



Contents lists available at ScienceDirect

## Journal of Business Research



# The antecedents of cross-functional coordination and their implications for marketing adaptiveness

Kholoud Mohsen<sup>a</sup>, Teck-Yong Eng<sup>b,\*</sup>

<sup>a</sup> Essex Business School, University of Essex, Elmer Approach, Southend on Sea, Essex SS1 1LW, United Kingdom

<sup>b</sup> Southampton Business School, University of Southampton, Highfield Campus, Southampton SO17 1BJ, United Kingdom

## ARTICLE INFO

## Article history:

Received 15 October 2015

Received in revised form 29 April 2016

Accepted 10 May 2016

Available online xxxx

## Keywords:

Motivation–ability–opportunity framework

Cross-functional coordination

Marketing adaptiveness

Configuration theory

Fuzzy-set comparative qualitative analysis

(fsQCA)

## ABSTRACT

As the gap between accelerating rate of change and organizational capability in responding to it widens, managers face increasing challenges to coordinate and align diverse intra-firm functions. Although coordination across functions in an organization is necessary for integrating complex resources, little is known about the internal conditions of a firm in which cross-functional coordination influences marketing adaptiveness. We use fuzzy-set qualitative comparative analysis to analyze survey data of 274 managers in Egyptian firms operating in uncertain environments based on the motivation–ability–opportunity framework and configuration theory. The findings show that the causal pathways leading to cross-functional coordination and marketing adaptiveness can be enhanced by resource dependency, cross-functional teams, multifunctional training, and management support. In particular, management support is a crucial condition for cross-functional teams and multifunctional training. While resource dependency is an important internal factor for coordination, a high resource dependency can result in a negative effect on marketing adaptiveness.

© 2016 Elsevier Inc. All rights reserved.

## 1. Introduction

Businesses operating in highly uncertain business environments are characterized by short product life cycles, fast changing technologies, rapid changes in the marketplace and uncertain economic and political situations. Such conditions require firms to develop effective cross-functional coordination (CFC) among interdependent functions in an organization particularly in enhancing marketing adaptiveness. From a capability perspective, dynamic capabilities imply marketing adaptiveness in terms of the ability of a firm to change its resource allocation and operational routines to match the changing environment (Vakratsas & Ma, 2009). While functional specialization generates certain benefits, an organization with silos hinders the cross-functional dialogue needed to create adaptive capabilities (Day, 2011). Marketing adaptiveness recognizes the importance of communications and flexibility in intra-firm coordination to identify necessary resources and match environmental demands and opportunities such as in the context of personal selling (Weitz, Sujun, & Sujun, 1986) and adaptive decision-making (Bauer, Schmitt, Morwitz, & Winer, 2013). New product development studies highlight the importance of cross-functional coordination for new product success (Ernst, Hoyer, & Rübsaamen, 2010; Kuen-Hung, Chi-Tsun, & Mu-Lin, 2013; Lee & Wong, 2012; Troy, Hirunyawipada, & Paswan, 2008). The development of successful market-oriented firms relies on inter-functional

coordination as a key component that is critical to market responsiveness and marketing performance (Kohli & Jaworski, 1990; Narver & Slater, 1990; Slater & Narver, 1995). Thus, marketing adaptiveness can be influenced by the conditions supporting a firm's cross-functional coordination to respond to uncontrollable external environments and to consolidate its internal environment to fit within and adapt to the external environment (De Luca & Atuahene-Gima, 2007; Tsai & Hsu, 2014).

Despite the benefits of efficient cross-functional coordination in terms of improved ability to handle complexity and enhanced responsiveness (Holland, Gaston, & Gomes, 2000), cross-functional coordination can encounter obstacles simultaneously from different functions such as conflicting organizational goals and lack of cooperation (Wall & Lepsinger, 1994). In this instance, cross-functional coordination can be both difficult and inefficient (Galbraith, 1994; Kahn & Mentzer, 1998), which may negatively impact on efficient decision-making, and increase new product development failures and conflict over resources (Cuijpers, Guenter, & Hussinger, 2011; Troy et al., 2008). For example, the rapid flow of information from various functional units may affect the ability of firms to make decisions, process information and prioritize tasks (Eppler & Mengis, 2004; Klingberg, 2009). Prior research has advanced different integrating mechanisms to enhance cross-functional coordination; these range from redesigning compensation systems to changing workplace architecture (see Griffin & Hauser, 1996 for a review). Although some studies empirically examine and provide useful insights into the efforts to improve cross-functional relations (e.g., Griffin & Hauser, 1996; Pinto, Pinto, & Prescott, 1993), the conditions influencing the efforts of cross-

\* Corresponding author.

E-mail addresses: kmohsen@essex.ac.uk (K. Mohsen), t.y.eng@soton.ac.uk (T.-Y. Eng).

functional coordination are under-explored particularly for firms operating in uncertain business environments. As such, research about the conditions in which firms enhance cross-functional coordination can help managers to better coordinate resources across functions and respond in a timely fashion to changes (De Luca & Atuahene-Gima, 2007; Tsai & Hsu, 2014).

The present study draws on the motivation–ability–opportunity (MAO) framework (MacInnis, Moorman, & Jaworski, 1991) as an encompassing framework to capture the relative effectiveness of the various cross-functional mechanisms in terms of a firm's motivation, ability and opportunity to enhance cross-functional coordination and marketing adaptiveness. First, the focus on motivation recognizes the importance of enlisting support throughout the organization from leadership, interdependency and reward systems (Olson, Walker, & Ruekert, 1995). Second, the ability of different functional units to coordinate reflects optimal integration and use of a firm's resources, skills and capabilities across functions (Tsai & Hsu, 2014). Third, the MAO framework examines the opportunity for cross-functional coordination such as in new product development and new challenges of operating in uncertain business environments (Ruekert & Walker, 1987a).

Specifically, the focus is not only on the effectiveness of cross-functional coordination but also on the adaptiveness of firm-level marketing performance outcomes. We propose that cross-functional coordination is not driven by a single factor, but rather by a configuration of causal factors. Previous studies tend to examine only one or two factors that support cross-functional coordination (Maltz & Kohli, 2000). This not only gives an incomplete picture of the conditions that support cross-functional coordination but also overlooks the relative and joint effects of the various cross-functional mechanisms. We draw on configuration theory which posits that a set of the same variables can impact on an outcome in various ways depending on how these variables are combined (Ordanini, Parasuraman, & Rubera, 2014). There are three main principles in configuration theory: first, there is no single factor that can lead to an outcome of interest; second, causal factors do not operate in isolation; and third, the same causal factor can have different impacts on the outcome depending on the context (Greckhamer, Misangyi, Elms, & Lacey, 2008). Ragin (2000) explains this as the concept of “equifinality” which argues that the same outcome can be achieved by different configurations of the causal factors.

We approach our investigation by using fuzzy-set qualitative comparative analysis (fsQCA) which is considered appropriate for complex configuration analysis (Fiss, 2007; Ragin, 2000). FsQCA is an analysis of set memberships and employs Boolean algebra to identify configurations for the necessary and sufficient conditions required for an outcome. Our study's findings confirm that individual coordination drivers have complex trade-off effects on cross-functional coordination and marketing adaptiveness. Results show that different combinations of mechanisms offer sufficient conditions for the desired outcomes. These findings demonstrate that fsQCA provides a deeper understanding about cross-functional coordination and marketing adaptiveness than the conventional techniques such as regression analysis do.

Our research context is Egypt as it represents a highly uncertain and volatile business environment. Prior research suggests that in such an environment, marketing adaptiveness can play a pivotal role in helping firms attain and sustain competitive advantages, whereas the absence of such capabilities will render superiority and advantages short-lived (Rindova & Kotha, 2001; Woiceshyn & Daellenbach, 2005; Zollo & Winter, 2002; Zott, 2003). The context of Egypt provides an opportunity to test theories related to intra-firm relationships and marketing adaptiveness outside the USA and European countries. This may validate the generality of prior research findings conducted in developed countries by testing them in a developing country context. There is a lack of empirical research addressing effective mechanisms to enhance intra-firm cross-functional coordination and marketing adaptiveness in developing economies. Since Egypt is a promising major economy in the Middle East and North Africa (MENA) region, the present study can

benefit firms operating in dynamic and uncertain markets by providing a holistic understanding of causal pathways of different conditions necessary for cross-functional coordination in enhancing marketing adaptiveness.

The remainder of this article is organized as follows. The next section focuses on the conceptual model and the development research propositions of the study. The third section describes the methodology of this study. This includes research design, data collection and constructs measurement. This is followed by detailed descriptions and interpretations of the data analysis using fuzzy-set qualitative comparative analysis. The article concludes with the discussion and conclusion section which includes implications for theory, practice and research.

## 2. Conceptual model and research propositions

### 2.1. Conceptual model

The interest in cross-functional coordination has long been an underlying focus of the market orientation construct. Market orientation stresses the importance of inter-functional coordination, and that employees at all levels in every functional unit need to be committed to information gathering and dissemination, and responsiveness to changing business environments (Kohli & Jaworski, 1990; Narver & Slater, 1990; Slater and Narver, 1994). Uncertain and dynamic environments disrupt the ability of specialized functional units in responding to changes, and both conditions necessitate coordination across functional units (Galbraith, 1973). This study focuses on intra-firm coordination – that is, coordination among employees and across functional units within a firm (Mintzberg, Jorgensen, Dougherty, & Westley, 1996), which affects a firm's capability to share customer and competitor information for strategic integration of all functions in the process of creating customer value (Narver & Slater, 1990; Song, Montoya-Weiss, & Schmidt, 1997). The ability to coordinate across functions not only allows firms to swiftly respond to environmental changes (Neill, McKee, & Rose, 2007) but also to gain access to a wider range of tacit knowledge dispersed across the organization to build valuable collective knowledge (Arnett & Wittmann, 2014; Atuahene-Gima, 2005; Hirunyawipada, Beyerlein, & Blankson, 2010). A firm's knowledge of how to support and enhance cross-functional coordination can be a competitive strategy to enable firms to utilize and deploy dispersed resources and improve performance (Eisenhardt & Martin, 2000; HULT, Ketchen, & Slater, 2005; Kohli & Jaworski, 1990; Narver & Slater, 1990).

Fig. 1 provides an overview of the conceptual framework of this study. The antecedents of CFC have been developed from the motivation–ability–opportunity (MAO) framework, which can be examined to create the conditions and behaviors for supporting and enhancing cross-functional coordination. The MAO framework was originally applied to information processing and advertising effectiveness (MacInnis et al., 1991) and it has been examined in different literature streams such as social marketing, organization information processing, human resource management, information systems research, and innovation (e.g., Clark, Abela, & Ambler, 2005; Siemsen, Roth, & Balasubramanian, 2008; Tang, Fang, & Feng, 2014). This framework is based upon basic concepts of psychology, in that motivating certain behaviors is influenced by ability in terms of skills and capabilities requisite for the performance of the behaviors, and opportunity is concerned with the conditions facilitating the performance of the behaviors (MacInnis et al., 1991). As an encompassing framework, MAO has the potential to support cross-functional coordination and enhance marketing performance.

The motivation dimension of the MAO framework includes resource dependency, joint rewards and management support. Resource dependency theory recognizes that environmental and marketplace uncertainties necessitate the coordination of different functional units to utilize their knowledge and skills to resolve these uncertainties (Pfeffer & Salancik, 1978). Previous studies suggest a positive relationship between resource dependency and coordination within a firm

Download English Version:

<https://daneshyari.com/en/article/5109668>

Download Persian Version:

<https://daneshyari.com/article/5109668>

[Daneshyari.com](https://daneshyari.com)