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RESEARCH BRIEFS

BRINGING PERFORMANCE DOWN TO EARTH: CAN VENUS (MARKETING) ALIGN WITH MARS (INFORMATION TECHNOLOGY)?

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RESEARCH QUESTIONS

The problems resulting from working across functional lines is an all too familiar experience for managers in many firms. In particular, this "silo" type thinking can be especially acute between the marketing and information technology (IT) functions. This schism is particularly problematic in today's digital age, where there is a greater need for collaboration between these key units. Moreover, a difference in "worldviews" among these units can amplify such struggles. Indeed, at times, Marketing and IT may seem like they are from different planets rather than on the same team. This often rocky relationship was the subject of a recent study by Ming-Hui Huang (National Taiwan University) and Eric Wang (National Central University of Taiwan).

The worldview problem between these two groups is a familiar one: marketing managers tend to believe that the company will perform better if firm strategy is market/customer focused, whereas IT advocates believe that implementing and using the right technology is critical for boosting performance. To be sure, both groups believe that superior customer relations and the latest technology are important—but they often tilt toward their own functions in their beliefs about what is most important. And, since each group was trained in its respective area, has expertise and experience there, and is immersed in those different traditions, there is often a culture clash of "worldviews." In other words, the groups may think about and interpret events differently, and may differ greatly on what they pay attention to, what they ignore, and what they perceive to be important. Yet, as Huang and Wang suggest, if firm performance is both customer and technology dependent, then it's vital to understand each unit's worldview and develop practical methods to foster better working relationships.

In their study, Huang and Wang address this well-known and long-standing problem in three new ways: 1) they further elaborate these worldview differences and examine how they can affect firm performance and/or mitigate negative effects, 2) they conduct a careful empirical study that assessed these issues among marketing and IT managers, and 3) they provide some practical solutions to this pernicious cross-functional problem.

To address these important questions, Huang and Wang relied on structural contingency theory (SCT) to study views of technology and its impact on firm performance. This SCT approach recognizes that IT managers tend to focus on the *deployment* of new technology for operational efficiency. Conversely, marketing managers tend to focus on external *solutions* to meet customer needs, with internal factors such as technology support as a necessary, but not primary, emphasis. This can lead to a "more is better" approach to technology by IT (Venus) but a more discriminating view by marketing managers (Mars). For example, marketing may welcome Customer Relationship Management (CRM) solutions, but avoid potentially valuable knowledge management software.

Huang and Wang hypothesized that "cultural" factors can mitigate these negative effects. If IT managers had more of a "market orientation" they might shift their focus from technology per se toward a more customer-focused system design and deployment. This in turn could improve firm performance by reducing negative effects of their inherent worldview. Likewise, those marketing managers who are in more of a "learning" type culture (where openness to new methods and technology is supported) might also reduce the negative effects of their worldviews on performance.

STUDY DESIGN AND METHOD

To examine these complex hypotheses, Huang and Wang conducted a large survey with a strategically chosen sample. The participants were randomly chosen from among 1,100 firms in the manufacturing, financial, and service industries. The goal was to obtain one top or middle manager from both the marketing and IT units of each firm. This would provide a relatively balanced view of the same firm from different possible worldviews. In all, about 329 responses were received, with matching paired responses from 70 companies. This 15% response rate compares favorably to the typical survey completed when the target is senior company officials.

Financial data for participating firms were obtained through publicly available sources. The authors hypothesized that the financial effect would emanate from the structural, worldview, and cultural orientation variables. Accordingly, financial data were collected the same year as the behavioral data and for each of four years after the survey was conducted to examine longer-term impact. The behavioral data was measured using largely existing, well-validated scales. For example, *learning orientation* was measured with a commonly used measure (example item: "Managers basically agree that our organization's ability to learn is the key to our competitive advantage") as was *customer orientation* ("We rapidly respond to competitors' actions").

KEY FINDINGS

The data were analyzed using a hierarchical (2 level) linear modeling approach. In this case, managers were "nested" within firms since multiple managerial reactions were obtained within a firm and many firms were included in the survey. The key dependent variable in the study was company performance. This was assessed both objectively (total revenue, ROA, and profit margins) and subjectively (participants' views of firm effectiveness, growth, and profitability relative to competitors).

Huang and Wang first tested whether there would be worldview differences between marketing and IT managers, and the results were mixed. Consistent with their predictions, IT managers were more likely to recognize the value of knowledge management as having an impact on firm performance than were the marketing managers. Huang and Wang also predicted that marketing professionals would instead focus on the benefits of market orientation relative to the IT managers, especially in their evaluation of customer relationship management tools. Yet, in terms of firm performance, no difference was found between managers across the two functional areas. IT managers were just as likely to see the benefit of a market orientation on firm performance as were the marketing managers.

The second set of hypotheses dealt with the differences in how the marketing and IT professionals perceived technology and culture in their firms. In particular, this hypothesis focuses on the 70 matched pairs of the two types of managers. To the degree that they deviate, this was predicted to lead to lower firm performance. Accordingly, Huang and Wang analyzed difference scores between the marketing and IT managers on the value they placed on CRM and knowledge management technology as well as their "culture orientation." The results showed that different viewpoints about the value of customer-related software systems had a deleterious impact on firm performance. This was not the case, however, for knowledge management applications—where differing viewpoints did not affect the bottom line. But for the culture variables, the more each group differed in their perspectives, the larger the negative impact on firm performance—this included some effects for both marketing and learning orientation type cultures.

The most important hypothesis of the study, however, was that cultural orientation could moderate the negative impact of a focused worldview. In particular, if marketing managers worked in a learning-oriented culture and if IT managers worked in a market-oriented culture, then negative effects observed on firm performance should be reduced. In other words, Huang and Wang suggested that a culture with an opposing force could overturn more focused worldview effects. And, by and large, this is what was found—for both subjective and objective views of firm performance.

CONCLUSIONS AND IMPLICATIONS

This study was able to demonstrate, in a careful and thorough way, that relatively narrow worldviews exist across functional lines. Traditional, functionally organized firms have often been accused of being the source of silos that inhibit information sharing, reduce the appreciation of other functions, and promote unhealthy competition instead of cooperation. According to Huang and Wang, such firms are guilty as charged. Consequently, a major takeaway from this study is that certain worldviews can negatively affect firm performance. As such, merely recognizing that silos exist or looking the other way are done at the firm's peril.

Instead, a second major takeaway from this research is that these worldviews should be managed. Huang and Wang offer set of recommendations for management based on their culture moderation findings. For example, in deploying a customer relations tools, it pays for IT to have more of a market orientation and for marketing to take a learning orientation—something that may not be the natural inclination of either group. This cross association shows that a more well-rounded organization—one that provides signs that it values both technology *and* a strong market-based orientation—is likely to be more successful. In deploying more knowledge-based tools, however, it pays for IT to maintain its indigenous learning orientation and to ensure that the tool is deployed with a learning orientation or spirit by the marketing group as well.

Like many good studies, this one also raises new and interesting questions. For example, it is interesting to speculate whether these effects extend across other functional areas of the firm or whether the marketing–IT crossover is particularly crucial in today's digital environment. Huang and Wang also suggest that scholars consider some ways to improve measures of firm performance and encouraged research that would use larger and completely paired samples of different functional areas in the future. They speculated on the possible existence of a characteristically cross-functional mindset among managers. This trait, which might vary considerably across individuals, could add to the prediction of firm performance measures. Interestingly, a similar characteristic has been suggested as beneficial for expatriate managers who sometimes experience a clash of worldviews. Those managers with a global mindset—a skill akin to cultural intelligence—seem to fare much better on the global stage (Li, Mobley, & Kelly, 2013). Finally, identifying and properly placing such individuals in the organization would help move forward the cross-fertilization of ideas that this study shows has great value for firm performance.

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