the theory of charismatic leadership and social identity theory. The contribution is twofold. For academics, the proposed model provides direction for future empirical studies in this area. For practitioners, the research will highlight ways in which leadership and management practices can be designed to optimize the positive performance effects of collaborative relations between marketing and sales groups. Proposed research next steps include measure development and empirical testing of the model with marketing and sales managers operating in a range of business-to-business sectors (e.g., consumer goods, industrial marketing, services). Pending model testing, further in-depth interview research would complement that already undertaken and would aid measure development.

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