

The Role of Senior Executives and Organizational Culture in Management of Conflict Between Sales and Marketing

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Executive Summary

Sales and marketing (S&M) functional units play a foremost role in the organization. These functions are very influential in the firm, have direct contact with customers, are the principal revenue generators, and have a strong impact on company performance. However, S&M units are often disconnected, do not cooperate efficiently, and have contradictory relationships. Few would argue that there is often conflict between these two organizational functions. But is conflict necessarily bad?

Conflict is a complex multidimensional construct. Most studies analyzing the S&M interface discuss different aspects of the conflict between two functions, yet the research of S&M conflict remains fragmented. Furthermore, despite the complex nature of conflict, marketing literature often treats conflict in a rather simplistic negative connotation. To address this gap, we review the role of task and relationship conflict at the S&M interface. We conducted a large-scale online survey to S&M middle- and senior-level managers of the large US companies with annual revenues of at least \$250 million. Examining conflict at the S&M interface we aim to make several contributions to the marketing practice.

First, firm's executives should acknowledge the complex nature of conflict between S&M functions and maintain a healthy balance of cooperation and competition between S&M units. It is a fallacy that S&M conflict can or even should be completely avoided, as the absence of conflict could lead to "groupthink." Managers should differentiate task conflict from relationship conflict, properly manage the former, and prevent the latter.

Second, we propose that the role of senior management is crucial in managing M&S conflict: preventing relationship conflict and balancing task conflict. Following conflict management theory, we develop the *adaptive conflict intervention* construct to capture the flexible approach firm executives should exercise in conflict management. During the process of conflict intervention, managers should analyze the conflict before the intervention and adjust their behavior according to each specific situation.

Finally, we reveal meaningful differences between S&M functions. Specifically, the marketing function, as compared to the sales function, has a higher level of both task conflict and relationship conflict, is more prone to functional identification (i.e., association with the specific department as opposed to the company), and is more engaged in competition for firm resources. In addition, most marketers have prior experience in sales, while only half of the salespeople have prior experience in marketing.

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