

RESEARCH BRIEFS

HOW DOES CONFLICT IMPACT SALES TEAM PERFORMANCE?

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RESEARCH QUESTIONS

Too often we focus on the interaction between buyers and sellers as the ultimate business game of “one-on-one.” Companies tend to have structured sales training, sales processes, and especially sales compensation around the proposition that selling is a “zero-sum” game—where it is the individual salesperson who succeeds or fails in landing the sale and earning the commission.

Today, however, sales has evolved from what Moon and Armstrong (1994) described as being a “lone wolf” activity to being more and more of a team-based approach. Many products and services marketed these days, especially in the B2B (business-to-business) and B2G (business-to-government) arenas, are increasingly complex and fast-changing. Often it takes multiple partners working through long and intensive sales cycles to bring about a sale. As such, sales often now involve not just a few individuals, but entire teams of corporate sales representatives. Information sharing is therefore crucial in this increasingly interactive and complex sales process, and yet, a continued focus on individual sales performance and rewards can be detrimental not just to the company, but to those trying to represent it and best sell what it offers to potential customers. The reality today is that, just as in team sports, communication and information sharing among members of a sales team—and with their management—are key.

As organizations increasingly turn to a more team-oriented approach to selling, how does conflict—and its management or mismanagement—impact the overall performance of the sales team? Should sales managers be more focused on the disagreements and disputes that members have regarding the tasks and roles, or is it more important to concentrate on differences of opinion and squabbles that inevitably take place in groups? These questions were the focus of a recent study by Seigyoung Auh (Thunderbird School of Global Management), Stavroula Spyropoulou (Leeds University Business School), Bulent Menguc (King’s College London), and Aypar Uslu (Marmara University).

Auh and his colleagues note that we know relatively little about how conflict among the members of a sales force affects their willingness to share information and learn collaboratively, and ultimately, the performance of the sales function as a whole. Previously, it has been suggested that conflict inhibits information sharing and negatively affects the overall effectiveness of groups. In their study, Auh and his colleagues sought to investigate this in the sales context. Moreover, more guidance is needed about how sales executives should best manage conflicts in group-oriented selling environments. With executives reporting that they spend considerable time handling conflict (Thomas, 1992), guidance on how to best manage conflict has become all the more important in today’s more group-focused sales contexts.

STUDY DESIGN AND METHOD

Auh and his colleagues surveyed almost 500 salespeople and their managers in 86 sales teams at a major consumer products firm in Turkey. Clearly, every culture is different and organizations operating in different cultures may develop their own ways of handling and managing conflict. Yet, the development of the Turkish economy and the sophistication of its salespeople and their selling practices justified the use of this company and its employees as the subjects of this study. However, Auh and his colleagues did acknowledge that the group focus and collectivist orientation of the Turkish culture could affect how conflict was perceived and handled within the group and the overall organization. Consequently, we need to be careful about generalizing the results of this study.

In any case, the salespeople in the subject firm worked—and were compensated and evaluated—both for their individual and collective sales efforts. Auh and his colleagues surveyed salespeople’s perceptions about the level and types of conflict they encountered on the job, how readily and openly

information was shared and acted upon within the sales force, and how conflict was handled inside sales teams. At the same time, Auh and his colleagues, faced with restrictions on obtaining actual sales and revenue data from the subject company, surveyed the respective managers of the sales teams to assess performance and determine how conflict and information sharing ultimately affected sales effectiveness, growth, and profitability.

KEY FINDINGS

There were several important findings from this pioneering study. First, Auh and his colleagues found that both task and relationship conflict among salespeople had a deleterious effect on the functioning of the sales team. Specifically, both conflict over what needed to be done and personal conflict between those doing the work inhibited the exchange of information among sales team members as well as the ability of the team to collectively learn, adapt, and improve. That said, task conflict had a more detrimental effect than personal conflict per se. However, the two forms of conflict are interrelated in that personal differences can serve to magnify the impact of conflict over the work itself.

Second, Auh and his colleagues note that conflict among salespeople at lower levels of the organization tends to have an even more detrimental effect on the team's ability to learn and perform than sales functions at higher levels in the company hierarchy. Interestingly, Auh and his colleagues found that the more salespeople interact remotely and via technology, the impact of conflict seems to be less, especially when it is of a personal nature.

To shed light on how best to manage conflicts on sales teams, Auh and his colleagues solicited information from sales team members about how conflict was managed and dealt with inside the sales team. They found that while a collaborative approach to handling conflict was advantageous, unless conflict is addressed early on and not given the chance to deepen, the negative impact of such disagreements at both the personal and professional level can have serious and almost irreversible negative consequences for the sales team.

Finally, the findings clearly indicate that sales executives should be especially proactive in their approach to conflict. Put simply, they should address disputes and distrust among sales team members early to facilitate an environment where vital information will be exchanged and collaboration

can be fostered. Ultimately, this will help make the team more effective overall. And while Auh and his colleagues urge sales executives to use a collaborative management style to address conflicts that will inevitably occur in sales teams, it may be just as important for managers to treat recruitment and selection processes as an opportunity to hire and train sales employees who are less likely to create negative conflict in the first place. By investing upfront, organizations can avoid many of the harmful effects of task and relationship conflict on sales teams.

CONCLUSIONS AND IMPLICATIONS

Auh and his colleagues have given us new insights into how conflict within sales teams occurs, the impact it can have, and how it should be best managed. This is particularly important given the rise of more team-oriented selling environments. Today, a company's sales and marketing effectiveness is increasingly being driven not by the lone wolf sales stars, but by an entire team of capable, energized, and informed salespeople. Moreover, organizations whose sales executives fail to act proactively to prevent and manage detrimental conflict will find themselves unable to serve their customers well—something that could ultimately threaten the survival of the firm itself.

In the end, it all seems to come down to a matter of limited bandwidth. With endless competition for their attention and limited cognitive capacity, sales managers and their charges can find that they can be quite quickly brought down by unnecessary conflict. Invariably, conflict takes precious time and attention away from the central sales tasks at hand and the smooth functioning of the sales team. Indeed, conflict inhibits the exchange of information—and learning—that is central to effective selling today. Taking more proactive management action when conflict occurs will help teams be more nimble, unified, and productive. In short, better conflict management on sales teams will allow sales people to focus more on what truly matters with customers. And in doing so, sales teams will function more effectively, especially in team-oriented selling environments where complex products and services are being offered to customers.

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