

SOCIAL CAPITAL INFLUENCES  
ON SALES TEAM PROCESSES:  
A GENERATIONAL PERSPECTIVE

by

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## ABSTRACT

This dissertation explores the impact of organizational faultlines and their influence on sales team resources, activities, processes, and performance. A review of extant team literature builds a foundation for understanding the role of sales teams within organizations and the implications of team processes on performance outcomes. Characteristics of the generation currently entering the workforce – Millennials – and the diversity implications of this cohort's presence in the workplace are explored. Applying a social capital perspective, this research advances an input-process-outcome (IPO) model of sales team performance which investigates the implications of (1) faultlines within teams and (2) the effects of generational differences across teams. Specifically, three dimensions of social capital (structural, relational and cognitive) serve as to three facets of team processes (transition, action, and interpersonal). The results indicate that positive relationships exist between each of the input and process components, as well as between the three dimensions of team process and relational and objective measures of sales performance. Finally, faultline strength and generation differences moderate the relationships of the IPO model. These findings suggest that sales team performance is a function not only to the management of the team and its individual components, but to the hypothetical self-identifying groups that form therein, therefore requiring additional attention from the organization and its stakeholders. This work extends application of a social capital theoretical lens to the sales team context, and sets the stage for future work as millennials assume

organizational control, and seek to build better relationships with both inter-organizational partners and external buying centers.

## LIST OF ABBREVIATIONS AND SYMBOLS

$\alpha$	Cronbach's index of internal consistency
$\beta$	Beta: standardized regression weight
B	Unstandardized regression weight
df	Degrees of freedom: number of values free to vary
SD	Standard deviation
n	Number of subjects
$p$	Probability of mistakenly rejecting a true null hypothesis
H	Hypothesis
Sig.	Level of significance
NS	Not significant
SEM	Structural equation modeling
CFA	Confirmatory factor analysis
RMSEA	Root mean square error of approximation
CFI	Comparative fit index
SRMR	Standardized root mean square residual
AVE	Average variance extracted
CR	Composite reliability
$X^2$	Chi-squared

## LIST OF ABBREVIATIONS AND SYMBOLS (continued)

$\Delta$	Delta: the difference between two values of a measure
<	Less than
=	Equal to
%	Percentage
IPO	Input-Process-Outcome

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## PROLOGUE

*"The basic fault lines today are not between people with different beliefs but between people who hold these beliefs with an element of uncertainty and people who hold these beliefs with a pretense of certitude." - Peter L. Berger*

# **CHAPTER 1**

## **INTRODUCTION**

With increasing levels of competition, globalization of markets, consistent technological innovation, and escalating complexity and dynamism of products, services, and solutions, the nature of work itself is changing (Lovelace, Shapiro, and Weingart, 2001; Rapp, Ahearne, Mathieu, and Rapp, 2010; Twenge, Campbell, Hoffman, and Lance, 2010). Several well documented trends are driving this transformation. First, sales organizations are facing an increasing turbulent, complex, and dynamic competitive environment (Auh, Spyropoulou, Menguc, and Uslu, 2014). These pressures drive a need for diverse skills, expertise, and experience, and necessitate more rapid and adaptive responses (Twenge, Campbell, Hoffman, and Lance, 2010). Many sales organizations have responded to these pressures by shifting to team-based selling (Deeter-Schmelz and Ramsey, 1995; Moon and Armstrong, 1994), as teams enable these characteristics (Kozlowski and Bell, 2003). Despite the fact that sales teams are increasingly prevalent, relatively little research focuses on sales teams and the factors that drive their effectiveness (Auh, Spyropoulou, Menguc, and Uslu, 2014). It is against the backdrop of this shift toward sales teams and the increasing complexities associated with team-based selling that I focus on furthering existing knowledge of the inter-relational workings of sales teams and corresponding performance implications. Specifically, I attempt to answer calls to research alluding to the current lack in understanding of how, and when, sales team performance and



effectiveness suffers as a result of team composition (Auh, Spyropoulou, Menguc, and Uslu, 2014; Menguc, Auh, and Uslu, 2013; Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010; Rapp, Ahearne, Mathieu, and Rapp, 2010).

A second notable trend that sales organizations face today concerns the dramatic societal and demographic shifts that are resulting in an increasingly diverse workforce (Myers and Sadaghiani, 2010). Although diversity is increasing on all fronts, one facet of diversity that is becoming particularly salient concerns generational-based diversity (Twenge and Campbell, 2008). In organizations today, critical differences exist between the newest generation entering the workforce (Generation Y/Millennials), Generation X, and the Baby Boomer Generation (Schultz and Schwepker, 2012). Anecdotal evidence and popular press research recognition of these generational gaps (Pew Research, 2015) have long influenced the perspectives and expectations of organizational members (Myers and Sadaghiani, 2010) and reportedly wide differences between these generations have come to be accepted by many (Schultz and Schwepker, 2012). However, little empirical support exists to verify any of these claims (Bennett, Pitt, and Price, 2012). Because the increasing diversity impacts individual, team, and organizational processes and outcomes (Thatcher and Patel, 2011; Harrison and Klein, 2007; Lawrence and Zyphur, 2010), it is compelling sales organizations to re-shape the processes and strategies they utilize in their day-to-day operations (Thatcher and Patel, 2011). Organizations have focused on increased feedback frequency, open and collaborative style working environments, and have encouraged a reduction in hierarchical emphasis in the workplace (National Chamber Foundation, 2012; Schultz, Schwepker, and Good, 2012) in an attempt to better accommodate, leverage, and retain the millennial workforce. In order to thrive in today's environment, sales organizations must work toward unlocking and leveraging the benefits of an

increasingly diverse workforce (Westerman and Yamamura, 2007). With the impacts that the Millennial generation is posited to have on organizational management (Hershatler and Epstein, 2010), this research also aims to answer calls to research specifically related to understanding the implications of Millennials entering the workforce (e.g., Schultz, Schwepker, and Good, 2012; Schultz and Schwepker, 2012; Hershatler and Epstein, 2010; Myers and Sadaghiani, 2010; Twenge, Campbell, Hoffman, and Lance, 2010; Twenge and Campbell, 2008).

A considerable body of research investigates the effect of demographic diversity in organizations (e.g., Horwitz and Horwitz, 2007; Knippenberg and Schippers, 2007; Jackson and Joshi, 2004; Knippenberg, de Dreu, and Homan, 2004; Miller, Burke, and Glick, 1998). The cumulative findings of this literature suggest that diversity is a complex input factor (Knippenberg and Schippers, 2007), with studies reporting diversity as being beneficial, detrimental, and having no impact (Horwitz and Horwitz, 2007) on organizational and team processes and performance (Milliken and Martins, 1996; Thatcher and Patel, 2011). In an effort to untangle the mixed findings of demographic diversity, researchers have begun to explore the concept of faultlines, which represent “hypothetical dividing lines” (Lau and Murnighan, 1998, p. 328) that exist between relatively homogeneous subgroups – Baby Boomers and Millennials, for example – within the context of an organizational team. Faultlines emerge because of differences that exist among team members’ demographic characteristics (Thatcher and Patel, 2011). The subgroups that result from faultlines accentuate within-subgroup similarities and between-subgroups differences, which lead to increased constraints on intragroup relationships (Lawrence and Zyphur, 2010), increased opportunity for intragroup tensions, and an adverse impact on team processes, performance, and goal achievement (Lau and Murnighan, 1998). Considering the rising levels of diversity within organizations today, increased opportunity exists

for faultlines to emerge within organizational teams in response to heightened likelihood of demographic misalignment along pivotal team member attributes (Thatcher and Patel, 2011, p. 1119). With this in mind, another goal of this research is to establish a foundational understanding of the implications of generational faultlines within sales teams.

When increased tensions exist within a sales team, the team's ability to perform is adversely impacted (Auh, Spyropoulou, Menguc, and Uslu, 2014; DeChurch, Mesmer-Magnus, and Doty, 2013; Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam 2010; Ensley, Pearson, and Amason, 2002; Amason, 1996). Conflict strains team member abilities and team processes by "creating cognitive overloads that consume and deplete the cognitive resources which would otherwise be used in a productive manner to enhance team performance" (Auh, Spyropoulou, Menguc, and Uslu, 2014; p. 658) The composition of groups within an organization, and the resulting impacts on group processes and outcomes, are of critical importance for organizational success (Jehn and Bezrukova, 2010; Bezrukova et al., 2012). In a sales context, success of the sales team is crucial and, for success to occur consistently, conflict must be overcome. To surmount conflict, the dissimilarities – or faultlines – that are creating tension (and represent sources of conflict) must be identified and more clearly understood. Through an understanding of organizational faultlines, and specifically the faultlines that manifest within teams, managers can begin developing strategic responses to bridge the gap between subgroups and establish a more cohesive unit to achieve the greatest possible team potential. "Teams are at the center of how work gets done in modern life," (Kozlowski and Ilgen, 2006; p. 78). Meaning, more and more so, organizational success demands effective team functioning. While the marketing literature has explored the task and relationship conflicts that result from a team-based structure (Jackson and Joshi, 2004), little attention is paid to the conflict that can result from existing demographic

differences within a sales team (Twenge and Campbell, 2008). With the emphasis of generational faultlines in this dissertation, a final focus of this work is to provide a contribution that is consistent with an increasing focus within the marketing and management literature on understanding the underlying mechanisms of conflict that impact team processes and performance (DeChurch, Mesmer-Magnus, and Doty, 2013).

In the following sections, I begin by discussing the existence, development, and impact of shifting organizational demographics and the co-existence of three distinct generational cohorts in today's workforce. I then outline characteristics of each of these generations currently in the workforce with an emphasis on the striking differences of the newest cohort currently entering the workforce – Millennials. These generational comparisons span shifts in three key areas, (1) shifting aspects of organizational structure in terms of communication tendencies and personal interaction preferences of different generations as well as the role played by technology in these areas, (2) shifting relational norms that impact individual attitudes, work styles, values, and trust tendencies across generations, and (3) shifting models of cognitive resource use and information sharing tendencies across generations. Finally, I outline the challenges presented by the current state of diversity in sales with specific focus on the implications for generational diversity in sales teams.

### **Shifting Demographics in the Organization**

Summarized as “demographic change,” (Dychtwald, Erickson, and Morison, 2004), a societal phenomenon involving the overlap of increased life expectancy and a disproportionately large cohort born after World War II, (Boehunze, 2015) has dramatically impacted the social structures within organizations (Tempest, Barnatt, and Coupland, 2002). In the coming years,

organizations are facing the retirement of 75 million older employees (Twenge, Campbell, Hoffman, and Lance, 2010) as the fourth (and oldest) current working cohort, traditionalists or 'the silent generation,' exists the workforce and is replaced in large numbers by members of the Millennial cohort who will be entering the workforce up to the year 2022 (Hershatter and Epstein, 2010). Organizations are, now more than ever, attempting to navigate the many shifts with regards to values, work styles, attributes, and experiences housed within each generation (Bennett, Pitt, and Price, 2012; National Chamber Foundation, 2012). The workforce is becoming increasingly diverse with shifting values, cultural and social norms, and a wide array of attitudes toward work (Bennett, Pitt, and Price, 2012). With different approaches and attitudes toward work and job tasks, organizations are struggling with intergenerational differences across numerous workplace attributes (McGuire, Todnem, Hutchings, 2007).

Given recent global economic crises, reorganization of organizational structures in numerous industries, and turbulent economic environments (Bennett, Pitt, and Price, 2012), individuals within the organization are increasingly prone to generational conflict as they compete for fewer and fewer jobs (Patota, Schwartz, and Schwarz, 2007). These environmental conditions have increased the number of individuals delaying retirement (Yu and Miller, 2005), significantly increased competition for available jobs (Bennett, Pitt, and Price, 2012), and created the largest ever diversity in the workforce (Schultz and Schwegker, 2012). A generationally diverse workforce creates challenges for organizations as managers attempt to harness diverse generational talents and simultaneously maintain productive operation (Schultz, Schwegker, and Good, 2012).

## ***Generational Diversity***

Demographic change does not only impact the age structures within organizations (Boehm and Kunze, 2015) but also has profound impacts on the social structures of organizations as diverse schools of thought, personal values, and attitudes accompany each of the generational cohorts working alongside one another today (Myers and Sadaghiani, 2010). Generational research has shown that life experiences shape the world views, expectations, and values held by individuals (Schultz and Schwegker, 2012; Glass, 2007), creating distinct generational cohorts within society and the organization. Indeed, extant research suggests that focusing on generational cohorts provides key implications for marketing and sales management approaches (Schultz, Schwegker, and Good, 2012; Kritz and Arsenault, 2006).

A generation represents a group of individuals that share common world views due to social and historical events that occur throughout the shared formative years of an age cohort (Crumpacker and Crumpacker, 2007). When generations interact in the workforce individuals bring personal values, attitudes, and preferences with them (Schultz, Schwegker, and Good, 2012), which can influence work expectations, communication tendencies, and overall work behaviors (Cennamo and Gardner, 2008). Generational diversity then creates friction between the different work values, goals, and expectations of each generation (Loughlin and Barling, 2001). With an increasing level of generational diversity in the workforce, the opportunity for large discrepancies to exist is consistently present (Cennamo and Gardner, 2008).

When considering generational diversity within the current workforce, three predominant and distinct generational cohorts should be examined: Baby Boomers (born 1946-1964), Generation X (born 1965-1980) and Generation Y/Millennials (born 1981-2000) (Yu and Miller,

2003). In the following sections I outline key characteristics and attributes of each of the three prominent generations currently within the workforce.

### ***Baby Boomers (1946-1964)***

With a name drawn from the spike in fertility that began following the end of World War II, Baby Boomers are currently the oldest generation in the workforce (Pew Research, 2010).<sup>1</sup> Baby Boomers were raised in optimistic and positive times following the end of the Second World War (Kupperschmidt, 2000; Cennamo and Gardner, 2008). They value hard work and personal improvement and focus on achievement and extrinsic rewards for loyalty and commitment (Cennamo and Gardner, 2008). This generation is seen as idealists as they were shaped by the civil rights and Women's movements as well as events like Woodstock, celebrating individualism and equal rights (Twenge, Campbell, Hoffman, and Lance, 2010). Defining moments for this generation include the events surround John F. Kennedy's Presidency and assassination as well as both the triumphs of Martin Luther King's Life and the events surrounding his assassination (National Chamber Foundation, 2012).

These individuals were promised the 'American Dream' as children and in their attempt to pursue it are often viewed as greedy or materialistic by other generations (Pew Research, 2010). Their core values revolve around ideas such as; anything being possible, equal opportunity, personal growth and gratification, spending now and worrying later, etc. (Pew Research, 2010; National Chamber Foundation, 2012).

Now many of the current CEOs and supervisors of companies, the Boomer generation is known for working long hours and maintaining visibility in doing so (Marston, 2010). They view

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<sup>1</sup> At the time of writing, some organizations report 1-3% Traditionalists still present in the workforce (Pew Research, 2015). However, given the significantly smaller proportion of this generation as compared to Baby Boomers, Generation X, and Millennials, I do not include Traditionalists in this research.

visibility and face time to be a social collateral measure of the work they have put in and their value to the organization and group (Schultz, Schwegker, and Good, 2012). Given the sheer volume of this cohort, individuals within this generation have faced continuous, and significant competition from the time they entered school and into the workforce (Schultz, Schwegker, and Good, 2012). As such, they stress individuality and are results driven, focusing on maximum effort (Twenge, Campbell, Hoffman, and Lance, 2010).

### ***Generation X (1965-1980)***

The “latch-key” kids that make up this generational cohort are housed between two significantly larger generations (Schultz, Schwegker, and Good, 2012). Marked by resourcefulness, resilience, and independence garnered from their childhood (Marston, 2007), this generation is known for taking care of themselves and rejecting the inflexibility of Baby Boomers in the organization (Dittmann, 2005). Committed to tasks and results-driven, members of this generational cohort are skeptical of authority figures see work-life balance as extremely important (Twenge, Campbell, Hoffman, and Lance, 2010). After seeing social change that spanned financial, family, and social insecurity (Cennamo and Gardner, 2008), this generation demonstrates greater loyalty to employees (Marston, 2007).

While often viewed as selfish by the media (Cennamo and Gardner, 2008), Generation X is more accurately described and independent and valuing autonomy (Jurkiewics, 2000). While often loyal employees (Schultz, Schwegker, and Good, 2012), members of Generation X are more committed to their own careers than they are to their employing organizations (Cennamo and Gardner, 2008; Jurkiewics, 2000). For these reasons, some studies report that individuals in this cohort look to organizations that provide opportunities for skill development, value



productivity and efficiency, and provide work-life balance as opposed to the status, symbols, and tenure expected by previous generations (Cennamo and Gardner, 2008).

### ***Millennials (1981-2000)***

While other generations have stabilized or are currently leaving the workforce, Pew research (2014) has identified, the predictable trend, that Millennials are entering the workplace in large quantities, (currently at approximately thirty percent of the workforce). As the workplace shifts further toward Millennials, a growing need exists to understand the characteristics of this growing generation in the workforce.

Millennials were raised in a time where technological advances were increasing at an exponential rate (Schultz, Schwepker, and Good, 2012; National Chamber Foundation, 2012). These individuals have not been exposed to a life without options for cell phones, laptops, and virtual connectivity (Twenge, Campbell, Hoffman, and Lance, 2010). Shaped by digital media, political violence, multiple wars, and these ‘children of divorce’ were ironically the first cohort to grow up in a child focused world (Pew Research, 2010). They were kept busy as children and were the first generation with many members given schedules as children (National Chamber Foundation, 2012). As they’ve grown up protected and guided by their parents, and they’re entering the workforce as optimistic, ambitious, and goal oriented (Schultz, Schwepker, and Good, 2012; Lancaster and Stillman, 2003).

Shaped by the collapse of several iconic companies due to unethical leadership, Millennials value loyalty, trust, and expect ethical practices in the workplace (Twenge, Campbell, Hoffman, and Lance, 2010). They also expect consistent and constant feedback, communication, and clear direction which links back to their scheduled childhood (Pew

Research, 2010) and their lifelong access to the internet which has led the generation to being accustomed to getting information quickly (Twenge, Campbell, Hoffman, and Lance, 2010). Often criticized for informality, this generation values expertise, and is known for their ability to multitask with some studies reporting a retraining of the brain to processes information more quickly (National Chamber Foundation, 2012). Finally, as the most diverse generation to ever exist, it is not surprising that Millennials embrace diversity and value teamwork and coordination.

### **Shifting Generational Norms in the Organization**

Shifts within workplace norms are not new occurrences (Hershatler and Epstein, 2010). Indeed, organizations will always be faced with the challenges associated with adapting to younger employees in a cross-generational environment (Twenge, Campbell, Hoffman, and Lance, 2010). This understanding highlights the implications of understanding generational diversity impacts within the workforce and the importance of building a foundation for understanding each new generational introduction in decades to come (Pew Research, 2015; The Whys and Hows of Generational Research). Generational shifts in organizational culture and norms can be seen in areas of compensation, work processes, and work goals (Cadiz, Truxillo, and Fraccaroli, 2015). Generationally, one sees key differences amongst the Baby Boomers and Generation X around many of those same cultural areas. Baby Boomers have spent significant time within organizations and hold expectations around what the term ‘work’ means. For a Baby Boomer, the culture of the organization must appreciate success and the time committed to an organization, this differs greatly to Generation X who prefers a greater work/life balance and believes strongly in working smarter – not harder (Pew Research, 2014). Over time these two

generations have found common ground leading to, in general, workplace compromises that are now being threatened with the rise of the Millennial generation (Pew Research 2015). Today, these accepted norms are challenged by “the demise of the bureaucratic organization in favor of a horizontal style, new technology, globalization, and more information-friendly atmosphere,” (Arsenault, 2004; p. 125).

### ***Generational Shifts in Technology and Communication Preferences***

Millennials spent their childhoods with easy access to the internet, cellular phones, and social networks leading to an immersion around technology (Hershatter and Epstein, 2010). As digital natives, virtualness has had specific consequences on Millennials in the workforce including less effective face-to-face communication, technological dependence (National Chamber Foundation, 2012), and preference for virtual and less formal communication (Pew Research, 2010), leading to negative sentiments from Generation X and Baby Boomer coworkers and managers.

Millennials themselves see their technological capabilities as a competitive advantage with regards to their older colleagues (Lenhart, Purcell, Smith, and Zickuhr, 2010). Indeed, as a group, Millennial communication is focused on being always on (Pew Research, 2010). As smart phones have become increasingly more popular (Bachrach, Ogilvie, Rapp, and Calamusa, 2016), one sees the influence of social networks and other technology on communication and the preferred styles between generations. Technology is not just a piece of Millennials’ lives rather, it represents a state of identity in which technological communication plays an integral role (Lenhart, Purcell, Smith and Zickuhr, 2010). This level of technological need for Millennials can be juxtaposed to members of Generation X and Baby Boomers to quickly understand how and

why workplace conflicts occur. Generation X and Baby Boomers are attempting to assimilate to technologies for which both generations grew up not using (Howe and Strauss, 2007). Research demonstrates that these individuals (Generation X and Baby Boomers) instead value the face-to-face contact inherent in traditional organizational methods of communication (Hershatter and Epstein, 2010).

Another area at the intersection of technology and communication surrounds the idea of organizational pulse, highlighting an important difference between generations in the workplace. As technology has become more advanced, so too has its ability to influence the way communication is done in both process and frequency (Schultz and Schwepker, 2012). What would once have been viewed as extremely costly, for instance, speaking across the world with a customer (Lovelace, Shapiro, and Weingart, 2001; Wreden, 1998), has now become both highly cost efficient as well as simplified; as such, the pulse of communication has been able to adjust within an organization (Badrinarayanan, Madhavaram, and Granot, 2011). This pulse adjustment has had far reaching effects from a generational standpoint and is certainly a potential cause for cross-generational conflict. Baby Boomers grew up in a world in which communication was limited with regards to medium and frequency, this fact socialized them to value longer, more formal communication (Pew Research, 2015). The children of this generation (members of Generation X) operated on an increased frequency of communication that was still formal but more task and results focused (Dittmann, 2005). Finally, the Millennial generation, with the addition of technology, quickened the pace, reduced the formality, and shortened the allotted time of focused attention of organizational communication (National Chamber Foundation, 2012). These distinct differences can raise issues surrounding organizational communication

between employees, between employees and their supervisors, or between employees and the organization itself.

The need for seemingly constant communication (in the eyes of older generations) has been documented to cause workplace conflict – particularly around Millennial questions during onboarding (Twenge and Campbell, 2008). Unfortunately, organizations with front-line and middle managers unwilling to provide a high level of communication and help to Millennial employees can predictably see increased tension within the organization (Twenge and Campbell, 2008). The basic difference with regards to how onboarding and training should be done – specifically the amount of communication that should flow between Millennial new hires and Generation X/Baby Boomer managers – is a key point of contention within organizations today and highlights the importance of understanding generational differences in communication preferences (Pew Research, 2015).

Predispositions related to Millennial communication orientations and technology-focused behaviors can have adverse impacts on relationships with organizational members belonging to other generations (Myers and Sadaghiani, 2010). Shifts in communication style and technology preferences will continue to create many problems for managers as they attempt to shift ideals from a workplace that once clung to ideas such as work and life separation (Cennamo, Gardner, 2008), toward one that welcomes ‘always-on’ workstyles, flexible work opportunities (Dittman, 2005), relaxed organizational structures, virtual office hours, and informal communication (Pew Research, 2010).

### ***Generational Shifts in Relational Characteristics and Work Style Preferences***

The distinctive characteristics of each generation make interactions among them challenging and difficult (Schultz, Schwepker, and Good, 2012). These challenges may often manifest in the existence of tense, skeptical, and rigid relationships between members of different generational cohorts within an organization (Twenge and Campbell, 2008). Indeed, the stereotypes held about each generation cause employees to be critical of coworkers who do not share similar views, values, and traits (McGuire, Todnem By, and Hutchings, 2007). Lack of trust and skepticism impacts the ability of individuals within organizations to establish relationships, maintain communication and coordination, work as a cohesive unit and can ultimately result in a disjointed work effort (Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010).

Millennials pose unique challenges for managers when attempting to create human resource solutions that leverage intergenerational interactions (McGuire, Todnem By, and Hutchings, 2007). Compared to Baby Boomers and Generation X, some value/attitudes held by Millennials (e.g., socialization tendencies, trust, ethics, and autonomy) fall, as Hershatter and Epstein (2010) noted, “quite nicely along a continuum” (2010). Empirical work has shown that generations operate under different learning styles and different value priorities (Costello, Lenholt, and Stryker, 2004) that reduce generational interactions, communication, and trust (McGuire, Todnem By, and Hutchings, 2007). Millennial work styles, belief systems, and values are so fundamentally different from any group of young people in the previous 50 years (O’Reilly and Vella-zarb, 2000) that they often struggle with conflict and the inability that resulting generational conflict often leaves them unable to build relationships and trust with members of the organization outside of their own generation (McGuire, Todnem By, and Hutchings, 2007)

George Orwell once noted, “Each generation imagines itself to be more intelligent than the one that went before it, and wiser than the one that comes after it.” Such feelings have been observed across industries with familiar conflict spotted in large part because of a misunderstanding within generations (Weingarten, 2009). As Arsenault (2004) notes, “confusion and failure to appreciate generational differences has created pop stereotypes and criticism,” (p. 124) that have hindered the ability of these generations to build meaningful relationships and trust. Prejudices can create a great deal of conflict in the organization and especially within smaller work teams (Schultz and Schwegler, 2012). What is certainly evident across generations is a generally negative feeling toward the younger generation (Cadiz, Truxillo, and Fraccaroli, 2015), and the many common stereotypes that follow Millennials in the eyes of other generations (Myers and Sadaghiani, 2010). Many older employees misinterpret independent attitudes as a reluctance of the generation to conform to expectations (McGuire, Todnem By, and Hutchings, 2007), and see their technology literacy and multitasking tendencies to reflect a disregard to the ideas and importance of others. Such misunderstandings between generations create unnecessary personal conflict between organizational members (Lancaster and Stillman, 2002; Arsenault, 2004).

“Trust and trustworthiness are fundamental pillars for smooth and efficient interactions,” (Sutter and Kocher, 2007) between individuals in an organization. Yet, recent research found that individuals find a higher degree of trust with members of their own generational cohort (Holm and Nystedt, 2005). As the Millennial generation placing a greater emphasis on trust in work relationships (Twenge and Campbell, 2008; Arsenault, 2004) alongside the skepticism of Millennial employees reported by many older generations (McGuire, Todnem By, and

Hutchings, 2007), establishing and building relationships between these diverse generations in the workplace can prove difficult for managers (Chen and Choi, 2008).

### ***Generational Shifts in Cognitive Resource Models and Information Sharing Tendencies***

Generations separated by their life experiences and expectations and values shared in society at integral parts of their upbringing (Schultz and Schwepker, 2012). For example, Millennials and the subsequent values were impacted and shaped by the socialization they received from Generation X parenting styles (National Chamber Foundation, 2012). Millennials were socialized in a world with participative trophies and a mentality around ‘everyone winning’ (Twenge and Campbell, 2008); as such, Millennials carry many of the habits and trends learned from the parenting they received, schools structures they were educated within, and society influences during their childhood (Hershatter and Epstein, 2010). The impacts of a hyper-connected society (Deal, Altman, and Rogelberg, 2010) have impacted the way Millennials think, the way they gather and leverage knowledge resources, and the ways in which they communicate information (National Chamber Foundation, 2012). For example, considering Millennials’ upbringing within the school system one sees the influence of the ‘No Child Left Behind Act’ (U.S. House, 2002) on the generation’s ability to critically think, learn, and operate in ambiguous settings (Hershatter and Epstein, 2010). As high school education shifted toward a standardized testing approach, so too did Millennials’ ability to study and succeed within a highly structured environment (National Chamber Foundation, 2012). However, the associated consequence with this national policy are now being felt by employers being tasked by Millennials demands for clear instructions, supervision, and a frequent line of communication within their roles (Hershatter and Epstein, 2010).



Therein lies one of the major causes of tension between older generations and Millennials, while one strongly desires independence and autonomy within the workplace, the other desires a network that provides access to information (Schultz and Schwepker, 2012). One can certainly draw connections between a Millennial's desire to grow their social network and their reported actions of frequently (and bravely) reaching out to senior leadership in an organization in an effort to tap into network expertise (Pew Research, 2010). These actions highlight a unique characteristic uncommon to other generations: a preference for lack of hierarchy (Schultz and Schwepker, 2012; Hershatter and Epstein, 2010). Millennials hold a general disregard for organizational hierarchy and, in general, view any obstacle to information flow and communication as unnecessary and negative (Twenge and Campbell, 2008; Pew Research, 2010).

Those individuals entering the workforce now have grown up in an informationally rich environment characterized by networked digital information technologies (Flanagin and Metzger, 2011). This relationship to digital media has impacted their approach to learning, research, and information sharing (Rainie, 2006; Flanagin and Metzger, 2011). As such, they access and share a greater proportion of information using digital tools than their predecessors in the workforce (Lenhart, Madden, and Hitlin, 2005). With a greater ability to access and share information more quickly, it has been reported that the younger generation is more apt to collaborate and share information without waiting for 'top-down direction' (Rainie, 2006). Conversely, older generations placed a greater emphasis on knowledge and information credibility when sharing information (Flanagin and Metzger, 2011) and were more attentive to traditional information processing hierarchy (Deal, Altman, and Rogelberg, 2010). These differences occur because generations originate not only from differences in values and beliefs,

but also in the markedly different mind-sets (Arsenault, 2004) and clear divides in cognitive modes (Hayles, 2007). These shifts in generational cognition, information communication tendencies, and reliance on knowledge networks has created a hyper-dynamic environment for information sharing within today's organizations (Twenge and Campbell, 2008).

### **Generational Diversity within Teams**

Millennials clearly present unique challenges for managers simply in terms of recruiting, training, and retaining employees. However, the even greater challenge affecting industry today surrounds multi-generational teams (Schultz and Schwepker, 2012). Differences in work styles have been documented to cause conflict among team members (Dittman, 2005). As industries change with the entrance of a new generation of workers the frequency of challenges associated with generational differences abound (Twenge and Campbell, 2008). Organizations are beginning to feel the impacts of Millennials in teams, yet little academic research has investigated the attributes, and implications thereof, of this new generation (Cennamo and Gardner, 2008). Termed Millennials, Generation Y, GenME, and Generation Next, this cohort has been thus far defined through anecdotal evidence, news stories, and often highly opinionated popular press articles (Smith, 2010). Indeed, the little academic research that exists pertaining to this generational cohort is not only lacking, but has been deemed confusing and contradictory in many cases (Deal, Altman, and Rogelberg, 2010). Stereotypes depict millennials to be self-centered, disloyal, unmotivated, and disrespectful (Myers and Sadaghiani, 2010). These stereotypes have led many organizations to question the ability of incorporating this new generation of employees without damaging organizational operations.

With concern over their ability to communicate and cooperate with other organizational members, organizations are wary of the impacts the Millennial generation will have on functional work relationships (McGuire et al., 2007). Consideration of inter-generational interactions within the organization, and within teams specifically, is crucial for effective organizational operation. Effective work relationships within teams and organizations are informed by the communicative interactions that occur among team members as well as those that occur between team members and other organizational stakeholders outside of the team (Myers, 2009). When communication between individuals demonstrates an understanding of shared values, goals, and social norms, organizational members are able to build and sustain stronger and more productive work relationships (Myers and Sadaghiani, 2010). Because generational cohorts maintain different value systems and bring diverse skill sets and personal attributes to the organization, introduction of a new generation can hinder functional communication within the organization. This in turn can have adverse impacts on information sharing, decision-making, coordination, and organizational identification (Myers and Sadaghiani, 2010). Specifically, within a team context, communication processes have both direct and indirect implications for individual and team performance and can affect satisfaction and turnover of team members (Greenbaum and Query, 1999).

As managers struggle with the communication implications of the millennial generation, research has also raised questions of how to motivate and retain millennial employees (Myers and Sadaghiani, 2010). Many believe the predispositions and behavioral tendencies of Millennials will disrupt and complicate workplace interactions (Alsop et al., 2009). Further, some organizations adhere to the belief that in order to integrate Millennials into workplace teams and fully utilize their abilities, an overhaul of company rules, policies, and procedures will

be necessary (Gursoy et al., 2008). Indeed, popular press articles have chronicled the actions of organizations as they shift organizational practices, operations, and compensation packages to adapt to the changing work and life values brought about by Millennials (Twenge et al., 2010). Although many organizations do not yet fully comprehend the true nature and extent of adaptation needed, they are not wrong in taking steps to recognize the unique attributes of this generation.

Conflict is known to arise within multi-generational teams (de Witit, Greer, and Jehn, 2012) given the increased prevalence of member differences (Lovelace, Shapiro, and Weingart, 2001). Within a team environment, the generational differences outlined previously become more significant, with a markedly noticeable influence (Tomek, 2011). As such, multi-generational teams represent an area of critical importance that must be strategically managed by organizations in order to maintain competitive advantages in team-based functions. As Baby Boomers retire and phase out of the workforce, Millennials are being asked to take on roles with greater responsibility (National Chamber Foundation, 2012). This generational shift within the workplace, particularly within multi-generational teams where communication and contact are imperative, has the ability to amplify tension due to the differences between generations (Cadiz, Truxillo, and Fraccaroli, 2015).

Firstly, generational differences exist in the very attitudes toward, and perceptions of teamwork (National Chamber Foundation, 2012). For the Millennial employee, opportunities to work within a collaborative, team environment are not only welcome but sought after (Pew Research, 2010). Millennials in such situations generally respond to team opportunities with enthusiasm as it presents a more structured work environment and a means to expand and nurture their professional network within the workplace (Hershatter and Epstein, 2010). Further,

Millennials are able to tap into their desire for participative interactions leading to a typically positive experience, in their minds, when tensions/challenges do not arise (Cadiz, Truxillo, and Fraccaroli, 2015). In contrast, members of Generation X traditionally view work with a ‘lone wolf’ mentality (Twenge and Campbell, 2008) where collaboration is likely low on the list of desires in an ideal workplace (Pew Research, 2010). In near direct contrast with the Millennial ideal of a highly structured environment, members of Generation X not only seek and desire but demand freedom and autonomy when working (Twenge and Campbell, 2008). As such, one can begin to see the recipe for tension with respect to the fundamental desire around how work is to be completed within a team. Millennials’ focus on collaboration, in practice, can be readily seen as a challenge to members of Generation X – who focus on being highly efficient with minimal intrusion.

Finally, one looks at the Baby Boomers within a multi-generational team and the workstyle continuum appears complete. Baby Boomers seek to feel a sense of legacy that can be upheld by the next generation, while Millennials seek deep mentorships and relationships (Twenge and Campbell, 2008). A major area of tension between the two groups surrounds the ideas of innovation and change (Schultz and Schwepker, 2012). In particular, one sees the adoption of greater technology as a plausible area for team conflict (Pew Research, 2015). While Millennials view technology use as natural and easily integrated into work (with some referring to it as a “sixth sense”), Baby Boomers had to adopt technology use (Hershatter and Epstein, 2010). With an increasing availability of technology in business (Myers and Sadaghiani, 2010), this can create the potential for team tension over the positives and negatives of technology use in team activities and processes.

Vital to team success, trust is another team characteristic impacted by generational diversity within teams. Trust is a difficult trait for businesses to manage, in part, because of its personal, and individual, nature (Cadiz, Truxillo, and Fraccaroli, 2015). While personal trust varies across the board, it is important to recognize that within the multi-generational business environment of today that different, and in many ways competing, value frameworks begin to take hold as a product of the environments for which each generation socialized and grew up in (Holloway, Cox, 2010). A “cultural landscape” of trust (Bucher, 2000) can be easily discerned when considering the formative events of each generation. For the Baby Boomers one sees events like the Civil Rights Movement and Vietnam War as key formative experiences (Schultz, Schwepker, and Good, 2012). Within Generation X events one see the influence of Watergate, the energy crisis, and, to a large extent, having both parents work all day – creating ‘latch-key kids’ (Cennamo and Gardner, 2008). Finally, when looking at Millennials one sees formative events around, constant war, the terrorist attacks on 9/11, and other acts of violence (e.g. school shootings) (Schultz, Schwepker, and Good, 2012). Ultimately, these formative events have an effect on the personal values of each generational member – such as trust. For members of Generation X with double income parents it is obvious that the world is valued in such a way that encourages and expects autonomy while for a Millennial such autonomy was discouraged in an age of team sports and participative trophies (National Chamber Foundation, 2012). Such changes from a standpoint within the formative years of socialization lead to permanent changes in work styles, desires, and, most importantly, value frameworks (Pew Research, 2010). These differences in value frameworks can pose problems for multi-generational teams in terms of trust, compatibility, and internal team support.

## **Generational Faultlines within Teams**

As discussed above, the increases in generational diversity within sales teams have created the opportunity for greater team conflict given differences in organizational structural preferences and expectations, relational norms, and cognitive decision processes of generations. When these differences are brought together in the functional and social bounds of one team the opportunity for the emergence of generational faultlines is increasingly prevalent (Boehm and Kunze, 2015; Thatcher and Patel, 2011).

Faultlines form along an alignment of diversity categories such as the attitudes, values, and workstyle traits that represent generational cohorts (Boehm and Kunze, 2015). These faultlines can become detrimental to teams when they result in subgroup formation based on individuals' identification with generational attributes and corresponding age diversity (Lau and Murnighan, 1998). If these divisions become prominent within a team, the ability of the team to act as a cohesive unit is impacted (Zanutto, Bezrukova, and Jehn 2010). Strong group faultlines lead to conflict, reduced performance, and negative attitudes between subgroups (Pelled, Eisenhardt, and Xin, 1999). Because individuals with similar attributes will tend to relate to and identify with individuals similar to themselves, psychologically salient and socially meaningful faultlines are likely especially pronounced between generational groups (Lawrence and Zyphur, 2010).

Structural, relational, and cognitive constraints are placed on intragroup relationships when these dividing lines become salient enough to clearly highlight similarities within-groups and differences between (Lawrence and Zyphur, 2010). When group awareness of demographic differences are reinforced through events such as generational stereotypes, organizational recognition (e.g., work anniversaries, tenure, retirement parties, senior promotions), or

compounding structural hierarchies, these faultlines are more cognitively-accessible to individuals (Lawrence and Zyphur, 2010) and are likely to result in boundaries between groups. Not only does these faultlines cause conflict within intra-team relationships, but they also heighten individual emotional conflict (Li and Hambrick, 2005) and team task conflict (Zanutto, Bezrukova, and Jehn, 2015).

Notably, there are distinct differences between team-level and organizational faultlines. The nature of a team as a smaller group with frequent interaction, represents a greater opportunity for faultline existence as group members are more aware of one another and their demographic attributes (Lawrence and Zyphur, 2010). Within an organization it is unlikely that individuals would be aware of all others and less likely to formulate subgroups that permeate the entirety of the organization. Another distinction between the organizational and team-level faultline emerges in the group boundary conditions. Teams are often defined, non-randomly assigned, and formally-prescribed by management.

While faultlines are not mutually exclusive in the sense of individual group identification, individuals likely identify more so with their sub-group related identity than with their identity as part of the entire group (Lau and Murnighan, 2005). Further compounding these effects, sub-group members often identify with their sub-group to such an extent as to evaluate attitudes, actions, and beliefs of their sub-group members more favorably than others (Lau and Murnighan, 2005). This is not surprising and can be seen in the reinforcement of generational stereotyping that occurs within organizations as individuals are more likely to believe the positive stereotypes of their own cohort and the negative stereotypes of others (Myers and Sadaghiani, 2010).



Organizations are now, more than ever, characterized by increasing levels of heterogeneity in their workforce (McGuire, Todem By, and Hutchings, 2005) that is consistently impacting the ability of teams to function efficiently and achieve desired outcomes (Thatcher and Patel, 2011). The distribution of differences that exist between underlying generational values, attitudes, and characteristics of individual team members (McGuire, Todem By, and Hutchings, 2005) has resulted in fragmented and ineffective organizational teams (Li and Hambrick, 2005). This association between generational heterogeneity, team conflict, and organizational performance has called attention to understanding the process in which employees progress from individual entities to sub-group factions (Li and Hambrick, 2005) and to what extent these factions are impacting team resources, processes, and outcomes. Because each generational cohort represents distinct characteristics “that may make interacting with them different from other generational cohorts” (Schultz, Schwepker, and Good, 2012), teams will likely see a greater tendency for the emergence of generation-specific factions straddling a generationally conceived faultline. It is against this backdrop of generational faultlines that this research considers generational diversity impacts within sales teams.

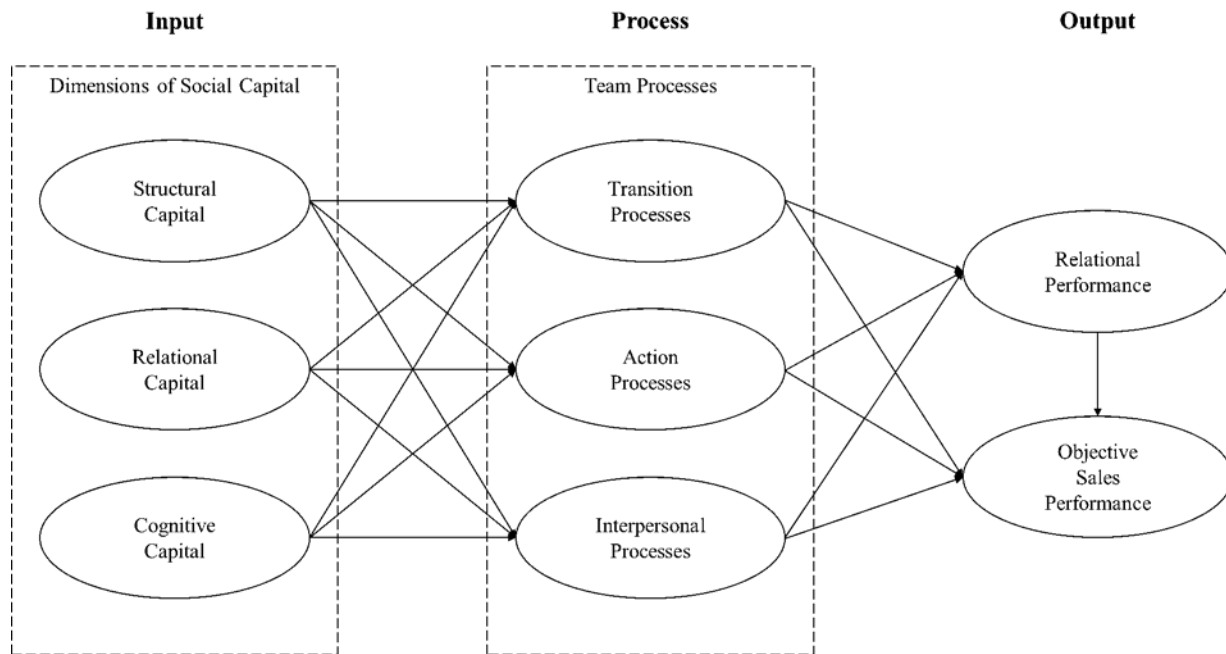
### **Conceptual Model Overview**

In considering models of team effectiveness, a popular paradigm within organizational literature is the Input-Process-Outcome Model (IPO model). Across applications, this model holds true that input factors translate to outcomes through relevant group processes (McGrath, 1984). In team research, input factors involve group characteristics and attributes of team social interaction. These inputs then inform and influence team processes which translate to team outcomes (such as team performance or effectiveness). The understanding behind this model

stresses the mediating role of team processes in the transformation of shared group resources (such as social capital) to team performance outcomes. The present study considers the role of social capital inputs in informing team processes in order to influence relational and objective team performance within a sales organization (see Figure 1.1).

As detailed in Figure 1.1, below, the conceptual model suggests that three dimensions of social capital, including structural, relational and cognitive, impact relational and objective sales performance through three process mechanisms, including transition, action and interpersonal. Accordingly, this research overlays this model upon the generational faultline strength question in arguing that the effectiveness of sales teams is driven in large part by not only the social capital each self-identifying team subgroup and individual brings to the team, but its direct impact on the team processes that drive resultant performance through action. The aforementioned constructs are presented, defined, discussed and delineated in the next chapter.

**Figure 1.1**  
**Conceptual Model**

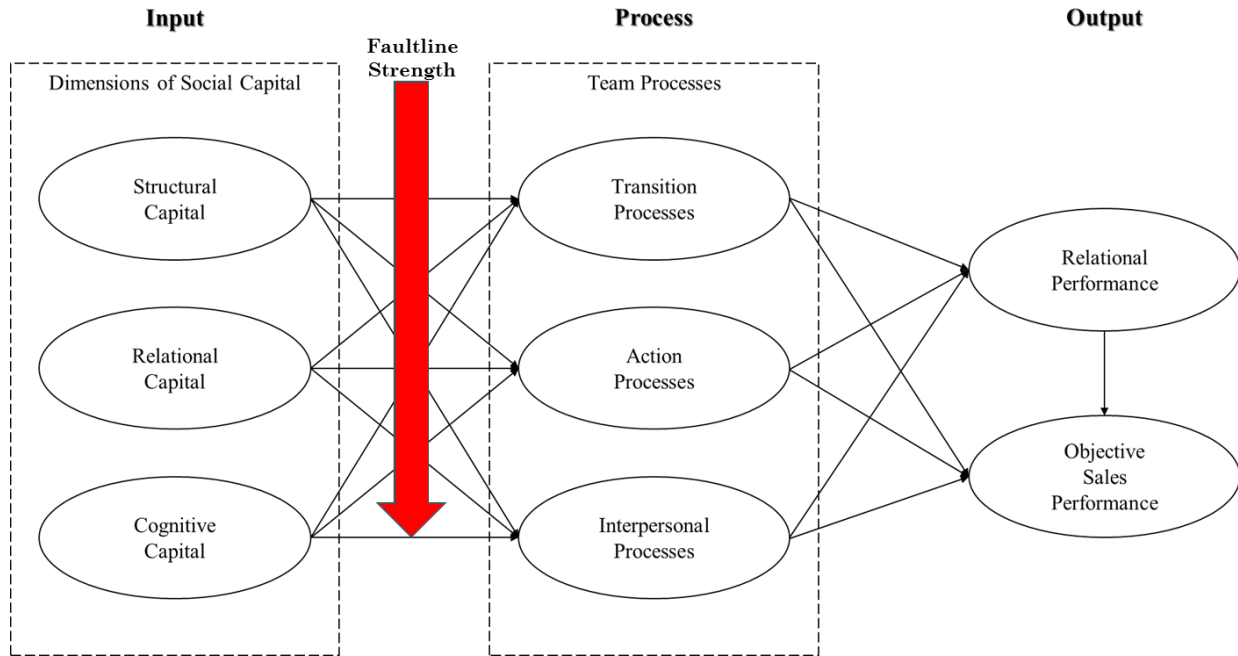


**Hypothesized Model Overview**

This dissertation aims to understand the implications of generational diversity within a sales teams. To further understanding of this research question this research hypothesizes and tests the interaction effects of generational diversity on the relationships between dimensions of social capital and sales team processes to better understand how generational diversity impacts the ability of sales teams to leverage social capital to engage in the processes necessary for team goal achievement. These hypothesized relationships are displayed in Figure 1.2 below. The moderating relationships hypothesized in this research aim to understand the implications of faultline strength, or the variation in age represented within a sales team, to build a foundation for understanding generational faultlines in sales team goal achievement.

**Figure 1.2**

**Hypothesized Interaction Model**



**Gap/Contribution**

Given the enormity of the generational paradigm shift that is overtaking the business domain, it is virtually inarguable that faultlines will play an inevitable role in shaping managerial thought and action for many years to come. Interestingly, however, a dearth of research related to faultline strength and, specifically, to its juxtaposition over the Input-Process-Outcome (IPO) model as relates to sales teams, has created an opportunity to identify meaningful insight into the myriad roles that individuals and subgroups necessarily play in the process. With sales teams becoming the new norm, the intersection of such generational diversity of thought, warrants academic research geared toward uncovering and capturing the drivers and outcomes by which firms and managers might find semblance of productive organizational control.

***Sales Teams.*** In business today, as many as 75% of companies organize the selling function around teams (Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010; Cummings, 2007) in an attempt to leverage a more coordinated strategy, optimize cross- and up-selling opportunities, and combat the shift from products to services to customer solutions (Rapp, Ahearne, Mathieu, and Rapp, 2010). However, this increase in team-based selling in organizations has not been matched by academic and empirical investigation (Sung and Choi, 2012). Without empirical support for effective sales team processes and performance, many organizations are continuing to struggle with understanding sales team implementation and effectiveness (Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010).

***Social Capital in Sales Teams.*** Considering the influences of dimensions and aspects of social capital in sales teams also remains an area ripe for empirical research (Jackson and Joshi, 2004). Specifically, while Adler and Kwon (2002) have, in extant literature, previously explored some relationships between social capital as a single construct and key outcomes such as team effectiveness, this dissertation advances the work of Nahapiet and Ghosal (1998) in using three distinct dimensions of social capital, including structural, relational, and cognitive, as antecedents to team process variables. In this way, the distinct relationships between social capital dimensions can be explored in depth and their unique implications for sales team processes explored. Further advancing the work of Marks, Mathieu, and Zaccaro (2001), this research aims to demonstrate how performance implications of social capital exist through the translation of social capital into team performance through distinct sales team processes (i.e., transition, action and interpersonal processes acting to “translate” social capital into relational and objective team performance).

*Generational Faultlines in Sales Teams.* Additionally, the increasing diversity of today's salesforce adds another layer to the puzzle of sales team performance. The millennial generation, currently entering the workforce, is the youngest and fastest growing generation in the business world (Twenge et al., 2010). This cohort will continue entering the workforce in large numbers until around 2022 (Hershatter and Epstein, 2010). A unique cohort, the Millennials are "armed with the tools and inclination to drive toward a better future in a world facing economic, geopolitical, and environmental crises," (Hershatter and Epstein, 2010) and touted as the most significantly different generational cohort to ever enter the workforce (Schultz, Schwegler, and Good, 2012). With lifelong access to technology tools, the relationship between this cohort and technology has informed and altered the way they understand and interact with the world, gather and processes knowledge, and communicate within social structures (Hershatter and Epstein, 2010). This digital immersion and the resultant shifts in social norms create a unique set of challenges in managing, directing, and motivating this millennial generation.

With such uncertainty surrounding this generational cohort, a better understanding of their unique attributes is necessary. With little empirical evidence and varied popular perceptions of this generation, organizations are working blindly to incorporate new hires into the workplace with disastrous effects. Notably, differences in attitudes and work values are indeed influenced more so by generation than mere age or maturity (Smola and Sutton, 2002). Still, empirical evidence of such has done little to silence a popular argument that Millennials don't represent a significant shift in the workforce (Deal et al., 2010). Despite research findings demonstrating unique differences between generational cohorts (e.g., McGuire, Todem By, and Hutchings, 2005, Martin, 2005), empirical research has largely ignored the effects of generational

differences on salesforce interactions and sales teams specifically (Schultz, Schwepker, and Good, 2012). Organizations are increasingly using teams to meet the demands of their competitive environments (Thatcher and Patel, 2011), and yet cumulative findings of the effects of diversity on sales teams have been inconclusive (Bell, Villado, Lukasik, Belau, and Briggs, 2010). In an effort to answer this empirical need this research also builds on faultline theory to answer managerial questions of intergenerational conflict and the implications of generational subgroups. Indeed research points to the likelihood of faultlines existing between generations, creating generational silos that house knowledge, skills, and expertise with little information shared between groups (Lau and Murnighan, 2005).

As teams are becoming more diverse with multiple generations currently coinciding within the workforce (Cennamo and Gardner, 2008), this research provides an avenue for academics and practitioners alike to garner a stronger understanding of the implications of diversity in the workforce. This growing diversity is not contained to one generation, but will continue to compound and thus is an area in dire need of empirical understanding. “Although common characteristics exist within each age group,” (Weingarten, 2009; pg. 257), the current overlap of three different generations within the workforce creates a large spanning continuum of beliefs, attitudes, and work styles with a great deal of variation across individuals. Generational groupings of individuals reflect those people born in the same time of history and culture (Palese, Pantali, and Saiani, 2006) which can impact the beliefs, values, work styles, and other characteristics of employees (Cennamo and Gardner, 2008). Generations are traditionally interpreted by spans of about 20 years (Weingarten, 2009), leading to vast differences in culture and the way individuals relate to each other. When generations differ significantly in the work expectations they hold, the goals they are trying to achieve and the values that they look for and

leverage in an organization, conflict is likely to manifest. “In reality, when [3] generations....work together in the same fast-paced, complex, and stressful [work] department, age differences do matter,” (Weingarten, 2009; pg. 27).

## **Conclusion**

While social capital and sales teams have been investigated in prior research, and team processes have been shown to positively impact performance (Hughes, Le Bon and Rapp, 2012), using the three components of social capital as the key antecedents in the IPO model, in an effort to uncover how they act through team processes to impact performance is a glaring gap in the research. Similarly, application of faultline strength as a moderator in this model is also of note, as the coming swarm of Millennials to the workforce bring with them untold diversity of thought, beliefs and action, and understanding how managers might meaningfully respect, adjust to, and/or embrace the change will be key to sales team success going forward. To the extent that managers are able to understand this very important and growing element of the workforce, and to enact policies geared to most efficiently and effectively ushering its collective change for the good, sales teams will find yet another resource by which to establish competitive advantage.

## **Manuscript Organization**

This dissertation, organized by chapter, has been broken into the following key sections. Chapter 1 provides an introduction to the research domain and associated research questions, and sets forth the premise that generational faultlines have a meaningful impact on sales team success. This chapter also introduced the conceptual model, an important research gap in the literature, and the expected contribution this work will make to the academy. Chapter 2 provides



a detailed literature review that explains extant work in this domain which provides the foundation for this study. Chapter 3 explores the theoretical foundation and provides further support underlying the proposed hypothesized model. Chapter 4 details the development of, and justification for, each research hypothesis derived through application of theory to the research questions at hand. Chapter 5 discusses the sample and data collection, and discusses at depth the methods utilized in the analysis. Chapter 6 details results for each of the associated hypothesis tests. Chapter 7 concludes with a thorough discussion of results, resultant managerial and theoretical implications, as well as limitations and future research which might advance this work.

## **CHAPTER 2**

### **LITERATURE REVIEW**

In the following sections, a brief overview of team literature builds a foundation for understanding the role of sales teams within an organization and the implications of team processes on performance outcomes. Following an in depth review of team processes, an overview and definition of organizational faultlines is provided. A discussion of the implications of faultlines within sales teams, the process of measuring faultlines, and components of faultline activation concludes this chapter.

One place faultlines can be prominent and cause disruptions is within the confines and close working quarters of a team context. The impacts of demographic faultlines on the processes and performance outcomes of teams exists “over and above” the effects attributed to demographic diversity alone (Thatcher and Patel, 2011; p. 1120). Here, faultlines pose a threat because team success hinges upon the ability of the team to work as a cohesive, complimentary, and bound unit. The duality here is the idea that a team becomes stronger by adding the unique characteristics of individual members to create a sum total that is greater than the skills, abilities, and expertise of the individuals individually. To do this they must complement each other, but when members bring new skills and expertise to the table the team members also bring diversity that creates conflict via faultlines. As discussed, such faultlines can then create conflict over interpersonal as well as task related issues.

In team research, relationship conflicts (disagreements over interpersonal issues) and task conflicts (disagreements over work-related issues) represent the two most common conflict types explored by researchers (Thatcher and Patel, 2011). With this in mind, understanding the role of teams and team processes with respect to the existence and activation of faultlines is crucial to diversity management within firms.

### **Organizational Teams**

Firms are increasingly organizing specifically around teams in order to counter an increasingly competitive landscape (Auh et al., 2014). Teams are comprised of an inherently greater knowledge base and more diverse skill set than that held by individual team members. In this way, teams are capable of facilitating the integration of information to make more informed decisions and supply a more coordinated effort (Deeter-Schmelz and Ramsey, 1995). This advantage has led many sales organizations to increasingly adopt and implement team-based selling structures (Rapp et al., 2010).

A team is composed of a cumulative set of attributes contributed by individual members. Team members bring unique demographic characteristics, personality variables, and skill levels as attributes to the team (Thatcher and Patel, 2011). These attributes are considered highly influential on team processes and outcomes (Bunderson and Sutcliffe, 2002). While organizations continue to move forward with team structures, literature has long highlighted the lack of empirical work to complement these advances (Mathieu, Maynard, Rapp, and Gilson, 2007; Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010). Throughout organizations there are substantial differences in the composition of teams, the internal and external

complexities that plague their effectiveness, and the organizational contexts in which they operate (Mathieu, Maynard, Rapp, and Gilson, 2007).

### ***Definition of a Team***

Over the past fifty years, countless team definitions have been advanced by researchers (Modrick 1986). It is evident that the nature of a team may vary due to task demands and relationships among members of the team. This research focuses on sales teams, which operate at high levels of interdependency. As such, within this research I subscribe to a definition of a team that incorporates the interdependence of a team in working toward a common purpose.

A team is defined as “ a distinguishable set of two or more people who interact, dynamically, interdependently, and adaptively toward a common and valued goal/objective/mission, who have each been assigned specific roles or functions to perform, and who have a limited life-span of membership” (Sala, Dickinson, Converse, and Tannenbaum, 1992, p.4 ). Notable components of this definition are that the team represents an organizational structuring of members that must exchange resources and information to coordinate tasks while continuously updating the processes and approaches toward task completion (Mathieu, Maynard, Rapp, and Gilson, 2007). Also important, is the notion that the members of the team are working together to accomplish their goal. Situations where groups of individuals act individually to accomplish tasks by themselves are not considered members of a team (Kozlowski and Bell 2003), but rather a work group.

### **Sales Teams**

Research has noted that the traditional sales model involving a single sales representative that performs all selling tasks is being replaced with sales teams (Rapp, Ahearne, Mathieu, and

Rapp, 2010), often composed of both traditional salespeople and technical experts (Deeter-Schmelz and Ramsey 1995; Moon and Armstrong 1994). The past 40 years has seen a growing awareness that effective selling practices require the participation and coordination of many people (Cespedes, Doyle, and Freedman, 1989). This shift has been a result of products and services increasing in complexity and a shift from product selling to service, and solution selling. This shift results in customers requiring increased levels of technical support and, as a result, companies are restructuring their sales forces to better adapt to customer demands.

Specifically, a sales team has been defined as “consist[ing] of selling organization members assigned to a particular customer who are actively involved in the development or implementation of the sales strategy for that customer,” (Moon and Armstrong, 1994, p. 24). To be considered a sales team, unique and distinct from a work group, the team must meet a set of criteria put forth by sales researchers building from Kozlowski and Bell’s 2003 work team criteria (e.g., Rapp, Ahearne, Mathieu, and Rapp, 2010; Auh et al., 2014). These criteria include the existence of a service or selling role that connects the team directly to the customer (i.e., the team exists to sell and service specific customers), being held to performance goals that hinge on team-level performance, the team must interact and coordinate socially, there must be some coordination and planning that exists among team members for the purpose of calling on and providing service to customers, the team must maintain certain expectation about the task they are assigned, and finally, the team must operate within an established territory, team-level quotas, and organizational and team resources (e.g., the team must have expectations of their resources available, bounds on their actions, and goals to be achieved). Additionally, a sales team is differentiated from team selling (the use of multiple salespeople to approach a prospect) in that

sales teams maintain individuals with different areas of expertise (e.g., a salesperson, a sales engineer, a logistics representative, a customer service representative, etc.).

Academic literature and managerial practice have demonstrated several strategic reasons to move toward the use of sales teams in many organizations (Auh, et al. 2014; Rap, Ahearne, Mathieu, and Rapp, 2010). As compared to individual sales representatives operating alone, teams offer relational and functional benefits that can create a competitive advantage in a marketplace that is increasingly diverse and help organizations combat the demanding pace of firm competition (Auh et al., 2014). For example, teams have been found to be more effective in learning about customers through their abilities to build deeper and longer lasting customer relationships, and are more able to anticipate shifts in market trends (Auh et al., 2014). In this way, sales teams provide a competitive advantage to firms in this context as team resources and assorted skills and expertise allow teams to establish stronger relationships with customers and meet ever-increasing knowledge demands. Further, the use of sales teams not only increases the level of knowledge support; they also increase a company's access to customers (Deeter-Schmelz and Ramsey 1995) and frequency of customer interaction. Perhaps because of these potential benefits, companies that have adopted team sales structures are showing impressive gains in their sales results (Ahearne et al. 2005).

The view that selling is often a team-based effort has predominated the marketing literature for some time now (Menguc, Auh, and Uslu, 2013; Ahearne, et al., 2010; Lambe, et al., 2009; Weitz and Bradford, 1999; Moon and Armstrong, 1994). As such, a growing body of research exists surround the use and effectiveness of sales teams. This research began with anecdotal reports of sales teams operating within organizations (e.g., Blessington, 1989; Cespedes, Doyle, & Freedman, 1989) and blossomed to include descriptions of organizational

contexts in which teams were most prominent and widely used as well as the characteristics of the teams themselves (e.g., Arnett & Badrinarayanan, 2005; Deeter-Schmelz and Ramsey, 1995; Jackson, Widmier, Giacobbe, & Keith, 1999; Perry, Pearce, & Sims, 1999). While much of the early sales teams research remained largely descriptive, a number of researchers put forth conceptual frameworks of team effectiveness as well (e.g., Dixon, Gassenheimer, & Barr, 2003; Jones et al., 2005; Moon & Armstrong, 1994; Moon & Gupta, 1997; Cespedes, 1992).

Following this early work, more recent researchers have established a number of empirical studies exploring sales team functioning and effectiveness. Much of the earliest empirical work was done in the management literature (e.g., Gladstein, 1984) with increasing work emerging in the marketing literature more recently (e.g., Ahearne, MacKenzie, Podsakoff, Mathieu, and Lam, 2010; Rapp, Ahearne, Mathieu, and Rapp, 2010; Mehguc, Auh, and Uslu, 2013; Auh, Spyropoulou, Menguc, and Uslu, 2014). Perhaps the earliest example of empirical work in the sales team area, Gladstein (1984) utilized an input-process-outcome model to explore team ratings of satisfaction and performance as reflected by leadership factors, communication and supportiveness, as well as company tenure. When exploring team effectiveness with key account management teams (specialized sales teams), early research found that activities and resources of the team indeed impact performance effectiveness (Homburg and Jensen, 2003). Interestingly, and of note to this research specifically, Jackson and Joshi (2004) empirically examined the composition of teams related to gender, tenure, and ethics and found that some combinations of these diversity factors were negatively associated with the performance of the sales team. A prevalent conflict and challenge within some specialized teams (e.g., cross-functional teams), the effects of inequality in pay and compensation as related to sales team performance and effectiveness has also been explored (Joshi, Liao, and Jackson, 2006).

Most recently, empirical analysis of conflict and implications of conflict within a sales team has been put forth in the marketing literature by Auh and colleagues (2014) who found that relationship and task conflict adversely impact sales team performance. These findings confirmed earlier meta-analysis work (de Wit, Greer, and Jehn 2012) that confirmed stable negative relationships between relationship and process conflict and work team outcomes. As Auh et al., (2014) state, “regardless of whether the conflict originates from incompatibility in personality or task relevant issues, differences in opinions or viewpoints, tension, and frustration all lead to distractions that hinder productivity and detract team members from disseminating and sharing a collective understanding of information,” (p. 272-273). Additional empirical research confirms this necessity of team cohesion by suggesting that team outcome interdependence and task and outcome interdependence can replace the positive role played by empowering leadership in a sales team context (Menguc, Auh, and Uslu, 2013).

Organizations have recognized the importance and competitive advantage of characteristics such as flexible structures and interactive networks that manifest within sales teams (Badrinarayanan, Madhavarem, and Granot, 2011). While many such competitive advantages exist in the use of sales teams, marketing literature has also recognized a number of challenges associated with the structuring of sales teams, process coordination among teams, and management concerns related to team effectiveness. For teams to be successful they must be organized and aligned with key customers, understand how to channel and leverage firm resources, establish and maintain new boundary spanning processes with customers, maintain a high level of service orientation, and – importantly – bridge any internal or external cultural differences (Sheth and Sharma, 2008). While this final sales team challenge is attributed to the success of global sales teams, it holds a degree of truth for any group of individuals working



together toward a common goal (e.g., a definitional sales team). Those individuals that make up the team are challenged to overcome internal differences that may exist and cause conflict within the team (Auh, et al., 2014).

Marketing researchers in extant work have outlined numerous operational and functional challenges associated with organizing the selling function around a team as opposed to an individual (e.g., Badrinarayanan, Madhavarem, and Granot, 2011; Rapp, Ahearne, Mathieu, and Rapp, 2010; Arnett and Badrinarayanan 2005; and Dixon, Gassenheimer and Barr, 2003; Moon and Armstrong, 1994). Most notably, as a group of individuals works together toward a selling goal, many complexities will begin to manifest around the required teamwork, knowledge coordination, cumulative skills and abilities, and ability to transfer and successfully manage these needs in a selling situation (Badrinarayanan, Madhavarem, and Granot, 2011). Challenges emerge in a sales team context for many reasons; “with sales teams comes incongruence between individual and teamwork values or styles creating situations in which conflict is inevitable,” (Dixon et al. (2002, p. 247). With the growing importance of sales teams, the potential gains associated with the sales team model, and the lack of research in this area, this team selling focus warrants investigation – specifically as pertaining to potential conflict and deviators from sales team effectiveness. As noted by Auh and colleagues (2014), “empirical studies that address barriers such as conflict to information exchange and integration in sales teams are still underrepresented in sales research,” (p. 671).

### **Team Processes**

Much of the past team-based research subscribes to a general, accepted framework for progressions toward performance. Processes are viewed as intervening or mediating mechanisms

linking variables such as team composition and organizational characteristics with outcomes such as performance quality or quantity (Marks, Mathieu, and Zaccaro, 2001). These processes are classified into transition, action, and interpersonal clusters. Success of the team goes beyond the individual resources, talents, and skill set of each team member to also include the processes and behaviors used by the team members to interact, communicate, coordinate, and accomplish their goals in the most effective way (Rapp, Ahearne, Mathieu, and Rapp, 2010).

Team processes convert inputs such as team composition, team resources, and organizational characteristics into final outcomes such as sales performance, customer satisfaction, and relationship performance (Marks, Mathieu, and Zaccaro, 2001). These processes help teams organize and coordinate work to achieve their collective goals.

### ***Transition Processes***

Transition processes serve as reflective processes for the team. These processes occur in periods of time designated toward planning and/or evaluating sales action (e.g., planning before a sales call occurs or evaluating a particular sales call that has already occurred). These processes occur between periods of action and serve to assess previous actions and plan future actions. The goal of transition processes is to help ensure the team is successful in their approach to action. In these processes the team considers goals, current strategies, results of previous actions, and formulates next steps for goal achievement. This category of processes focuses on strategy and goal specification. These processes help the team evaluate buyer behavior and help to prepare for the next steps in the sales process.

Following the taxonomy set forth by Marks, Mathieu, and Zaccaro (2001), transition processes include three key activities undertaken by the team: mission analysis, goal setting, and

strategy formulation. Mission analysis refers to the actions related to identifying upcoming sales call opportunities and considering the related resources, team capabilities, and the situation-specific factors that will impact and influence the sales call. This stage in transition processes help teams more effectively direct their efforts, recognize key client needs in a proactive manner, and identify optimal opportunities that may be missed otherwise.

The second set of activities inherent in team transition processes are related to goal setting. This category reflects the actions of the team related to identifying and clarifying goals and subgoals within specific sales encounters and customer account relationships (Marks, Mathieu, and Zaccaro, 2001). Teams must be able to not only identify, but prioritize goals in order to effectively achieve desired performance outcomes. Engaging in goal setting activities allows the team to create a cohesive effort and focus on the priority actions necessary to reach subgoals and goals in a timely and effective manner. These activities create a united and consistent unit as opposed to a disjointed front that can exist in their absence. This can be especially important when interacting with customers that may view a lack in team unity as a weakness that can be exploited for customer gain. At the far side of this spectrum, customers may simply dismiss the team as a viable service option based on a lack of coordination that stems from failure to set and prioritize goals.

Finally, transition processes include strategy formulation (Marks, Mathieu, and Zaccaro, 2001). These activities relate to planning and developing the optimal course of action within a selling situation. This classification also includes aspects of contingency planning in which the sales team takes time to plan alternate courses of action and approaches to customers due to the ever-changing nature of the selling environment. Strategies consider the abilities of each member of the team and match them to the specific steps of the sales call to optimally interact with the

buying center and influence the decision process to effectively reach team sales goals. Strategy formulation allows the team to approach customers with the ability to adapt, proactively anticipate customer needs, and steer the sales call as opposed to being forced to rely on rigid sales approaches or past experiences.

### ***Action Processes***

Action processes embody the forward motion of a team. These processes allow the team to take the steps needed to move toward goals. These occur during task completion and lead directly to team goal achievement. By engaging in action processes, a team ensures movement of the collective unit toward the team goals. Activities in this process include monitoring current progress, assessing role and responsibility fulfillment of team members, keeping members engaged and focused on the team goal, and coordinating behaviors. Action processes facilitate the coordination necessary for the team as they move toward a goal.

Action processes include three elements: monitoring progress toward goals, systems monitoring, and coordination (Marks, Mathieu, and Zaccaro, 2001). The first of these activities, monitoring progress towards goals, occurs when the team tracks the progress made toward goals and subgoals (as were established in previous activities of transition processes). The monitoring of goals occurs as the team analyzes what has been achieved to a certain point in time and then effectively communicates the progress to the team unit as a whole. This activity becomes critical to success in instances where team members are meeting with the client individually and progress must be communicated in order to remain consistent in approach and action. When members are not aware of their current status or haven't accurately recorded accomplishments and changes in an up-to-date manner, the result can be a misinformed team member interacting

with a customer, or two individual team members calling on the same customer multiple times. Inefficiencies and redundancies not only cost the team valuable resources, but may also damage customer relationships and perceptions of team capability.

Team monitoring is a second activity housed within action processes that refers to the behaviors of the team related to providing feedback, performance evaluation, and individual task assistance to other team members. Team monitoring allows teams to effectively assist other members of the team with their tasks in order to help the team achieve their larger goals as a unit. This occurs as the team members engage in behaviors such as providing feedback, helping with task completion, offering advice or constructive instruction, or simply completing the task for the other team member. If the team is not actively monitoring themselves as a unit they may miss key opportunities to realign responsibilities based on customer preferences or maintain a cumulative effort toward goal achievement.

A third component of action processes is systems monitoring. Systems monitoring occurs when the team tracks and monitors the resources available to them and the environmental conditions within which they are operating (as related to meeting a specific goal) (Marks, Mathieu, and Zaccaro, 2001). By monitoring such things the team remains agile and retains a proactive approach to customer interactions that increase adaptability and efficiency in sales activities. If a sales team is conscious of environmental conditions and changes they can adapt their activities and interactions to be more in line with the customer's needs and service customer expectations at a higher level than competitors. Further, by monitoring the customer and customer's environment as well the sales team can predict and preempt changes in the buying center and help customers uncover latent needs to increase sales activities and strengthen the buyer-seller relationship.

Finally, action processes include coordination activities within the sales team (Marks, Mathieu, and Zaccaro, 2001). Coordination refers to the ability of the team to communicate planned activities and actions alongside the timing of sales process steps that are often times interdependent. Indeed, this step allows the team to implement strategy, ensure efficiency, and maintain accuracy. Without coordination the team may likely fail to communicate plans, activities can breakdown, and actions of the team would be disjointed and misaligned. In order to effectively implement the steps necessary for team goal achievement, coordination of key activities is essential.

### ***Interpersonal Processes***

Interpersonal processes serve to maintain the team dynamic and role interaction. These are the processes that team members must engage in to manage relationships within the team and mitigate and manage conflict (Marks, Mathieu, and Zaccaro, 2001). These processes are aimed at maintaining high performance among group members and monitoring the collective interaction of group members. Interpersonal processes allow for the management of conflict, motivation, and affect within the team. Notably, these processes occur throughout the lifetime of the team allowing for team well-being, conflict management, social integration and affect management to exist. These processes impact the attitudes and emotions of the team as a unit as well as the individual members that make up the sales team.

The first category to consider within interpersonal processes is conflict management. Activities within conflict management allow team to preemptively avoid potential conflict by being aware and conscious of inter-team relationships. These activities also help the team to manage and overcome existing conflict. While research demonstrates that healthy conflict can

exist within teams (de Wit, Greer, and Jehn, 2012), increasing amounts of unhealthy conflict impacts the team's ability to work together and achieve collective goals. Conflict within the team can impact the ability of the team to present a united front to customers and can adversely impact performance outcomes as goals are not met and customers choose baulk at the signs of hostility and/or disagreements among sales team members.

Interpersonal processes also consider elements of motivating and confidence building with teams. These activities refer to team members actively boosting the confidence of the team and supporting the ability to meet goals while simultaneously motivating and encouraging task accomplishment to reach these goals (Marks, Mathieu, and Zaccaro, 2001). When members of the sales team encourage one another they build beliefs about the team's ability and communicate positive comments that boost confidence of individuals as well as the team unit. A strong and confident front can be presented to customers when the team has worked diligently to build and maintain a strong confidence in their abilities to reach goals.

Finally, interpersonal processes consider affect management within the sales team. These activities require the team to actively regulate the emotions of sales team members throughout the duration of the sales process (Marks, Mathieu, and Zaccaro, 2001). These activities can reduce team stress and enhance positive relationships among team members. These positive emotions can carry over to sales encounters in which the customer gathers a positive and united presences of the sales team that signals an optimal option for future business. Conversely, when emotions aren't effectively managed the team can fall into ruts of anger and frustration that negatively impact team performance and ability to reach predetermined goals as well as team member isolation and lack of job satisfaction.

## **Organizational Faultlines**

As organizations increasingly rely on teams to meet the demands of a highly competitive and turbulent environment, academic research has begun focusing increasingly on the demographic diversity that exists within the organization and specifically within individual organizational subgroups, such as teams (Thatcher and Patel, 2011). Team composition is a delicate balance that can directly impact individual and team performance and, in turn, organizational performance. Before being immersed in the group, members arrive as individual and independent entities (Li and Hambrick, 2005), bringing with them diverse demographic backgrounds and unique personal profiles made up of the values, beliefs, and attributes unique to their person. With this understanding of individuality prior to group compilation, there is an assumption that within any group some degree of heterogeneity exists between individual members. In an organizational context, this heterogeneity among group members often refers to the distance between individuals along multiple demographic attributes.

Diversity in the workforce has long been acknowledged as a challenging reality for organizations (Jackson and Joshi, 2004), and with ever increasing diversity in today's population this challenge will only continue to grow in scope and impact. With this realization, effective management of a diverse organization is quickly becoming a necessity for firm survival in a demographically diverse society. Formally defined, demographic diversity is the distribution of differences among individuals within a unit specifically regarding some demographic attribute or attributes (Harrison and Klein, 2007). While demographic diversity has been touted for positive implications on matters of innovation, creativity, and cognitive knowledge structures, there remain extensive human resource and workforce management challenges for firms. Indeed,



Jackson and Joshi (2004) report that with an increasingly diverse workforce, the “total social and economic costs of poorly managed workforce diversity are difficult to estimate” (p. 676).

It is clear that demographic diversity is expected to impact team processes and outcomes (Harrison et al., 2002). However, in extant research findings of demographic diversity impacts have been inconsistent and unclear (Thatcher and Patel, 2011). Multiple reasons have been cited as cause for these inconsistencies including; methodological issues (Bedeian and Mossholder, 2000), oversight of individual differences in skills, expertise, cognition, or personality (Jackson and Joshi, 2004) and inadequate consideration of attributes (i.e. the researchers ignore relevant demographic attributes). This has led researchers to move beyond a single attribute approach and consider instead alignment along multiple attributes simultaneously. Hence, much organizational research now considers a more complex model of alignment such as that uncovered by faultline existence and activation within organizational groups.

### ***Faultlines Defined***

A faultline represents a hypothetical dividing line that exists and creates the opportunity for division of group members into multiple homogeneous subgroups (Lau and Murnighan, 1998). Faultlines can exist along any set of attributes but are most often considered in a demographic context (Thatcher and Patel, 2011). Specifically, a faultline is unique to demographic diversity in its inclusion of multiple demographic attributes (Bezrukova et al., 2009). In doing so, faultlines influence team outcomes to a greater extent than considering demographic diversity alone (Bezrukova, Thatcher, and Jehn, 2007).

Faultline attributes can include visible traits as well as intangible, or less pronounced personal characteristics. Typically, faultline research has focused on the visible demographic

elements of age, sex, and ethnicity (Thatcher and Patel, 2011) because these attributes are often the foundation for an individual's self-categorization (Harrison et al., 1998). As less salient attributes (Fisk and Neuberg, 1990), the characteristics that are not immediately visible to group members (e.g., education level, tenure, expertise) can influence, strengthen, and stimulate faultlines (Jehn, Northcraft, and Neale, 1999) but – due to their abstract nature – may contribute less to initial self-categorization than those more visible and salient attributes (Thatcher and Patel, 2011). For this reason, research has considered the visibility of an attribute and the ease of its assessment to be a main component in the development and salience of faultlines in an organizational group (Jehn and Bezrukova, 2010).

Additionally, the ease of classification of attributes contributes to the impact of a faultline (Thatcher and Patel, 2011). For example, classification based on a categorical variable (such as race) is more easily assessed and assigned than a classification based on a continuous variable (such as age). With greater ease of assessment, categorization becomes more subconscious and thus more salient, allowing the employee to easily specify subgroups and classify individuals without high levels of consideration or cognition. Classifications in this context occur “as a way of simplifying a complex environment” (Thatcher and Patel, 2011; p. 1120) and allow individuals to better understand their surroundings and predict future interactions with group members (Turner, 1985). In this way, faultlines are a result of self-categorization (Turner, 1985) as well as an individual's social identity within the group that results from these mechanisms of categorization (Tajfel, 1978). When in-groups and out-groups are formed based on social identity and self-categorization, faultlines emerge within the group and between the subgroups.

Within an organization, employee skills, expertise, and personal characteristics also have the potential to create faultlines among group members. For example, considering the

salience of technology in many organizations in today's competitive environment, faultlines may arise when group members struggle with the technology skills necessary to adopt newer processes and communicate organizational strategies across the group. A subgroup may form around the technological capabilities and expertise of employees as individuals identify with either a technologically savvy group that is capable of higher-level technology interactions or with a group that is less technologically inclined and chooses to operate without these tools. This example represents a difference in personal characteristics that may exist among employees in the workforce. Jackson and Joshi (2004) point out the knowledge deficiencies that result from a lacking consideration of personal characteristics such as skills, expertise, personal values and other personality variables in extant diversity research. While demographic faultlines aid in understanding why subgroups emerge, they do not consider the personality variables that have the potential to impact group categorization as well. Cohesion of values, beliefs, and work styles also impacts the emergence of in-groups and out-groups within an organization and within a team.

Additionally, considering faultlines that may exist within organizations based on departmental roles, strategic focuses, stakeholder interactions and other organizationally induced differences may also create faultline conditions. Consider a common example in the struggle between marketing and sales functions of the firm. In organizations where conflict between these departments is present, high levels of friction may exist between these groups and organizationally induced faultlines may emerge. That is to say, members of the organization will identify more so with their department than with those in other departments, be more likely to see conflict between members of another department (out-group), and are less likely to share information across these faultline borders. In this way, the organization – by defining individual

groups – has inherently created subgroups and established differences between those subgroups. The result is a faultline that has been established, or induced, by the organization. We see this occurring with the presence of information silos that result when subgroups within the organization (such as marketing and sales) do not coordinate operations or communicate information across these organizationally induced subgroups.

### *Consequences of Faultlines in Sales Teams*

When faultlines exist, the result is often less conflict within subgroups but increased levels of conflict between subgroups (Choi and Sy, 2010). Division of subgroups within a team can be detrimental to communication, information sharing, and team operations. As conflict and distrust increases across groups, less information is shared and the information that is shared is more likely to be miscommunicated, misunderstood, or viewed as a threat rather than beneficial knowledge (Bartel, 2001; Lau and Murnighan 2005). Conflict and debate surrounding task-specific conflicts can arise due to differences across functional backgrounds of subgroups (such as experience) and can increase as members harness the support of their subgroup in critiquing decisions of opposing groups. As cohesion within subgroups strengthens, individuals garner more confidence and voice behind their decisions and are less likely to waver to conflicting pressures from out-groups. As faultline strength increases, likelihood of in-group/out-group stereotyping increases as subgroup members feel a stronger sense of belonging within their group and identify out-group members as adversaries – leading to compounding process problems within the group as a whole (Li and Hambrick, 2005).

With the presence of faultlines in sales teams, high levels of task and relationship conflict are present (Choi and Sy, 2010) that detract from the ability of the team to communicate

effectively, manage their unit resources, and interact with customers in a meaningful and effective way in order to reach team goals (Auh, Spyropoulou, Menguc, and Uslu, 2014). Because these high levels of conflict strain the cognitive abilities of team members and create resource demands outside of the goals of the team (e.g., managing emotions and frustrations that arise from conflict) the team is left with fewer resources and will likely see performance impacts (Edmondson, 1999). For these reasons, the presence of faultlines within sales teams will hinder the ability of the sales team to use their limited resources to effectively engage in the team processes necessary for success.

As faultline strength increases, the levels of conflict taxing sales teams will increase in tandem (Lau and Murnighan 2005). These faultlines are thus a ‘hotbed’ for friction within the team and tension among team members (Auh, Spyropoulou, Menguc, and Uslu, 2014). When this occurs the team will likely see interruptions in information exchange, interpersonal communication, implementation capabilities, and goal achievement (Weitz and Bradford, 1999). Indeed, while diverse sales teams are becoming “the order of the day,” (Gratton, Voigt, and Erickson, 2007), many of the collaboration and knowledge sharing failures seen within sales teams and customer interactions are direct results of sales team faultlines (Gratton, Voigt, and Erickson, 2007).

### ***Measuring Faultline Strength***

The impacts of faultline formation, activation, and strength pervade team functions. By nature, teams require some degree of voluntary information sharing, cooperation, and shared understanding in order to operate and move toward goal achievement. Faultlines within teams threaten the effectiveness of these activities and hinder the team’s ability to function

productively. Groups of individuals present the potential for many faultlines to emerge (Lau and Murnighan, 1998) across any number of attributes. Each of these faultlines is unique in the extent to which it may create or increase the potential for subgroup formation (Jehn and Bezrukova, 2010). To measure demographic faultlines, researchers use a faultline strength score. This score represents “the extent to which the alignment of attributes of interest forms two homogeneous subgroups” (Thatcher and Patel, 2011; p. 1120). Meaning, faultline strength increases as subgroups become more homogeneous, resulting in a greater divide between subgroups. This occurs because the strength of a faultline impacts the extent to which group members identify with their subgroup, thereby amplifying the salience of the dividing line that exists between the subgroups.

### ***Faultline Activation***

It is important to note that recent research has focused not on the mere existence or strength of a faultline, but on the active state of that faultline (Jehn and Bezrukova, 2010). When this occurs, the result is merely establishing that a faultline exists without acknowledging whether the members actually perceive that the subgroup split exists (Zanutto, Bezrukova, and Jehn, 2010). The argument being, the existence of a faultline alone is not enough to cause disruption within the team (Jehn and Bezrukova, 2010). Members of the team must perceive the faultline as an actual division in subgroups in order for a faultline to be considered ‘active’ (Jehn and Bezrukova, 2010). Meaning, active faultlines exist only when team members perceive the existence of subgroups, not merely as a result of existing objective diversity.

Faultlines may move from a dormant state (demographic alignment that may or may not divide a group into subgroups) to an active state based on the introduction of an outside stressor

– such as a demanding task or deadline placed on a team or other stimulants that heighten individual and/or team stress (Jehn and Bezrukova, 2010). In this case, activation can occur due to stress or pressure “that pushes on the sides of the faults” (p.26). In this way, *potential* faultlines exist along the dividing lines between subgroups (Lau and Murnighan, 1998), but may not have an impact on team interactions until the introduction of an outside force drives the faultline from potential to realized (Zanutto, Bezrukova, and Jehn, 2010).

The key difference in potential (dormant) and active (realized) faultlines exists in the nature of the faultline assessment (Lau and Murnighan, 1998). Whereas potential faultlines are based on objective demographics of the team members, active faultlines are based on subjectively experienced perceptions of subgroup divides (Zanutto, Bezrukova, and Jehn, 2010). Therefore, within a sales team, faultlines are only assumed to be active when members (1) perceive that subgroups exist, and (2) behave as though two subgroups exist (e.g., classify themselves into subgroups, interact differently with members of different subgroups, exhibit signs of conflict between subgroups) (Zanutto, Bezrukova, and Jehn, 2010). For this reason, Zanutto and colleagues (2010) highlight the critical importance of examining “what the members perceive regarding the demographic composition within the group as this is the foundation for future interactions among group members” (p. 705).

## **Conclusion**

Chapter 2 acted to summarize extant literature relevant to this dissertation. The notion of generational faultlines was introduced and defined. Organizational teams were also discussed, specifically with deference to sales teams which are increasingly and frequently the mechanism by which boundary spanners interact with and serve their customers outside of the organization.

Generational diversity was also explored, with a specific nod to the changing nature of the business environment as captured by the demographic shift to Millennials, who span a twenty year age group, yet frequently differ on key philosophical approaches to life and work, thus creating interesting and diverse hypothetical subgroups by which employees might self-identify with one another, creating the aforementioned faultlines. Finally, the strength of such faultlines was also introduced, yielding this study's key moderator. The following chapter delineates theoretical support for this dissertation's hypothesized IPO model, social capital theory.



## **CHAPTER 3**

### **THEORETICAL FOUNDATIONS**

#### **Outline of Team Process Model**

Numerous researchers in management strategy have examined the role of organizational capabilities and firm orientations to gain deeper insight into sustainable competitive advantages and as ways to enhance firm performance. Similarly, countless researchers in the social psychology field have studied team capabilities and characteristics to gain a better understanding of team effectiveness and performance. However, failure to recognize that both a firm's and team's capabilities involve complex and intricately woven underlying processes may lead to an incomplete understanding of the phenomenon of how these antecedents influence performance outcomes (Mathieu, Maynard, Rapp, and Gilson, 2007). Such a problem is magnified in the environment of the sales team, for example, wherein the performance of the team is, by definition, necessarily the outcome of numerous individuals working in concert toward the achievement of singular team goals (Rapp, Ahearne, Mathieu, and Rapp, 2010). Though individuals must maintain the autonomy to act independently, and the self and organizational motivation to succeed together, understanding how team processes impact performance is of the utmost importance. In this work, the process seeks to translate social capital into such performance, and it is thus defined and discussed in the next passage.

## **Input – Process – Outcome Framework**

As a means of understanding this underlying complexity, traditional input-process-outcome (IPO) framework can be used. This process model structure has been outlined by several seminal articles such as Steiner (1972), McGrath (1984), and Hackman (1987) which all suggest that process is the link between inputs and outcomes. This classic systems model has a powerful influence on past empirical research (as highlighted by Mathieu, Maynard, Rapp, and Gilson, 2007) and continues to be the prevalent model used by researchers. However, there is some criticism to this model in the sense that it “fails to capture the more complex emerging consensus of teams as complex, adaptive systems” (Ilgen et al. 2005). This suggests that the IPO framework lacks a feedback loop and only considers a single sequence linear path from inputs to outcomes. Importantly, I understand that the feedback loop is significant in team research models; however, I do not hypothesize or investigate a feedback loop within this research. This strategy permits the isolation of a subset of processes in order to examine how inputs influence the three categories of team processes and the resulting outcomes.

*Inputs* describe the antecedents that pervade team processes. It is through the existence of these factors (or lack thereof) that the team will have the necessary resources to enable interactions between team members (Mathieu, Maynard, Rapp, and Gilson, 2007). Without the necessary inputs, team interactions may be constrained and result in missed opportunities. Inputs can exist at the individual level (i.e., team member characteristics), the team level, or the organizational level (contextual factors).

*Team Processes* are driven by the collective inputs of the team. These processes relate to team member interactions related to goal achievement. They also serve to translate team inputs

into outcomes to better understand goal achievement and failure. Team processes are explained more in-depth in the following sections.

**Outcomes** represent the results or outcomes of team activities and processes. By definition they are the “by-products of team activity that are valued by one or more constituencies,” (Mathieu, Maynard, Rapp, and Gilson, 2007; p. 412). Often these outcomes include elements of relational performance (Auh, Spyropoulou, Menguc, and Uslu, 2014), objective performance tied to revenue (Rapp, Ahearne, Mathieu, and Rapp, 2010), or affective reactions of team members (Mathieu, Maynard, Rapp, and Gilson, 2007).

### **Social Capital Theory**

For some time, research has explored the implications of social capital on both the development of human capital at an individual level (Coleman, 1988) as well as development and performance implications at an organizational level (Nahapiet and Ghoshal, 1998; Tsai and Ghoshal, 1998). Through the creation of networks of relationships, social capital represents the collective “goodwill” (Adler and Kwon, 2002; p. 17) embodied in social relations and can prove a highly valuable resource in facilitating action within an organization. Specifically, the source of social capital lies *within* the social relations between actors and the effects of social capital stem from “the information, influence, and solidarity it makes available,” (Adler and Kwon, 2002; p. 22).

Because social capital emerges from social relations (Hughes, Le Bon, and Rapp, 2012), and exists between actors in a social structure (Adler and Kwon 2002), it cannot be owned exclusively by any single actor. Social Capital instead acts as a shared accumulation of resources (Tymon and Stumpf, 2003), available to actors based on their location within that social structure

(Adler and Kwon, 2002). Goodwill then, acts as the substance of social capital and can be used as a resource for different purposes based on “the information, influence, and solidarity such goodwill makes available,” (Adler and Kwon, 2002; p. 18). Actions within a group then, are facilitated by the direct and indirect links between members of the group. Indeed, research has linked social capital to outcomes such as team effectiveness, intellectual capital creation, and resource exchange (Adler and Kwon, 2002), all of which have important implications for team performance.

Operations within a team environment hinge on the interaction of individual team members. A team cannot be sustained successfully without some degree of team member interaction, communication, coordination, or collaboration. The interactive nature of team processes involves voluntary interaction, resource exchange, and information sharing. Because team processes are rooted in social interaction, exchange, and sharing, social capital theory provides a strong foundation for understanding the operational differences in team diversity.

Considering social capital includes not only the social relationships within a network, but “the norms and values associated with them,” (Tsai, Ghoshal, 1998; p. 464), team diversity that exists at a generational level will likely manifest within social capital exchange. Generational differences are often exhibited in variance of preferences along these ‘norms and values’ associated with social relationships in a network. Additionally, generational differences may be pronounced within relationship preference, that is, along the operational attributes of social relationships (such as communication processes and preferences or social interaction processes and interaction frequency preferences). Essentially, generations differ in their social preferences and tendencies, and place value on different relationship attributes. Meaning the norms, values, and operations of social relationships will differ across generations, which creates an opportunity

for incongruence or misalignment of team social capital structures. If faultlines emerge from this diversity within a team, the operation of team social structures will be impacted and may impair the accumulation of social capital resources for the team to draw upon. Social capital impacts the ability of the group to acquire and exploit knowledge and resources (Hughes, Le Bon, and Rapp, 2012) meaning, if team diversity becomes detrimental to the group social structure, valuable resources could be lost and those remaining resources may no longer be optimized. Thus, social capital theory provides a lens for considering the team network implications of generational differences.

### ***Dimensions of Social Capital***

Research recognizes three distinct dimensions of social capital – structural, relational, and cognitive (Nahapiet and Ghoshal, 1998). Nahapiet and Ghoshal (1998) identify attributes of each dimension and justify the unique ability of each to facilitate the accumulation and exchange of resources within a social structure. *Structural social capital* considers the system, or pattern, of the linkages within a social network. This dimension includes the social interactions within the network. Within this dimension, the capital that exists is tied to the location of an actor within the structure of the network (Tsai and Ghoshal, 1998). The actor's contacts and her/his pervasiveness within the social structure merit certain advantages that amass as a function of the structural capital available to that actor. The nature of these social ties includes aspects such as frequency of interaction and reciprocity tendencies. This dimension relates to the availability of, and access to, knowledge accumulated within the social network leading to functions of information and resource obtainability and readiness (Burt, 1992).

*Relational social capital* refers to the interpersonal goodwill, trust, and social confidence that exists within the relationships between individuals within the network (Nahapiet and Ghoshal, 1998). On a sales team specifically, relational capital would manifest in the proximity and strength of relationships between team members. Importantly, relational capital operates on the degree of confidence that expectations held within a relationship will be met. By accounting for team members' confidence in team competence and capability, relational capital can promote cooperation and trust within the team. Relational capital is therefore a product of the assets rooted within relationships (Tsai and Ghoshal, 1998), and provides a foundation for leveraging value in the pursuit of collective goals (Adler and Kwon, 2002; Hughes, Le Bon, and Rapp, 2012).

Finally, *cognitive social capital* focuses on shared understanding and like-mindedness. This dimension "is embodied in attributes like a shared code or a shared paradigm that facilitates a common understanding of collective goals and proper ways of acting in a social system," (Tsai and Ghoshal, 1998; p. 465). The extent to which a team agrees upon a common operational system, organizational vision, and value structure informs cognitive capital within a social network. Deviation from, or lack of, a shared paradigm structure would then diminish the salience of cognitive capital within a social network. Cognitive capital would manifest in social networks that place an emphasis on rigid and clear parameters of operation. Such teams would exhibit preferences for common structure and knowledge-base that permeates throughout the team. Team operation would hinge on the existence of, and adherence to the 'proper' ways of acting within the team and hold the expectation that members of the team were all 'on the same page' as for how tasks will be accomplished. Through common operational systems and a shared code of interaction, the cognitive dimension of social capital facilitates ease of information

exchange (Hughes, Le Bon, and Rapp, 2012) and encourages operational efficiencies within team processes.

Social capital facilitates team interaction and resource exchange processes that are vital to team effectiveness. Social capital benefits teams in the pursuit of collective goals (Adler and Kwon, 2002), decreases uncertainty within a network (Tsai and Ghoshal, 1998), and facilitates resource exchange (Hughes, Le Bon, and Rapp, 2012). Within a sales team context, social capital impacts the ability of teams to source, leverage, and disperse knowledge, skills, and resources in the pursuit of effective team operation. My model incorporates each of the three dimensions of social capital to further our understanding of the nuances specific to each dimension. Tsai and Ghosal (1998) highlight the unique attributes that allow each dimension to facilitate resource combination and exchange within the social network. Considering the variation of social values and norms held by individuals, the emphasis placed on different dimensions of social capital – and the social attributes that underlie each – will fluctuate, and as such require further academic research.

### **Conclusion**

The last two chapters have discussed extant literature, the research question at hand, and extended a social capital theoretical lens to this work. In proposing the conceptual model, which juxtaposes the IPO model over the issue of generational faultline strength, a clear gap in the literature becomes more readily apparent and suggests that work in this area is essential to understanding how organizations, or more specifically sales teams, can work to incorporate the broad diversity of views and interests of hypothetical subgroups to best achieve the goals of the

firm. This dissertation thus investigates the antecedent role of the three elements of social capital, translated through team processes, to impact relational and objective team performance.

Chapter 4 next delineates and details each of the proposed linear relationships in the hypothesized model, as well as the moderating impact of generational faultline strength on such relationships with the aim of creating actionable managerial insight which might allow firms to better control this organizational dynamic toward competitive advantage.



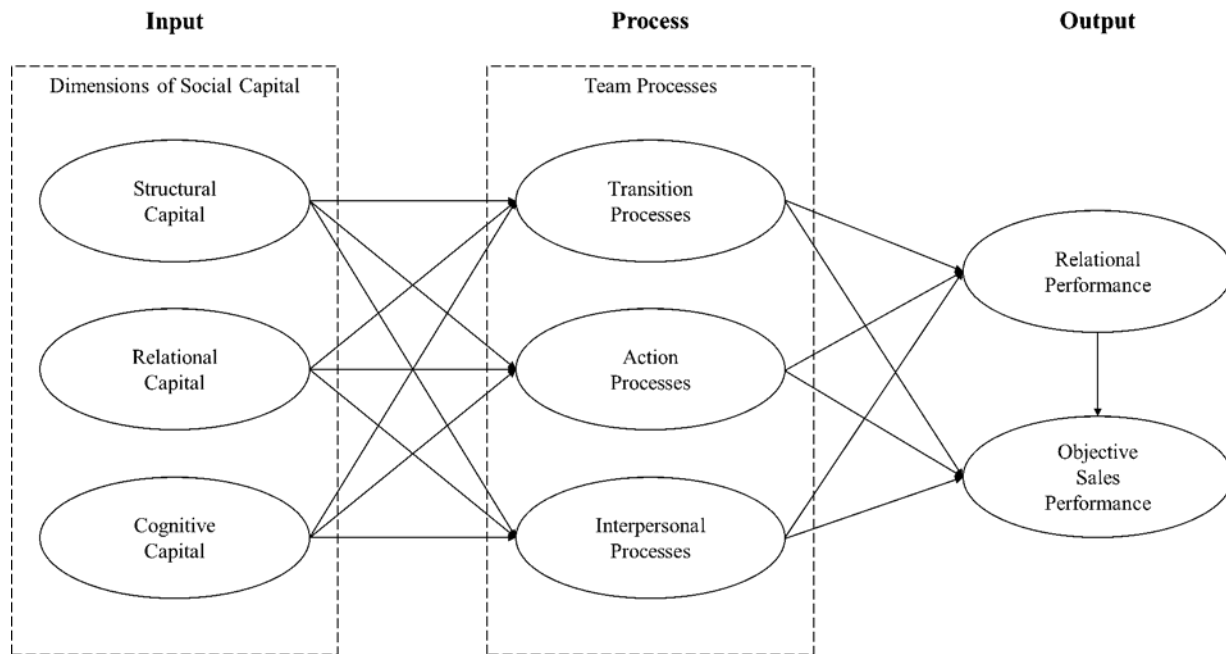
## **CHAPTER 4**

### **HYPOTHESES**

The following hypothesized relationships, as detailed in Figure 4.1, capture the proposed Input-Process-Outcome (IPO) conceptualization as to how specific dimensions of social capital, translated through specific delineated team processes, impact both relational and objective sales performance. Social capital, acting as the antecedent, is realized through three primary components including structural, relational and cognitive capital. Team processes, conceptualized here as transition processes, action processes and interpersonal processes, work to drive relational and objective sales performance for teams. Finally, generational faultline strength acts as a moderator to the linear relationships in an effort to identify how Millennials are impacting the juxtaposition of the social capital theoretical lens on the team processes of the aforementioned IPO model.

**Figure 4.1**

**Hypothesized Model**



**Conceptual Development**

In considering models of team effectiveness, a popular paradigm within organizational literature is the Input-Process-Outcome Model (IPO model). Across applications, this model holds true that input factors translate to outcomes through relevant group processes (McGrath, 1984). In team research, input factors involve group characteristics and attributes of team social interaction. These inputs then inform and influence team processes which translate to team outcomes (such as team performance or effectiveness). The understanding behind this model stresses the mediating role of team processes in the transformation of shared group resources (such as social capital) to team performance outcomes. The present study considers the role of social capital inputs in informing team processes in order to influence relational and objective team performance within a sales organization (see Figure 4.1).

### *Input: Social Capital*

In an IPO model, input factors can be assessed at the individual, group or environmental level (McGrath, 1984). When considering the effectiveness of a sales team, the salience of team level inputs is increasingly relevant. Teams are able to accrue shared resources in excess of those available only to the individual team members. Thus, in the current model I consider inputs to be resources at the team level that exist within the team and are shared among team members.

Often, sales teams prove more effective in competitive environments due in part to their combined resources, ability to gather greater amounts of customer knowledge, and effective means of learning and information sharing (Auh et al., 2014). To maintain high levels of such operation, teams must be able to work together, combine resources, and contribute skills and expertise when needed. One way teams function at such high levels is through the collective accumulation and sharing of resources. Within a team, individual members serve as actors inside the team social network. Inherent within the social network is the opportunity for the creation and cultivation of dense social capital, or increased ‘goodwill’ among team members (Nahapiet and Ghoshal, 1998). When leveraged, social capital can create a competitive advantage for sales organizations.

### *Structural Social Capital*

Structural social capital, or the hierarchical ties within the team social network, serve to provide social capital resources based upon location within the social structure (Hughes, Le Bon, and Rapp, 2012) and the strength of team understanding of structure (Rapp, Ahearne, Mathieu, and Rapp, 2010). This form of social capital is more prevalent in teams characterized by a high

degree of interconnectedness (Bolino, Turnley, and Bloodgood, 2002). Through inclusion of social currencies such as reciprocity and power-distance allowances, structural capital informs knowledge availability and the ability of team members to draw upon shared resources (Burt, 1992). Specifically, this dimension of social capital dictates the advantages that can be derived from the social network configuration and allows for more defined ties between members. The strength of these ties is related to social interaction, communication frequency and depth, and shared structural role understanding that comes with defined interactions (Nahapiet and Ghoshal, 1998). Such structure will relate to the efficiencies of team operations in locating, obtaining, and implementing the resources necessary for effective team operation.

Individual team members must be able to draw upon the resources necessary to fulfill their roles individually, as well as the combined roles of the team, in order for that team to be successful. With high levels of structural capital, team member roles and the associated resources should be more clearly defined and more easily accessible based on positioning within the team network (Adler and Kwon, 2002). When a clear structural understanding exists within the team roles may be more clearly defined and resources needed within those roles made more readily available through increased levels of interaction and communication (Bolino, Turnley, and Bloodgood, 2002). The ability of teams to quickly draw on the collective knowledge and resources when and where needed will facilitate ease in operation of team processes. Because structural capital centers on the ability to access those resources held within the team social network, structural capital drives information and resources access (Burt, 1992).

Finally, structural social capital allows for a degree of integration to exist within the sales team. Much like a salesperson integrates themselves into customer venues in retail environments by spending additional time interacting with employees and learning daily operations (Kim,

McFarland, Kwon, Son, and Griffith, 2011), sales teams whose members interact frequently and communicate frequently will have clearly defined, and strong relationship ties within the social network of the team (Hughes, Bon, and Rapp, 2012). When network connections are strong, a significant increase in information transfer (Krackhardt and Hanson, 1993), organizational learning (Bolino, Turnley, and Bloodgood, 2002), and process execution can be expected (Shah, 2000).

Structural capital characteristics within a team are often key in understanding information movement within the team (i.e., how information is passed from one member to another and the efficiency with which it occurs), knowledge transfer and team and task assistance (Bolino, Turnley, and Bloodgood, 2002). By examining the extent to which the team is interconnected, much can be learned about the density, connectivity, and hierarchy of team structure (Nahapiet and Ghoshal, 1998). This social capital is then leveraged to encourage and expedite cooperative behaviors, innovation, and creativity within the team (Nahapiet and Ghoshal, 1998). Specifically, the ability of teams to draw on structural capital will inform and enhance team capacities in: analyzing past performance and building strategies for future actions, moving toward and monitoring progress toward team goals, and managing interpersonal relationships within the team. Thus, structural capital will influence team performance through transition processes, action processes, and interpersonal processes.

**Hypothesis 1a:** *Structural social capital will be positively related to transition processes.*

**Hypothesis 1b:** *Structural social capital will be positively related to action processes.*

**Hypothesis 1c:** *Structural social capital will be positively related to interpersonal processes.*

### *Relational Social Capital*

Trusting, cooperative, and timely interactions between team members can establish social confidence within a team and lead to more effective team operations (Tsai and Ghoshal, 1998). An individual's identification within the network and their tendency toward cooperation with the group are reflected within the relational dimension of social capital. Relational capital focuses on the nature of the connections that exist between individuals in the group. It hinges on cooperation among team members, trust held within the team, and communication tendencies (Hazleton and Kennan, 2000). Stronger relationships between team members facilitate communication and interaction, strengthening team operations.

Relational social capital leverages the assets created within individual relationships (Nahapiet and Ghoshal, 1998). This dimension of social capital is distinct in that it focuses on the behavioral as opposed to structural ties between individuals in a team (Lindenberg, 1996). Key to these behavioral ties are virtues of trust, trustworthiness, norms, expectations, and identities (Coleman, 1990) built over the duration of the team lifecycle. By leveraging the personal relationships developed between individuals (i.e., relational social capital), teams can more effectively direct action, in a more positive, and cohesive manner (Bolino, Turnley, and Bloodgood, 2002).

As relational social ties become stronger within sales teams, attributes of trust, dependency, and mutual cooperation manifest (Granovetter, 1985) leading to an associated higher performance of information flow, higher quality of information shared (Khanna, Gulati, and Nohria, 1998), and the transfer of tacit knowledge among team members (Uzzi, 1996) –

resulting in more effective team processes and activities (Bolino, Turnley, and Bloodgood, 2002). When teams demonstrate a high level of interpersonal connection (Krackhardt, 1992), shared norms and perceived obligations (Nahapiet and Ghoshal, 1998), and affective commitment (Bolino, Turnley, and Bloodgood, 2002), the collective relational capital that results has been linked to many aspects of team performance (Tsai and Ghoshal, 1998). Relational social capital is linked to comfort level of individuals in a group (Krackhardt, 1992) and a corresponding willingness and openness to new opportunities (Bolino, Turnley, and Bloodgood, 2002). It also allows a higher level of group cohesiveness which has been linked to sales performance for some time (Lott and Lott, 1965; Mullen and Copper, 1994; Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010).

Sales teams with higher relational social capital are “more flexible, better able to adapt to a changing environment, and higher performing,” (Bolino, Turnley, and Bloodgood, 2002; p. 510) as stronger relational ties help with the flow of organization, the execution of actions, and the interpersonal attributes of team processes. Because relational capital allows for confidence in team member expectations being met and adds credence to beliefs in the capabilities of the team (Tsai and Ghoshal, 1998), teams will be able to operate more efficiently when planning, taking action, and managing team relations. Thus, the relational dimension of social capital should positively influence team processes at a transition, action, and interpersonal level.

**Hypothesis 2a:** *Relational social capital will be positively related to transition processes.*

**Hypothesis 2b:** *Relational social capital will be positively related to action processes.*

**Hypothesis 2c:** *Relational social capital will be positively related to interpersonal processes.*

### *Cognitive Social Capital*

Finally, cognitive social capital informs team processes through heightened social understanding and shared meaning that exists between group members. Cognitive capital rests on the premise that group members subscribe to a shared social paradigm or understanding of expected and proper “ways of acting” within the shared social system (Tsai and Ghoshal, 1998). When team members have high levels of shared understanding and similarity in interpretation of meaning across the social context, they are more likely to operate as a cohesive unit and adhere to similar paths of action. Cognitive social capital manifests through shared language and jargon, social cues and codes of behavior, and like-mindedness.

By nature, social capital is jointly owned by the individuals within a team (Nahapiet and Ghoshal, 1998). In the case of cognitive social capital this is representative of the shared understandings, shared common knowledge base, accepted representations or information, and collective interpretations of meaning (Hughes, Bon, and Rapp, 2012). Cognitive social capital, then, encourages cooperation and ease in knowledge transfer and information retrieval and exchange (Adler and Kwon, 2002). Key to competitive success is the ability to generate, deploy, and deploy shared knowledge within a team (Hughes, Bon, and Rapp, 2012), making cognitive social capital a key input to sales team process effectiveness.

When a team builds a high level of cognitive social capital, the shared thinking processes and collective systems of meaning, language, and information exchange allow individuals to



more quickly identify, absorb, and make sense of new information (Grant, 1996). Cognitive capital facilitates this rapid information sharing that helps individuals make sense of new information and knowledge more quickly, resulting in a team that is more dynamic, adaptable, and possesses a greater shared knowledge base upon which to coordinate necessary actions for success (Bolino, Turnley, and Bloodgood, 2002). Learning and knowledge creation are also generated as a result of these shared systems of meaning (Nonaka, 1994).

With a more cohesive intellectual unit, shared cognitive decision models, and similar thought patterns, a team with a high degree of cognitive social capital will more effectively navigate the processes involved in team and task goal attainment. Such that, high cognitive capital will increase team proficiencies in strategic reflection and planning, active goal pursuit and monitoring, and management of interpersonal team resources.

**Hypothesis 3a:** *Cognitive social capital will be positively related to transition processes.*

**Hypothesis 3b:** *Cognitive social capital will be positively related to action processes.*

**Hypothesis 3c:** *Cognitive social capital will be positively related to interpersonal processes.*

### ***Team Processes and Performance Outcomes***

Team processes play a crucial role in translating team resources into performance (Marks, Mathieu, and Zaccaro, 2001). These processes function as the mediating link in understanding the impacts of team characteristics on final performance. In their seminal paper, Marks and colleagues (2001) outline three categories of team processes including; transition

processes, action processes, and interpersonal processes. Specifically, transition processes encompass mission analysis, goal setting, and strategy formulation and thus deal with evaluation and/or planning activities to guide team goals or objectives. Action processes occur during the completion of the task leading directly to goal accomplishments and include communication, participation, coordination, and monitoring of the team's success. Finally, interpersonal processes refer to the processes team members use to manage interpersonal relationships and consider conflict management, affect, and social integration.

### *Transition Processes*

Transition processes are defined and operationalized to 'set the stage' for later team actions (Mathieu, Maynard, Rapp, and Gilson, 2007; Marks, Mathieu, and Zaccaro, 2001). These processes relate to how teams plan for upcoming sales calls and evaluate performance following particular sales calls (Marks, Mathieu, and Zaccaro, 2001). These steps allow teams to prepare and approach customers with a united front, clear objectives, and goal process in mind. By aiding in goal setting and strategy formation they provide teams the opportunity to proactively approach customers. In this way they also aid in team selling adaptability as teams are more prepared and able to adjust to customer needs.

Following the understanding that "teams perform in temporal cycles of goal-directed activity," (Marks, Mathieu, and Zaccaro, 2001; p. 359), it is expected that time spent in transition process activities will provide the foundation for greater success in the additional stages of goal-directed activities. As teams focus on planning and strategy formation they are more likely to set goals that align with their capabilities, resources, and environmental demands for success of the team. In this way they reduce the risks associated with misdirected efforts or resources and are

more likely to identify customer needs and provide accurate solutions when moving forward in the sales process (Rapp, Ahearne, Mathieu, and Rapp, 2010). Team activities dedicated to analysis, evaluation, and future direction, such as those that occur during transition processes, have been shown to be tied to goal achievement and team performance (Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010).

By nature, transition processes allow teams to better prepare and articulate future strategic action. Inherent within transition processes are team operations involving reflection, planning, preparing, and strategizing. These processes allow teams to clearly specify their goals, chart courses of action, alter resource allocation, and adjust operations based on environmental changes. These processes allow teams to operate under a well-defined strategy with more clearly defined goals, planned courses of action, and a strong understanding of the actions necessary for team success. Thus, transition processes will allow teams to cultivate stronger relationships with customers through enhanced goal clarity. Additionally these processes will lead to more efficient team functioning and operational performance through clear objectives, shared strategic vision, and a better understanding of future action. Transition processes cultivate clarity and understanding that permeates throughout team operations, enhancing team functionality.

**Hypothesis 4a:** *Transition processes will be positively related to relational team performance.*

**Hypothesis 4b:** *Transition processes will be positively related to objective team sales performance.*

### *Action Processes*

Team action processes consider activities that revolve around movement toward team goals and objectives. These processes occur as the team works toward accomplishing objectives, meeting goals, and managing task operations. Without action processes, the team would not be capable of moving toward task completion, goal attainment, or carrying out any of the operations necessary for team performance. Indeed, these activities are tied directly to goal achievement (Marks, Mathieu, and Zaccaro, 2001).

Action processes occur during task completion and include systems monitoring, team monitoring, coordination of the team, and monitoring of progress (Marks, Mathieu, and Zaccaro, 2001). By monitoring progress toward team goals, the team is better able to notice deviations from goal accomplishment and make minor adjustments to remain on course for achievement. Additionally, these actions help keep the team in tune with their environment so they're aware when changes occur that need to be adjusted for in goal pursuit. In doing so the team has a lower chance of being caught off guard with any customer demands or competitive market changes (Lovelace, Shapiro, and Weingart, 2001). When actively engaged in team monitoring activities, the team can avoid negative implications of task disagreement, team member doubts, and disagreements (Lovelace, Shapiro, and Weingart, 2001). Finally, systems monitoring activities help the team maintain an understanding of key competitive conditions that could impact performance (Marks, Mathieu, and Zaccaro, 2001). This allows teams to be agile and responsive to customer needs. With a strong understanding of the competitive landscape, it is possible for teams to identify latent needs of customers and create more feasible and profitable solutions (Auh, Spyropoulou, Menguc, and Uslu, 2014).

Finally, and key to sales team success, is the benefit of coordination activities that occur in action processes (Lovelace, Shapiro, and Weingart, 2001). Planned actions and timing of individual activities provides a united front to the customer and a seamless customer experience. The team is able to leverage knowledge consistently and interact in a cohesive manner – key to their performance as a unit (Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam, 2010). Only by coordinating activities can a team effectively ensure accuracy throughout sales encounters. In these ways, coordination acts as a strong mechanism to sales team effectiveness (Mathieu, Maynard, Rapp, and Gilson, 2007) and performance.

Through action processes teams take the steps necessary for day-to-day success in their operations such as; monitoring progress toward goal achievement, coordinating team and team member activities, monitoring resource allocation and reallocation, and monitoring the completion of tasks and objectives. Action processes represent the avenue through which teams move toward goal accomplishment. They allow teams to meet their objectives and accomplish tasks. Thus, action processes move teams toward their performance goals and allow for success in relational performance as well as the objective sales performance of teams.

**Hypothesis 5a:** *Action processes will be positively related to relational team performance.*

**Hypothesis 5b:** *Action processes will be positively related to objective team sales performance.*

### ***Interpersonal Processes***

Finally, interpersonal processes refer to the activities within teams that relate to relationship management. This category of team processes focuses on the relational aspects that result from team member interaction and the actions that cultivate, maintain, and enhance those relationships. In doing so, these processes lend themselves to strengthening the relational ties within teams and between team members (Marks, Mathieu, and Zaccaro, 2001). Through actions such as conflict management, compromise, development of team social norms, and affect management, these interpersonal processes can create stronger team bonds and reduce inefficiencies and frustrations within team member relations.

Acting as barriers to conflict and generating an interpersonal context for team members (Marks, Mathieu, and Zaccaro, 2001), interpersonal processes allow teams to not only manage internal conflict, must motivate one another, build team and individual confidence, and manage positive emotions for superior performance (Auh, Spyropoulou, Menguc, and Uslu, 2014). Unique to interpersonal processes, these related activities occur throughout the duration of team life cycles (Marks, Mathieu, and Zaccaro, 2001). Indeed, these processes “lay the foundation for the effectiveness of other processes,” (Marks, Mathieu, and Zaccaro, 2001; p. 368). By reassuring the wellbeing of the sales team, interpersonal processes help mitigate conflict and promote a supportive environment for team interactions. Given the inherent interactions and communication needs of a successful sales team (Auh, Spyropoulou, Menguc, and Uslu, 2014), the effectiveness of interpersonal process management impacts the ability of the team to function cohesively, consistently, and satisfactory to team members – all necessary to achieve and sustain team sales performance.

Therefore, through reduced team friction and cultivation of a more cohesive social structure within the team, interpersonal processes help teams not only move toward goal

accomplishment but will also cultivate ease of exchange between team members. With stronger relational ties and interpersonal relationship management, team members will be better equipped to manage customer interactions and better able to complete the tasks necessary to reach team performance goals.

**Hypothesis 6a:** *Interpersonal processes will be positively related to relational team performance.*

**Hypothesis 6b:** *Interpersonal processes will be positively related to objective team sales performance.*

### ***Relational Team Performance***

The three category taxonomy of team processes put forth by Marks and colleagues (2001) allows for a more nuanced approach to understanding how the resources embedded within team social networks are translated into team performance outcomes. Team processes allow the members to plan and monitor performance, orchestrate functional activities, and manage the interpersonal relationships that comprise the team social structure (Marks et al., 2001). Indeed, as previously hypothesized, categories of team processes each present unique attributes that can enhance both relational and objective team performance. Objective performance refers directly to the sales team's ability to reach those operational performance goals set for the team. Relational performance, which refers to team performance that enhances "closeness to customers" (Stank, Goldsby and Vickery, 1999; p. 430), creates opportunities for benefits of customer satisfaction,

loyalty, and increased purchase intentions, relating to higher objective team performance as well (Menguc, Auh, and Uslu, 2013).

When teams are able to leverage and enhance customer relationships, the elements of relationship performance can contribute to high sales (Lane and Piercy, 2006) as customers' level of trust in the team increases (Menguc, Auh, and Uslu, 2013), impacting their willingness to buy and the share-of-wallet considered. From a team perspective, customer relationship performance signals a greater customer understanding by sales team members, allowing them to identify future customer needs (resulting in cross- and up-selling opportunities) (Jayachandran, Hewett, and Kaufman, 2004). With a focus on the customer experience, salespeople are better able to respond to customer needs, make faster and better quality decisions in the field when responding to customer needs (Menguc, Auh, and Uslu, 2013).

When sales teams are better able to manage customer relationships the increased levels of customer satisfaction, loyalty and overall customer retention resulting from superior relationships allows the team to generate increases in profits and team sales (Reinartz, Krafft, and Hoyer, 2004). This relationship in many ways represents a structural testing of impacts of customer relationship management on final objective performance (Menguc, Auh, and Uslu, 2013). With greater customer knowledge teams are able to execute on selling strategies more effectively and manage and maintain a larger quantity and quality of customers (Deeter-Schmelz and Ramsey, 1995). Therefore relational performance will, in turn, impact objective team sales performance.

**Hypothesis 7:** *Relational team performance will be positively related to objective team sales performance.*



## **Interaction of Generational Faultline Strength**

As a new generation enters the workforce, managers are increasingly focusing on identifying and managing the generational differences that are becoming more prevalent in the (Smola and Sutton, 2002). Generational cohorts in the workforce differ in their work values, beliefs, and attributes (Twenge et al., 2010). Extant research has found many significant differences across the generations currently in the workforce (including Millennials) (e.g, Tomek, 2011; Hershatter and Epstein, 2010; Twenge and Campbell, 2008). Differences in personality traits, attitudes, and behaviors all reportedly differ significantly across generations (Twenge et al., 2010).

Because personality traits, attitudes, behaviors, and preferences inform the social interaction style of an individual, generations differ in the importance placed upon dimensions of social interaction and social capital. Personal value systems inform individual engagement and motivation (Maslow, 1943). Creation of these value systems reflect significant historical and social life events (Smola and Sutton, 2002), leading individuals to hold similar value systems as those of other members of their generational cohort.

### ***Impacts of Faultline Strength within Teams***

The relationship between team diversity and team outcomes has been a complex and highly debated one (Horwitz and Horwitz, 2007). While this complex relationship may still not be fully understood, diversity within the workforce is increasing and diverse teams are becoming increasingly prevalent as a result. Diverse teams create unique challenges for managing team resources, processes, and performance (Horwitz and Horwitz, 2007). Team diversity, theoretically, can provide performance benefits through extended knowledge structures, diverse

skill sets, and idiosyncratic expertise (de Wit, Greer, and Jehn, 2012). However, the implications of team diversity on coordination, tension, and group conflict create detrimental difficulties for team functioning (Horwitz and Horwitz, 2007).

While extant empirical tests of team diversity have provided conflicting findings, consideration of faultline strength within teams may further understanding of the impacts of team diversity on team outcomes. Not only do faultlines within groups capture generational diversity attributes simultaneously, faultlines consider the activation and aggravation of existing diversity. In other words, by considering faultlines (Jehn and Bezrukova, 2010), a clearer understanding of parameters of team diversity can emerge. When team diversity becomes salient enough to cause tension and team division and conflict, dysfunctional team interactions, conflict, and irreconcilable divisions become more prevalent.

Indeed, certain barriers may exist within sales teams that prevent the cohesive functioning of the group (Auh et al., 2014). Team diversity increases the conflict and strain placed on the structural, relational, and cognitive resources within a team's social structure. Team resources and processes are hampered in environments of high task and team conflict (Auh et al., 2014), such as those that emerge in diverse team social structures. If diversity impairs the mutual commitment and cooperation necessary for actors in a network to build social capital (Adler and Kwon, 2002), suboptimal resource accumulation and allocation is likely to result. As these faultlines become stronger within teams, social capital will be a less salient antecedent to team processes. That is to say, teams will draw fewer resources from social capital dimensions as they rely less on the team social structure to inform their processes toward task and team goal achievement. Further, team diversity will diminish team process capabilities as dissimilar team members attempt to bridge communication gaps between individuals on the team. Thus,

introducing generational diversity into the team IPO model has significant implications for the relationships between team social capital, team processes, and team performance outcomes.

**Hypothesis 8:** *Faultline strength within a team will negatively impact the relationships between dimensions of social capital and team processes and diminish team performance outcomes.*

Heterogeneity in sales team generational composition has direct implications for team network formation and development (Tomek, 2011). When different members hold different levels of technology literacy, comfort, and preference, disruption in structural formation can occur as interactions shift between technological interfaces and face-to-face interactions (Hershatter and Epstein, 2010). Millennials attributes, preferences, and expectations in terms of technology use on the job (e.g., interface with customers and team members through social media platforms, instant messaging applications, or informal e-mail and text messaging) have shown to convey a negative stereotype of disinterest, disrespect, and short attention spans (Myers and Sadaghiani, 2010). Older generations often interpret the informal communication tendencies of Millennials (Twenge and Campbell, 2008) as inefficient and many still demonstrate a desire and preference for face-to-face interactions (Joy and Haynes, 2011).

With the digital immersion of Millennials they expect communication to be brief but frequent (Myers and Sadaghiani, 2010), in stark contrast of the Baby Boomer generation that places an emphasis on structured interactions within longer time frames (Twenge and Campbell, 2008). This difference has placed a strain on the ways in which teams leverage structural ties to

present united and cohesive fronts in process completion. Millennials lack formality in status and structure (Myers and Sadaghiani, 2010) and their lack of commitment to organizational hierarchy (Schultz, Schwepker, and Good, 2012) has also had adverse impacts on teams attempting to leverage structural clarity to effectively manage tasks and team processes. Additionally, the perceptions of the value in face-to-face interactions vary across generations (Bulent, Han, and Auh, 2007). These differences impact the tendencies for team members to recognize and leverage the structural social capital available to them as younger members place less value on established structure and older team members rely on these structural understandings to carry out tasks (Schultz and Schwepker, 2012). Differences in perception in this way can be detrimental to the team's ability to successfully carry out tasks. For these reasons, when generational faultlines exist within a sales team, the ability of the team to translate structural social capital into team process efficiencies will be negatively impacted.

**Hypothesis 8a:** *Faultline strength within a team will negatively impact the relationship between structural social capital and transition processes.*

**Hypothesis 8b:** *Faultline strength within a team will negatively impact the relationship between structural social capital and action processes.*

**Hypothesis 8c:** *Faultline strength within a team will negatively impact the relationship between structural social capital and interpersonal processes.*

“Generational issues have played and will continue to play a significant role” in the formation of sales team relationships (Tomek, 2011; p. 193). The attributes and expectations of

Millennials have been shown to impact the development of relationships within teams and the organization as a whole (Myers and Sadaghiani, 2010). The approach of Millennials to relationship building and many of the values these individuals emphasize have been reportedly ‘burdensome’ to many coworkers of older generations. Gaps in generational attitudes and behaviors are dramatically impacting the workplace relationships between Millennials and members of Generation X and the Baby Boomer Generation (Twenge and Campbell, 2008). Desires for constant praise and difficulty handling criticism have made relationship building a constant struggle within intergenerational teams (Tomek, 2011).

With different loyalties formed by the national events, trends, and financial well-being of their youth (Twenge and Campbell, 2008), each generation demonstrates some levels of skepticism toward members of other generations (Schultz, Schwepker, and Good, 2012). This gap in trust impacts a team’s ability to leverage relational capital to achieve success as a team. When diversity is high, individuals within a multigenerational team are more likely to build strong relationships within their subgroups than with the group as a whole (Jehn, Northcraft, Neale, 1999). In these ways, the relationship between relational social capital will be less likely to translate into increased efficiencies gains for team processes. When subgroups exist, the relational ties within a team will likely be stronger between sub-groups and weaker across the team as a cohesive unit – decreasing the positive benefits of team relational capital.

**Hypothesis 8d:** *Faultline strength within a team will negatively impact the relationship between relational social capital and transition processes.*

**Hypothesis 8e:** *Faultline strength within a team will negatively impact the relationship between relational social capital and action processes.*

**Hypothesis 8f:** *Faultline strength within a team will negatively impact the relationship between relational social capital and interpersonal processes.*

Generational researchers have demonstrated that life experiences shaping generational cohorts impact not only world views, values, and expectations (Schultz and Schwepker, 2012), but also the cognitive processes and decision models of individuals (Hayles, 2007). Shifts in generational cognition are tied to learning approach (Twenge and Campbell, 2008), digital immersion during formative years (Flanagin and Metzger, 2011), and networked dependence (Myers and Sadaghiani, 2010). The result is a stark difference in the singular versus multi-tasking approach to task completion preferred by team members of different generations (Hayles, 2007).

Given the information-rich world in which younger workers were raised (Flanagin and Metzger, 2011), it is not surprising the information sharing approaches have been impacted as well (Rainie, 2006). Cognitive models have shifted toward younger generations sharing more information yet analyzing and processing this information at a more surface level (Hayles, 2007). Older generations, on the other hand, are apt to spend more time determining the reliability and credibility of information shared (Flanagin and Metzger, 2011). Older generations will also subscribe to more traditional information processing hierarchies in which they place a greater value on information shared from trusted, integrated, and experienced resources (Deal, Altman, and Rogelberg, 2010). For these reasons, it is likely that a generationally diverse team will struggle in their ability to leverage cognitive social capital to achieve process efficiencies. The existence of faultlines in teams will weaken the ability of team members to consistently choose

the best sources of information and present a united information front in planning, decision making, execution, and relational aspects of the sales job.

**Hypothesis 8g:** *Faultline strength within a team will negatively impact the relationship between cognitive social capital and transition processes.*

**Hypothesis 8h:** *Faultline strength within a team will negatively impact the relationship between cognitive social capital and action processes.*

**Hypothesis 8i:** *Faultline strength within a team will negatively impact the relationship between cognitive social capital and interpersonal processes.*

### **Conclusion**

Chapter 4 details each of the proposed hypotheses for the conceptual IPO model set forth in this dissertation. Hypothesized linear relationships between each of the social capital components and team processes, as well as between each facet of team processes with relational and objective sales performance, are detailed and discussed. Additionally, the interactive impact of generational faultline strength on each of the aforementioned social capital component – team process element relationships is also delineated. The goal of this work is to quantify the posited positive impact of each relationship toward a better understanding of this dynamic organizational paradigm shift. The next chapter discusses the data sample and measures used to analyze this model.

## **CHAPTER 5**

### **METHODS**

#### **Data Collection and Sample Description**

Data for this dissertation were gathered from a technology firm operating globally. However, specific to the goals of this research data were collected only from those sales territories and teams operating in the United States. The salespeople surveyed operate in the business-to-business domain selling to, managing, and servicing, small to medium sized businesses by providing cloud computing, cloud sourcing, and data storage solutions. Teams work together to source and acquire new business, install and manage the solution, and to provide service and maintain the customer account after installation. Teams work together toward mutual goals and must communicate and coordinate efforts in order to successfully meet team sales goals.

Surveys were sent to 2,000 of the salespeople operating within this space and respondents were given eight weeks to complete the online survey instrument. A follow-up was sent to team members after four weeks, and a reminder was sent to sales managers to encourage participation. Completed surveys were received from 926 salespeople. This represented a response rate of 46.3%. Eighteen of the returned surveys were dropped due to excessive missing data. From the remaining 908 surveys, forty-six respondents were dropped from the sample after matching salespeople to their corresponding managers (to represent team designation). The resulting sample was made up of 862 salespeople representing 122 sales teams across the United States.



The respondents were representative of a wide range of sizes and types of businesses served (customers range from small single location businesses to larger businesses with multiple locations servicing a larger customer base).

### **Measures Overview**

All multi-item scale measures used in this study were adapted from previously published survey research. Structural social capital was assessed using a degree of *non-virtuality* representing the percentage of time sales team members spent face to face as opposed to communicating over virtual platforms (Rapp, Ahearne, Mathieu, and Rapp, 2010). This represents the degree to which structural ties existed within the sales team based on consistent interaction. This measure was assessed based on respondent's assessments of the frequency of their interaction across different meeting types. This measure is discussed in greater detail below.

The dimensions of relational social capital and cognitive social capital were measured along 7-point Likert-type scales anchored by 1 = strongly disagree and 7 = strongly agree. Following previous literature, the measures used for sales team processes were gathered using a scale from 1 to 5 with 1 being "Hardly any Skill," 2 being "Some Skill," 3 being "Adequate Skill," 4 being "Good Skill," and 5 representing "Complete Skill." Customer relationship performance was gathered using four items along a 7-point Likert-type scales anchored by 1 = strongly disagree and 7 = strongly agree.

Faultline strength was assessed by utilizing the age reported by salespeople in the demographics portion of their survey questionnaire. This measure was attained by taking the aggregate of the standard deviation of the ages represented on the sales team to determine the variance in age within the sales team. This measure is explained in greater detail below. To

assess sales performance, a measure of percentage of sales quota achieved by the sales team was collected. This measure controls for extraneous factors, such as territory size, because it is adjusted based on market potential. This measure was collected three months following the collection of survey data. Individual scale items are included in Table 5.1 through Table 5.3, and each measure is detailed in the following discussion.

### ***Social Capital Measures***

#### ***Structural Social Capital***

The dimensions of social capital have received little attention in the current literature with respect to scale development (Bolino, Turnley, and Bloodgood, 2002). Within a sales team structural social capital represents the social network ties and configuration of the network. Sales teams communicate across multiple platforms to share information, maintain relationships, and manage tasks. A degree of *non-virtuality* (reflective of the reverse coding of ‘level of virtualness’ (Rapp et al., 2010)) was employed to measure the structural social capital within a sales team. This *non-virtuality* was measured as the percentage of communication that sales team members have with one another in face-to-face meetings (as opposed to interaction in all activities *except* face-to-face meetings). The survey questions used to assess percentages of time allocated toward different communication types are provided in Table 5.1 below.

To assess this I followed previous literature (Rapp et al., 2010) and I asked team members to provide percentages for the amount of time spent communicating via (1) face-to-face meetings, (2) telephone meetings, (3) e-mail, and (4) other (including web chat, lotus notes, web conferences, etc). With the understanding that social ties and structural clarity are strengthened by face to face interactions, I aggregated the percentage of time spent in face-to-face meetings to

the team level. This allowed me to understand and measure the extent of time the team reflected was spent coordinating their activities and actions in a face-to-face setting – a feat imperative to creating a more integrated team social structure (Bolino, Turnley, and Bloodgood, 2002). The measurement of this variable is parallel to that of previous research (Kirkman et al., 2004).

**Table 5.1**

**Measure: Degree of Virtuality**

<b>On average, when you communicate with the members of your sales team, what percentage of your time do you spend in:</b>	
_____ %	<b>Face-to-Face Meetings</b>
_____ %	<b>Telephone Meetings</b>
_____ %	<b>Email</b>
_____ %	<b>Other Electronic Methods (e.g., social media, text messaging, instant message, chats, etc.)</b>
_____ %	<b>Other:</b> _____
<b>NOTE: These should add up to 100%</b>	

*Relational Social Capital*

The dimension of relational social capital was operationalized as team trust. This measure was chosen based on the definitional understanding of relational social capital as the social value created by leveraging relationships between team members (Nahapiet and Ghoshal, 1998). This has been reflected and operationalized in previous literature as the trust held between team members and within the team (Bolino, Turnley, and Bloodgood, 2002). The scale was adapted

from previous literature (Peters & Karren, 2009) and was made up of three items such as “I trust the other members of my team.” The scale demonstrated strong reliability ( $\alpha = .937$ ).

**Table 5.2**

**Items: Team Trust – Relational Social Capital**

<b>When thinking about your team, to what extent do you agree or disagree with the following statements?</b>	
	<b>I feel connected to the other team members</b>
	<b>I trust the other team members</b>
	<b>Other team members follow through with what they say</b>

*Cognitive Social Capital*

The final dimension of social capital, cognitive social capital, reflects the focus on like-mindedness, shared understanding, and a common language among the sales team. To operationalize this measure, a 15-item scale measure of transactive memory systems was employed (Lewis 2003). Transactive memory systems represent the cooperative division of labor for learning, remembering, and communicating relevant team knowledge (Lewis, 2003; Hollingshead, 2001; and Wegner 1987). These items are displayed in Table 5.3 below. After dropping two of the reverse coded items that did not significantly load onto this factor (“Our team needed to backtrack and start over a lot,” and “I did not have much faith in other members’ expertise”) the measure resulted in a 13-item scale with a strong reliability ( $\alpha = .954$ ).

**Table 5.3**

**Items: Transactive Memory Systems – Cognitive Social Capital**

<b>When thinking about your team, to what extent do you agree or disagree with the following statements?</b>	
	Each team member has specialized knowledge of some aspect of our project.
	I have knowledge about an aspect of the project that no other team member has.
	Different team members are responsible for expertise in different areas.
	The specialized knowledge of several different team members was needed to complete the project deliverables.
	I know which team members have expertise in specific areas.
	I was comfortable accepting procedural suggestions from other team members.
	I trusted that other members' knowledge about the project was credible.
	I was confident relying on the information that other team members brought to the discussion.
	When other members gave information, I wanted to double-check it for myself. (reversed)
	I did not have much faith in other members' "expertise." (reversed) *
	Our team worked together in a well-coordinated fashion.
	Our team had very few misunderstandings about what to do.
	Our team needed to backtrack and start over a lot. (reversed) *
	We accomplished the task smoothly and efficiently.
	There was much confusion about how we would accomplish the task. (reversed)
*Signifies an item that was dropped from the final scale	

### *Sales Team Processes Measures*

Sales team processes were operationalized based on Mark's et al.'s (2001) taxonomy. Individual items were written to assess the members' perceptions of their (a) transition processes (3 items,  $\alpha = .915$ ), (b) action processes (4 items,  $\alpha = .934$ ), and interpersonal processes (3 items,  $\alpha = .945$ ). All items were behaviorally anchored and ranged from 1 (Hardly Any Skill) to 5 (Complete Skill). This approach and the corresponding items was adopted from previous sales team research (Rapp, Ahearne, Mathieu, and Rapp, 2010).

**Table 5.4**

**Items: Team Processes**

The following questions relate to how your team interacts and works together. Please rate the skill level at which your team functions for each of the following activities.	
<b>Transition Processes</b>	
	<i>Mission Analysis</i> (Developing sales strategies, evaluating prospects for market share growth, Identifying what key competitors are likely to be doing)
	<i>Goal Specification</i> (Identification and prioritization of goals and sub-goals for mission accomplishment)
	<i>Strategy Formulation and Planning</i> (Formulation of strategies and courses of action for mission accomplishment. This dimension includes generic planning, contingency planning, and reactive strategic adjustment)

The following questions relate to how your team interacts and works together. Please rate the skill level at which your team functions for each of the following activities.	
<b>Action Processes</b>	
	<i>Monitoring Progress Toward Goals</i> (Tracking task and goal progress toward mission accomplishment; interpreting system information in terms of what needs to be accomplished for goal attainment; transmitting goal progress to team members)
	<i>Systems Monitoring</i> (Tracking team resources and environmental conditions as they relate to mission accomplishment. This includes internal systems monitoring and environmental monitoring)
	<i>Team Monitoring and Backup Behavior</i> (Assisting team members to perform their tasks by providing verbal feedback or coaching, assisting in carrying out actions or assuming and completing a task for team members.)
	<i>Coordination Activities</i> (Orchestrating the sequence and timing of interdependent actions.)

The following questions relate to how your team interacts and works together. Please rate the skill level at which your team functions for each of the following activities.	
<b>Interpersonal Processes</b>	
	<i>Affect Management</i> (Regulating member emotions during team work. This includes times of frustration and excitement)
	<i>Conflict Management</i> (Establishing conditions to prevent, control, and guide team conflict before it occurs)
	<i>Motivating and Confidence Building</i> (Generating and preserving a sense of collective confidence, motivation, and task based cohesion with regard to mission accomplishment)

### ***Strategic Sales Outcomes***

#### *Customer Relationship Performance*

Relative to the focus of employing sales teams in a complex product environment, these teams are expected to provide product solutions, meet customer needs with exceptional value, and provide consistent and ongoing support to customers. Therefore a prime goal for these teams

is to enhance and retain customer relationships. Thus a measure of customer relationship performance is used to assess the success of these sales teams in meeting customer needs and satisfying demands to a high level. My measure of customer relationship performance consists of four scale items adapted from Rust, Moorman, and Dickson (2002) and Jayachandran et al. (2005). These scale items assess the extent to which sales teams successfully satisfy and retain loyal customers.

**Table 5.5**  
**Items: Customer Relationship Performance**

<b>Relative to competitors...</b>	
	<b>...our customers work with our firm for a long time.</b>
	<b>... once we get new customers, they tend to stay with our company.</b>
	<b>...our customers are very loyal to our firm.</b>
	<b>...our customers are satisfied with our company.</b>

*Objective Sales Performance*

Sales performance was assessed by collecting a measure of percentage of sales quota achieved by salespeople. This objective measure was collected from company records following the conclusion of our survey. This measure controls for extraneous factors, such as territory size, because it is adjusted based on market potential.

*Generational Faultline Moderator*

Faultline strength was operationalized by aggregating team member (salesperson) age based on the standard deviation. Aggregating on the standard deviation creates an outcome value



representative of the variation in team member ages within a single team. By doing this, a larger value represents a greater variance in age of the individuals that make up the team – meaning the team is representative of a greater variety of generations and thus exhibits a larger generational faultline (Zanutto, Bezrukova, and Jehn 2010).

By using age diversity as a proxy for generational faultline strength this study captures a number of unique attributes of team generational heterogeneity (McGuire, Todnem By, and Hutchings, 2005). The underlying values, attitudes, and characteristics of generations exist on a generational continuum (Hershatter and Epstein, 2010) and thus this diversity measure provides a greater insight into true difference levels than would a dichotomous assigning of generational variables (Zanutto, Bezrukova, and Jehn, 2010).

Indeed, in recent work by Ahearne, Mackenzie, Podsakoff, Mathieu, and Lam (2010), they note that assessing ‘the standard deviation translates the individual-level phenomena into the team level using a “dispersion” model,’ (p. 459). The dispersion model refers to the team differences as a whole, rather than the attributes of individual team members. In this way, the authors argue that “dispersion models treat variability within a team as a theoretically significant phenomenon in its own right” (p. 459).

## **Conclusion**

Chapter 5 discussed in detail the method and collection, as well as the specifics and demographics, of the data sample used in this work. Items and measures were shared and detailed, as well as their source and application to the generational faultlines research question at hand. The next chapter discusses the specific methodological approach employed, as well as all analyses utilized in generating the results of this dissertation. Results are also shared and summarized for a greater understanding of the knowledge ascertained from this effort.

## CHAPTER 6

### RESULTS

#### Analytical Strategy

Before aggregating the effects of team-level variables used within this study, it is necessary to average the individual responses across each team to represent a team-level construct. To affirm acceptable levels of within group interrater reliability ( $r_{wg}$ ) and intraclass correlations (ICCs) to capture the extent to which responses are consistent with each other but different from the responses of other collectives (Bliese, 2000). These values were all found to be within the acceptable range (Team Trust:  $r_{wg} = .73$ ,  $ICC_1 = .43$ ,  $ICC_1 = .85$ ; Transactive Memory Systems:  $r_{wg} = .87$ ,  $ICC_1 = .47$ ,  $ICC_1 = .87$ ; Transition Processes:  $r_{wg} = .92$ ,  $ICC_1 = .46$ ,  $ICC_1 = .81$ ; Action Processes:  $r_{wg} = .80$ ,  $ICC_1 = .22$ ,  $ICC_1 = .59$ ; Interpersonal Processes:  $r_{wg} = .81$ ,  $ICC_1 = .41$ ,  $ICC_1 = .78$ ; Customer Relationship Performance:  $r_{wg} = .84$ ,  $ICC_1 = .72$ ,  $ICC_1 = .91$ ). Based on accepted practice (i.e.,  $r_{wg} > .70$  and  $ICCs > .05$ ) I assessed that it was statistically appropriate to assess these variables at the aggregated team level (see Bliese, 2000).

#### Tests of Validity

*Convergent Validity* was assessed using structural equation modeling and confirming that indicator variables loaded significantly on their respective construct and that their path loading exceeded twice their standard error (Gerbing and Anderson, 1988). All indicators met this

criteria. Additionally, following criteria set forth by Bagozzi and Yi (1988) convergent validity was achieved based on each standardized loading exceeding .60 and exhibiting a highly significant estimate (i.e.,  $p < .001$ ) as was the case with each indicator included in my model.

*Discriminant Validity* was assessed using Fornell and Larcker's (1981) AVE test for a scale. Following extant research, if a the average variance extracted of the construct exceeds the squared intercorrelations (i.e. shared variance) with other latent constructs, then discriminant validity is achieved. These values can all be found in Table 6.1 below. Each construct's AVE is greater than the shared variance for all constructs in the study.

*Common Method Variance* was assessed using two distinct tests. Because data were collected from a single respondent, confirming common method variance is not an issue in this study was of importance. Notably however, the survey administered did include reverse coded items to attempt to minimize some common method variance. To test for the existence of CMV, I first use Harman's one factor test. (Podsakoff and Organ, 1986). I conducted a factor analysis to confirm that each indicator loaded on its respective factor. Importantly, the first factor produced accounted for 34% of the total variance, not a majority of the variance, suggesting that CMV is not a substantial issue in my model. Secondly, I assess the presence of CMV through the use of a single latent construct onto which all items are loaded. I then compare the model fit for this construct versus the fit of my model and find a significantly better fit ( $\Delta\chi^2 = 1,098.367 (15) p < .001$ ).

**Table 6.1**

**Intercorrelations, Means, Standard Deviations and Reliabilities**

**Table 6.1** Means, Standard Deviations, Correlations, and AVEs

Variable	Mean	Std Dev	1	2	3	4	5	6	7	8
1. Degree of <i>non</i> -Virtuality	28.88	9.47	--							
2. Team Trust	5.57	.68	.36	.84						
3. Transactive Memory Systems	5.63	.48	.35	.63	.65					
4. Transition Processes	4.14	.49	.45	.65	.55	.78				
5. Action Processes	4.05	.51	.45	.70	.59	.78	.78			
6. Interpersonal Processes	4.27	.81	.43	.62	.53	.46	.50	.85		
7. Customer Relationship Performance	4.54	.62	.35	.43	.43	.46	.46	.52	.62	
8. Sales Performance	1.01	.16	.45	.42	.42	.52	.52	.41	.47	-

*Note.* N = 122. All correlations are significant at  $p < .01$ . Values on the diagonal represent average variance extracted.

### **CFA Measurement Model**

Prior to the planned structural equation modeling (SEM) analysis, a confirmatory factor analysis was run to assess the fit of the data to the underlying model. Using IBM SPSS Amos 22, a CFA was run in order to confirm measurement model goodness of fit statistics. This CFA measurement model yielded good fit in accordance with accepted thresholds ( $\chi^2 = 764.894(421)$ ,  $p < .01$ ; CFI=.902; RMSEA=.080) with  $\chi^2/df < 3$  (calculated at 1.817), CFI > 0.90, RMSEA under 0.08 (Hooper, Coughlan and Mullen 2008). Based on the strong fit of the confirmatory factor analysis, the CFA model was utilized as the base for subsequent structural model tests.

Table 6.1 (above) provides intercorrelations and descriptive information for the latent constructs employed in this conceptual model. In order to assess the validity and reliability of the aforementioned multi-item scales used in this study, a confirmatory factor analysis (CFA) was conducted following the approach of Gerbing and Anderson 1988. All values for average variance extracted (AVE) and composite reliability (CR) exceed widely accepted thresholds established in extant marketing literature (Bagozzi and Yi 1988). Providing support for evidence of discriminant validity, the average variance extracted for each construct also exceeds the squared correlations between all pairs of constructs (Fornell and Larcker 1981). Standardized factor loadings, alphas, composite reliabilities, and AVEs can be found in table 6.2 below.

**Table 6.2**

**Standardized Factor Loadings, Alphas, Composite Reliabilities, and AVEs**

<b>Table 6.2</b> Measures and CFA Results				
Scale/Item	$\alpha$	CR	AVE	Factor Loading
<b>Relational Social Capital</b>				
Team Trust:	.937	.97	.84	
I feel connected to the other team members				.947
I trust the other team members				.962
Other team members follow through with what they say				.836
<b>Cognitive Social Capital</b>				
Transactive Memory Systems	.945	.98	.65	
Each team member has specialized knowledge of some aspect of our project.				.809
I have knowledge about an aspect of the project that no other team member has.				.705
Different team members are responsible for expertise in different areas.				.698
The specialized knowledge of several different team members was needed to complete the project deliverables.				.701
I know which team members have expertise in specific areas.				.710
I was comfortable accepting procedural suggestions from other team members.				.892
I trusted that other members' knowledge about the project was credible.				.783
I was confident relying on the information that other team members brought to the discussion.				.886
When other members gave information, I wanted to double-check it for myself. (reversed)				.885
Our team worked together in a well-coordinated fashion.				.806
Our team had very few misunderstandings about what to do.				.871
We accomplished the task smoothly and efficiently.				.842
There was much confusion about how we would accomplish the task. (reversed)				.860

**Table 6.2 (cont.)**

**Standardized Factor Loadings, Alphas, Composite Reliabilities, and AVEs**

Scale/Item	$\alpha$	CR	AVE	Factor Loading
<b>Team Processes</b>				
Transition Processes	.915	.97	.78	
Mission Analysis				.890
Goal Specification				.907
Strategy Formulation and Planning				.859
Action Processes	.934	.90	.78	
Monitoring Progress Toward Goals				.941
Systems Monitoring				.835
Team Monitoring and Backup Behavior				.890
Coordination Activities				.870
Interpersonal Processes	.945	.96	.85	
Affect Management				.952
Conflict Management				.953
Motivating and Confidence Building				.867
<b>Performance Outcomes</b>				
Customer relationship performance	.84	.91	.62	
Relative to your competitors...				
...our customers work with our firm for a long time.				.764
...once we get new customers, they tend to stay with our company.				.744
...our customers are very loyal to our firm.				.775
...our customers are satisfied with our company.				.871
<p><i>Note.</i> CFA = confirmatory factor analysis; <math>\alpha</math> = Cronbach's Alpha.  All factor loadings were significant at <math>p &lt; .001</math>.</p>				

## **Structural Models**

In order to complete the following structural model analyses, IBM SPSS Amos 22 was again utilized to explore the hypothesized relationships. Structural equation modeling (SEM) was employed, in conjunction with analyses of both linear and interactive relationships, in an effort to best capture and understand the posited impact of salesperson social capital on sales team processes and the interactive effects of faultline strength within a sales team. The following sections detail the specific approaches to the linear and interaction models used and investigated in this dissertation.

### *Linear Model*

I report the findings for the structural model tested in Table 6.3 below. I first fit a linear effects model that tests the hypothesized model, minus the interaction effects. This model allows me to test the linear relationships between sales team social capital and sales team processes, as well as the linear relationships between sales team processes and sales team performance outcomes.



**Table 6.3****Linear Model Effects**

<b>Table 6.2</b>	
Standardized parameter estimates and goodness-of-fit statistics	
<b>Relationships</b>	Linear effects model
H1a: Structural Social Capital → Transition Processes	.253***
H1b: Structural Social Capital → Action Processes	.250***
H1c: Structural Social Capital → Interpersonal Processes	.215***
H2a: Relational Social Capital → Transition Processes	.453***
H2b: Relational Social Capital → Action Processes	.504***
H2c: Relational Social Capital → Interpersonal Processes	.326***
H3a: Cognitive Social Capital → Transition Processes	.195*
H3b: Cognitive Social Capital → Action Processes	.202**
H3c: Cognitive Social Capital → Interpersonal Processes	.306***
H4a: Transition Processes → Relational Performance	-.122
H4b: Transition Processes → Sales Performance	.151**
H5a: Action Processes → Relational Performance	.383***
H5b: Action Processes → Sales Performance	.235***
H6a: Interpersonal Processes → Relational Performance	.409***
H6b: Interpersonal Processes → Sales Performance	.035
H7: Relational Performance → Sales Performance	.276***
Chi-square ( <i>df</i> )	827.936(444)
<i>p</i> value	.000
CFI	.901
RMSEA	.081
<i>Note.</i> N =122.	
* <i>p</i> < .10	
** <i>p</i> < .05	
*** <i>p</i> < .01	

## **Interaction Models**

To test for interaction effects, sales team generational faultline strength moderator and the individual sales team social capital dimensions (structural social capital, relational social capital, and cognitive social capital) were all mean-centered. To create the interaction terms, 3 multiplicative interaction terms were created using the mean-centered sales team generational faultline moderator combined with each of the dimensions of social capital in turn. Due to the issues of multicollinearity with multiple interaction terms, the hypothesized moderator effects were tested using path analysis in SPSS 18. The results for these path analysis regressions can be found in the following tables 6.4 – 6.12. Interaction graphs are provided for all significant interactions. I graph the moderating effects of generational faultline strength by plotting the “high,” “moderate,” and “low” groups of the moderator using the approach reported by Cohen and Cohen (1983). High and Low levels are set at +/- 1 standard deviation from the mean. The figure displays effect differences on the dependent variable at different levels of the moderator.

**Table 6.4**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8a: Structural Capital x Generational Faultline → Transition Processes**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	4.072	.198		.000
<i>Structural</i>	.021	.004	.414	.000
<i>Faultline</i>	-.050	.013	-.297	.000
<i>Interaction</i>	.014	.045	.024	.761

Dependent Variable: Transition Processes  
 $R^2 = .266$  ( $p < .01$ )

**Table 6.5**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8b: Structural Capital x Generational Faultline → Action Processes**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	3.944	.204		.000
<i>Structural</i>	.022	.004	.418	.000
<i>Faultline</i>	-.049	.014	-.283	.001
<i>Interaction</i>	-.005	.047	-.009	.911

Dependent Variable: Action Processes  
 $R^2 = .264$  ( $p < .01$ )

**Table 6.6**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8c: Structural Capital x Generational Faultline → Interpersonal Processes**

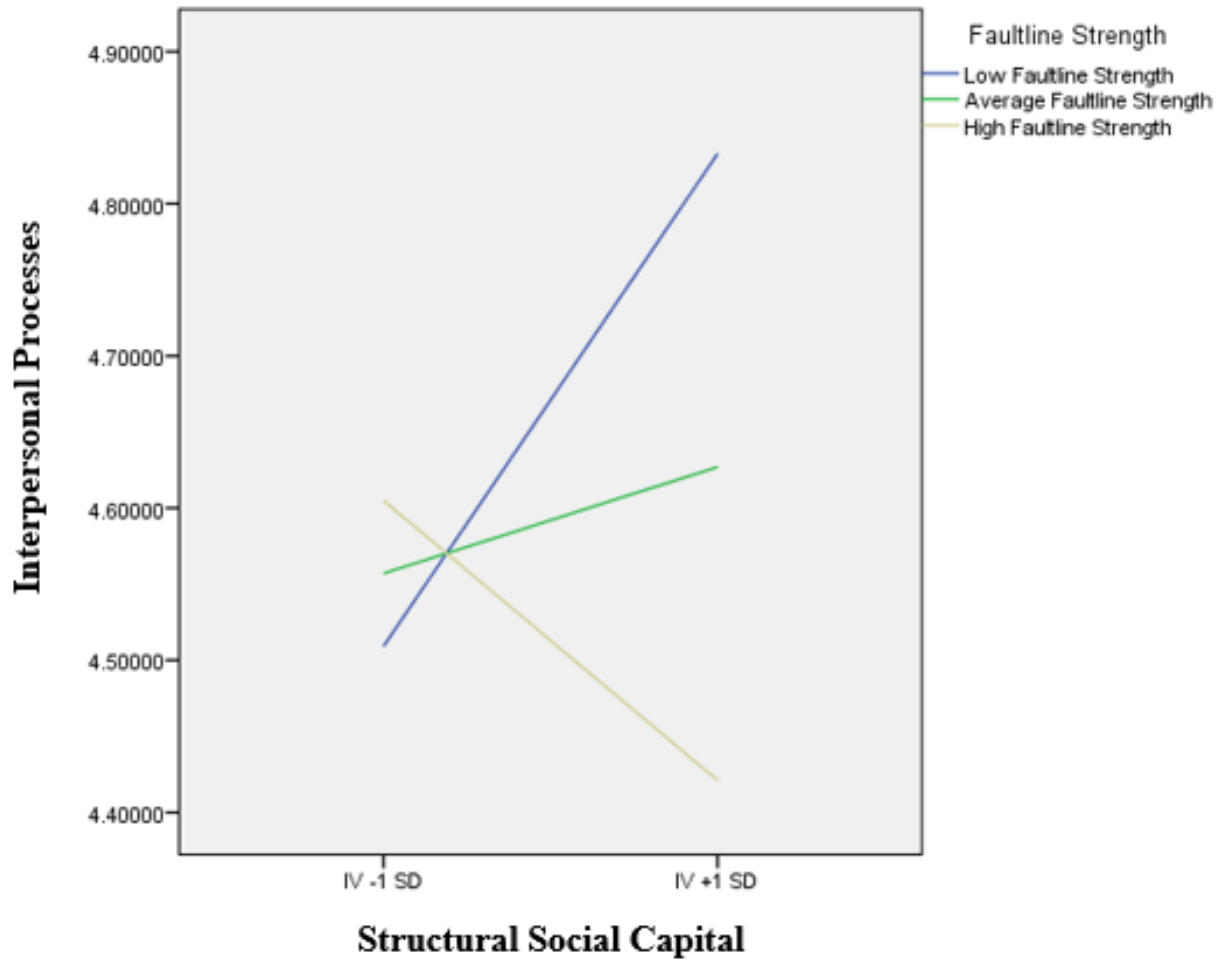
Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
(Constant)	4.592	.339		.000
<i>Structural</i>	.035	.007	.408	.000
<i>Faultline</i>	-.079	.023	-.279	.001
<i>Interaction</i>	-.127	.078	-.131	.009

**Dependent Variable: Interpersonal Processes**  
**R<sup>2</sup> = .252 (p < .01)**

Figure 6.1

Path Analysis of Moderating Effects of Generational Faultlines

H8c: Structural Capital x Generational Faultline → Interpersonal Processes



**Table 6.7**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8d: Relational Capital x Generational Faultline → Transition Processes**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
<i>(Constant)</i>	1.743	.379		.000
<i>Relational</i>	.450	.053	.631	.000
<i>Faultline</i>	-.011	.013	-.068	.380
<i>Interaction</i>	-.041	.025	-.117	.098

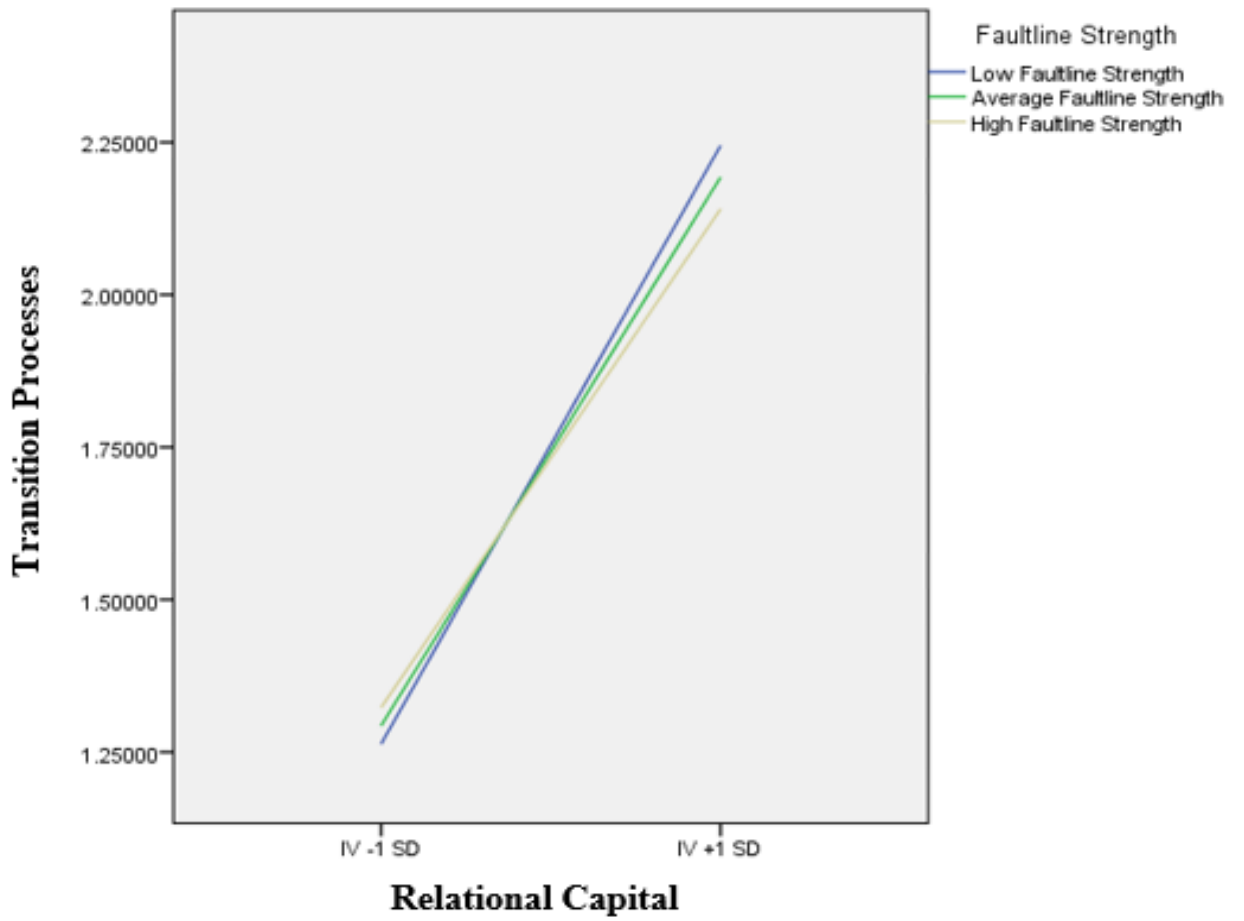
**Dependent Variable: Transition Processes**

**R<sup>2</sup> = .435 (p < .01)**

Figure 6.2

Path Analysis of Moderating Effects of Generational Faultlines

H8d: Relational Capital x Generational Faultline → Transition Processes



**Table 6.8**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8e: Relational Capital x Generational Faultline → Action Processes**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	
<i>(Constant)</i>	1.247	.364		.001
<i>Relational</i>	.511	.051	.698	.000
<i>Faultline</i>	-.006	.013	-.032	.658
<i>Interaction</i>	-.046	.024	-.129	.049

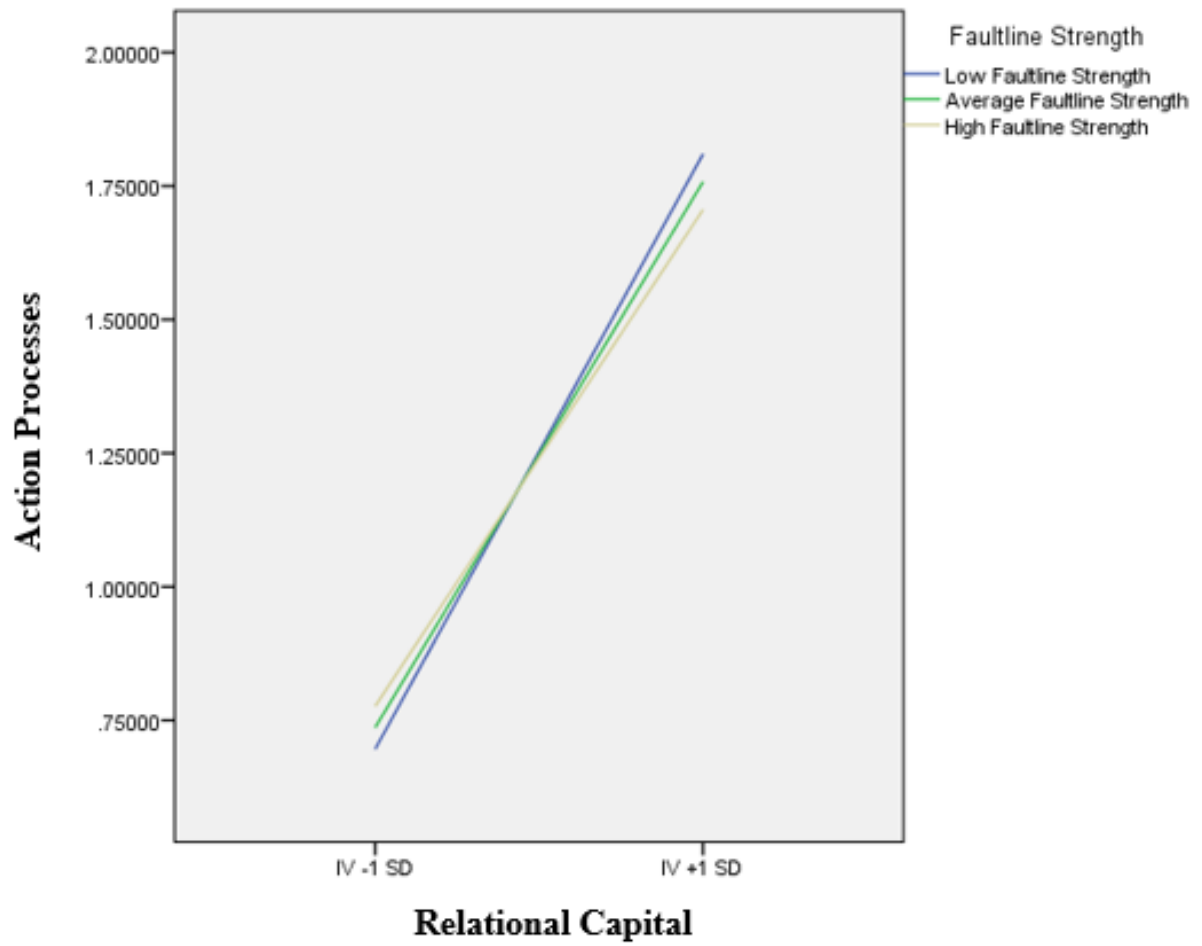
**Dependent Variable: Action Processes**  
**R<sup>2</sup> = .506 (p < .01)**



Figure 6.3

Path Analysis of Moderating Effects of Generational Faultlines

H8ie Relational Capital x Generational Faultline → Action Processes



**Table 6.9**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8f: Relational Capital x Generational Faultline → Interpersonal Processes**

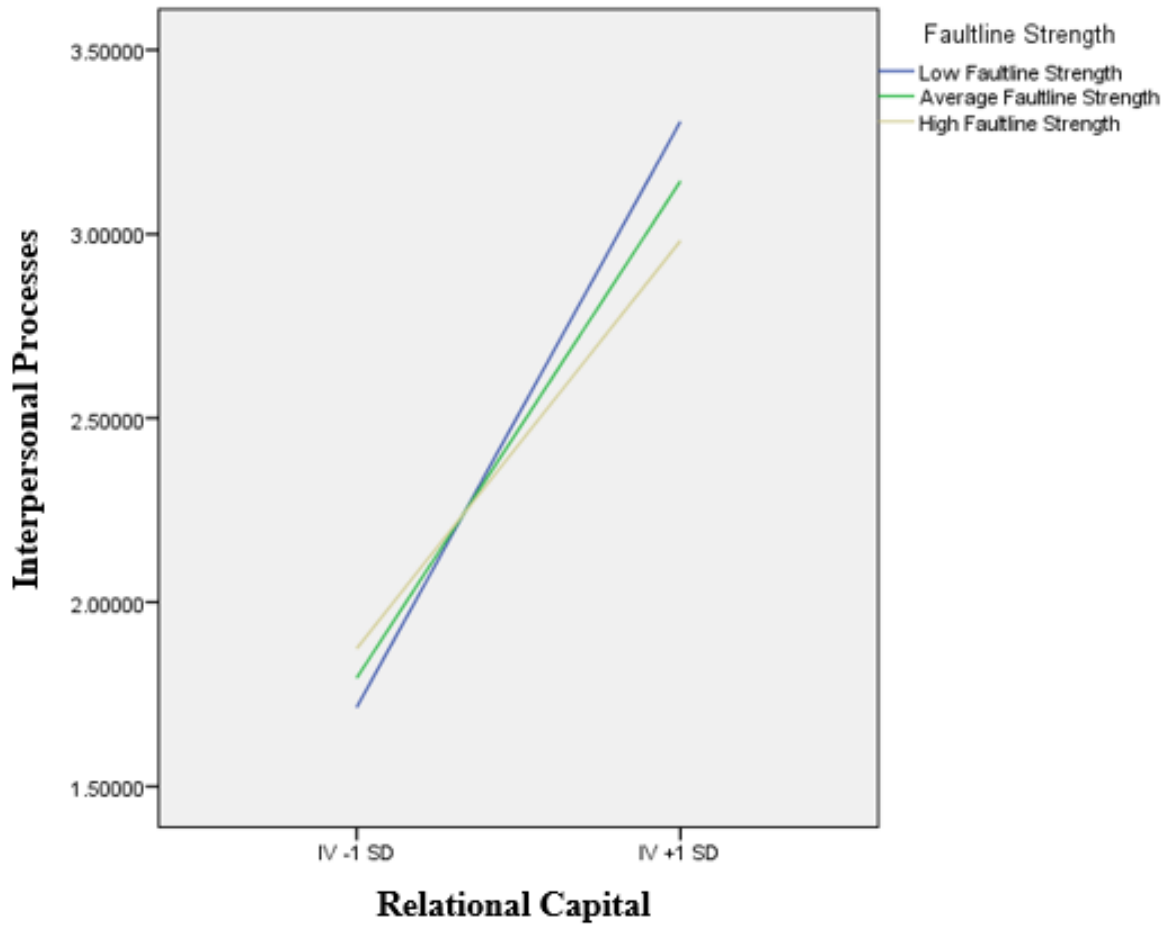
<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	
<i>(Constant)</i>	<b>2.469</b>	<b>.655</b>		<b>.000</b>
<i>Relational</i>	<b>.675</b>	<b>.092</b>	<b>.559</b>	<b>.000</b>
<i>Faultline</i>	<b>-.041</b>	<b>.022</b>	<b>-.144</b>	<b>.072</b>
<i>Interaction</i>	<b>-.121</b>	<b>.043</b>	<b>-.204</b>	<b>.006</b>

**Dependent Variable: Interpersonal Processes**  
**R<sup>2</sup> = .413 (p < .01)**

Figure 6.4

Path Analysis of Moderating Effects of Generational Faultlines

H8f: Relational Capital x Generational Faultline → Interpersonal Processes



**Table 6.10**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8g: Cognitive Capital x Generational Faultline → Transition Processes**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
<i>(Constant)</i>	1.675	.437		.000
<i>Cognitive</i>	.526	.072	.527	.000
<i>Faultline</i>	-.046	.013	-.274	.001
<i>Interaction</i>	-.021	.030	-.055	.479

**Dependent Variable: Transition Processes**  
**R<sup>2</sup>= .381 (p<.01)**

**Table 6.11**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8h: Cognitive Capital x Generational Faultline → Action Processes**

Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
<i>(Constant)</i>	1.298	.436		.004
<i>Cognitive</i>	.578	.072	.564	.000
<i>Faultline</i>	-.046	.013	-.268	.001
<i>Interaction</i>	-.017	.030	-.041	.582

**Dependent Variable: Action Processes**  
**R<sup>2</sup>= .414 (p<.01)**

**Table 6.12**

**Path Analysis of Moderating Effects of Generational Faultlines**

**H8i: Cognitive Capital x Generational Faultline → Interpersonal Processes**

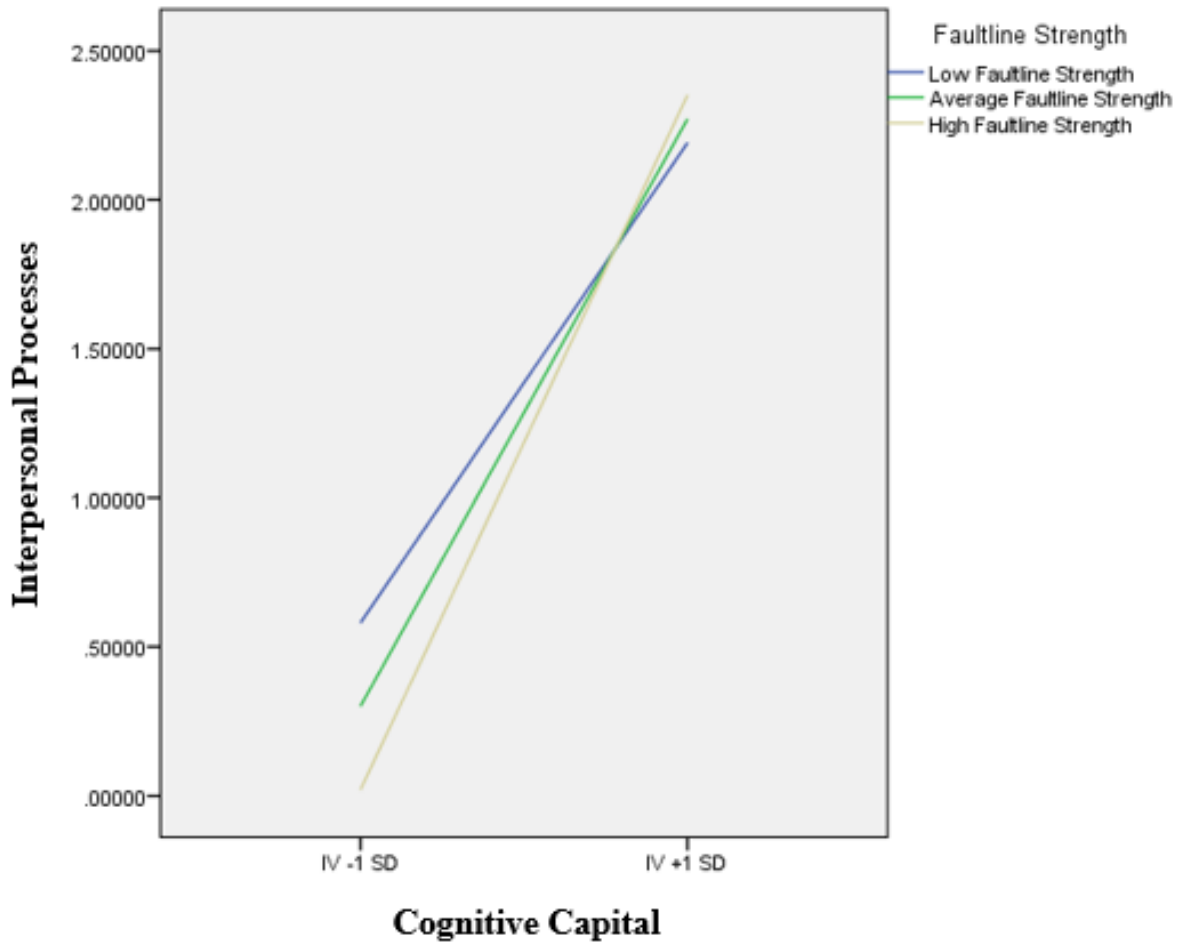
Model	Unstandardized Coefficients		Standardized Coefficients	Sig.
	B	Std. Error	Beta	
<i>(Constant)</i>	<b>1.286</b>	<b>.687</b>		<b>.064</b>
<i>Cognitive</i>	<b>.986</b>	<b>.113</b>	<b>.583</b>	<b>.000</b>
<i>Faultline</i>	<b>-.100</b>	<b>.020</b>	<b>-.351</b>	<b>.000</b>
<i>Interaction</i>	<b>.180</b>	<b>.048</b>	<b>.272</b>	<b>.000</b>

**Dependent Variable: Interpersonal Processes**  
**R<sup>2</sup> = .465 (p < .01)**

Figure 6.5

Path Analysis of Moderating Effects of Generational Faultlines

H8i: Cognitive Capital x Generational Faultline → Interpersonal Processes



## FINDINGS

### *Summary of Hypothesis Testing*

#### *Linear Effects Model – Exogenous Variables*

The linear effects model, indeed yielded acceptable fit, as detailed by the goodness-of-fit statistics shown in Table 6.2. Values for  $X^2/df$ , CFI and RMSEA were each within rules of thumb for generally accepted threshold ranges indicating good fit (Hooper, Coughlan, and Mullen, 2008). In order to determine the linear effects of sales team social capital on team processes, and the linear effects of team processes on strategic sales outcomes, the significance of paths in the linear model are examined, with the exclusion of the moderator variable. A summary of hypotheses and analysis results is available below in Table 6.12.

**Table 6.13**

**Linear Effects (Exogenous Variables) Hypotheses Findings**

Hypothesis	Linear Relationship	Finding
H1		
a	Structural Social Capital → Transition Processes	Supported
b	Structural Social Capital → Action Processes	Supported
c	Structural Social Capital → Interpersonal Processes	Supported
H2		
a	Relational Social Capital → Transition Processes	Supported
b	Relational Social Capital → Action Processes	Supported
c	Relational Social Capital → Interpersonal Processes	Supported
H3		
a	Cognitive Social Capital → Transition Processes	Supported
b	Cognitive Social Capital → Action Processes	Supported
c	Cognitive Social Capital → Interpersonal Processes	Supported

Hypothesis 1 posited a positive relationship between structural social capital and sales team transition processes (H1a), action processes (H1b), and interpersonal processes (H1c). All

of these linear relationships were significant and in the hypothesized direction. Fully supporting Hypothesis 1.

Hypothesis 2 posits that relational social capital will be positively related to sales team transition processes (H2a), action processes (H2b), and interpersonal processes (H2c). All of these linear relationships were significant and in the hypothesized direction. This fully supports the relationships hypothesized in H2.

Finally, for exogenous variables, Hypothesis 3 predicts that cognitive social capital will be significantly and positively related to sales team transition processes (H3a), action processes (H3b), and interpersonal processes (H3c). All of the hypothesized linear relationships were significant and positive as predicted. Thus, H3 was also fully supported.

#### *Linear Effects Model – Endogenous Variables*

The linear effects model also included linear relationships from all sales team process variables to strategic sales outcomes. These linear paths were tested in the same linear effects model. These results can be found in Table 6.2 above, along with Chi-square and goodness of fit statistics for the model. A summary of the hypothesized relationships and results can be found in Table 6.13 below.



**Table 6.14**

**Linear Effects (Endogenous Variables) Hypotheses Findings**

Hypothesis	Linear Relationship	Finding
H4		
a	Transition Processes → Relational Performance	Not Supported
b	Transition Processes → Sales Performance	Supported
H5		
a	Action Processes → Relational Performance	Supported
b	Action Processes → Sales Performance	Supported
H6		
a	Interpersonal Processes → Relational Performance	Supported
b	Interpersonal Processes → Sales Performance	Not Supported
H7	Relational Performance → Sales Performance	Supported

Hypothesis 4 predicts a positive relationship between transition processes and relational performance (H4a) and objective sales performance (H4b). There was not a significant relationship between transition processes and relational performance, however the relationship between transition processes and objective sales performance (percentage of quota) was significant and positive. Thus, H4 was partially supported.

Hypothesis 5 predicted a positive relationship between sales team action processes and relational performance (H5a) and objective sales performance (H5b). Both of these relationships were significant and in the hypothesized direction. These findings fully support H5.

Hypothesis 6 predicted a positive relationship between sales team interpersonal processes and relational performance (H6a) and objective sales performance (H6b). The relationship between interpersonal processes and relational performance was significant and positive, however the relationship between interpersonal processes and objective sales performance was not significant. Thus, H6 was partially supported.

*Moderating Effects of Generational Faultlines*

The interaction effects were tested using path analysis in SPSS. Results of these analyses can be found in table 6. 3 – 6.11 above. Overall, five of the nine hypothesized interactions were significant. However, one of these interactions (H8i) was significant in the opposite direction as hypothesized. Upon reflection, this relationship coincides with model free evidence discovered in previous research wherein millennial employees place a greater emphasis on expertise (cognitive social capital) than generational differences in work styles. This finding is reflected on more in depth in the discussion section. A summary of all hypotheses and results is displayed in Table 6.14 below.

**Table 6.15**

**Summary: Interaction Effects Hypotheses Findings**

Hypothesis	Linear Relationship	Finding
H8		
a	Structural Social Capital x Generational Faultline → Transition Processes	Not Supported
b	Structural Social Capital x Generational Faultline → Action Processes	Not Supported
c	Structural Social Capital x Generational Faultline → Interpersonal Processes	Supported
d	Relational Social Capital x Generational Faultline → Transition Processes	Supported ( $p < .10$ )
e	Relational Social Capital x Generational Faultline → Action Processes	Supported
f	Relational Social Capital x Generational Faultline → Interpersonal Processes	Supported
g	Cognitive Social Capital x Generational Faultline → Transition Processes	Not Supported
h	Cognitive Social Capital x Generational Faultline → Action Processes	Not Supported
i	Cognitive Social Capital x Generational Faultline → Interpersonal Processes	Not Supported (Significant Relationship – Opposite of Hypothesized)

## **Conclusion**

Chapter 6 discussed the methodological approach and key analyses employed in this work to validate and test the hypothesized conceptual model. Using structural equation modeling (SEM), this research found support for each of its posited relationships which related components of social capital to elements of team processes. Similarly, results confirmed support for positive relationships between all facets of team processes and both relational and objective sales performance. Finally, only four of the hypothesized interactive impact of generational faultline strength on the social capital – IPO model relationships were confirmed. In light of this finding, a supplementary study was undertaken to better explore the implications of generational faultlines within sales teams. The next chapter discusses this supplementary analysis and presents corresponding findings.

## **CHAPTER 7**

### **SUPPLEMENTAL ANALYSIS**

Much of the generational literature reports a great deal of misunderstanding and ‘strife’ that occurs due to intergenerational conflict in the workplace (Bennett, Pitt, and Price, 2012). Yet, findings across extant generational diversity literature remain inconsistent and unclear (Salahuddin, 2010). Indeed, the findings presented above confirm a lack of consistent impact of generational diversity on team processes. Yet, this conflict, misunderstanding, and the associated performance implications of multiple generations coinciding in the workforce has remained increasingly present according to sales managers (Pew Research, 2010, 2013, 2014) and in academic literature (e.g., Myers and Sadaghiani, 2010; Twenge and Campbell, 2008; McGuire, Todnem By, and Hutchings, 2007 etc.).

However, much literature points to the idea that generational conflict stems from times of suspicion, distrust, and a lack of generational awareness and understanding (Salahuddin, 2010). Therefore, in line with the theoretical foundations of faultline activation (Jehn and Bezrukova, 2010), I propose that it is not the existence of a generational faultline that influences team working capabilities, but instead the perceived conflict associated with a generational faultline that can influence the ability of a team to work in cohesion. Indeed, generational challenges may often manifest in the existence of tense, skeptical, and rigid relationships between members of different generational cohorts within an organization (Twenge and Campbell, 2008). It is not

always work style differences, but the stereotypes held about each generation that cause employees to be critical of coworkers who do not share similar backgrounds (McGuire, Todnem By, and Hutchings, 2007). Lack of trust and skepticism impacts the ability of individuals within organizations to establish relationships, making generational faultline perceptions an interesting avenue for moderating exploration. To explore this hypothesis I propose a second moderator focused on generational faultline perceptions and explore the effects of this moderator within the bounds of the original I-P-O framework proposed above.

### **Analytical Approach**

This analysis was conducted as an exploratory and supplemental analysis within the same context, data set, and linear model as the main study of this dissertation. As such, the sample did not change, nor did any of the measures used previously (i.e., degree of *non-virtuality*, team trust, transactive memory systems, transition processes, action processes, interpersonal processes, all remain consistent with the main study). For this reason, I do not reiterate these measures and their descriptive statistics below. I do however provide information regarding the measure of perceived faultline strength.

### **Perceived Faultline Strength**

This measure assesses the individual perceptions of faultline strength existing within a team. As a measure of perception it allows the capture of team member beliefs and recognition of a split that exists within the team – specific to generation. This measure was adapted and modified from Cronin, Bezrukova, Weingart, and Tinsley (2007) to reflect perceptions of faultlines as related specifically to generational differences. The three items used for this

measure are provided in table 7.1 below. The scale demonstrated strong reliability ( $\alpha = .85$ ) and acceptable within and between group statistics to support aggregation ( $r_{wg} = .78$ ,  $ICC_1 = .21$ ,  $ICC_1 = .61$ ).

**Table 7.1**

**Items: Perceived Generational Faultlines**

<b>To what extent does your team...</b>	
	<b>Split into subgroups based on different generations?</b>
	<b>Divide into generational subsets?</b>
	<b>Break into two or more groups based on generations that people belong to?</b>

*Interaction Models*

To test for interaction effects, perceptions of generational faultlines moderator and the individual sales team social capital dimensions (structural social capital, relational social capital, and cognitive social capital) were all mean-centered. To create the interaction terms, 3 multiplicative interaction terms were created using the mean-centered scores. The hypothesized moderator effects were tested using path analysis in SPSS 18. The results for these path analysis regressions can be found in Table 7.2 below.

**Table 7.2**

**Results: ANOVA Testing of Interactions (Path Analysis)**

<b>Table 7.2</b>				
<b>Relationships</b>	<b>Linear effects</b>	<b>Int. effects</b>	<b>R<sup>2</sup></b>	
Structural Social Capital → Transition Processes	.025*			
x Perceived Generational Faultline → Transition Processes		-.083**		.14
Structural Social Capital → Action Processes	.082*			
x Perceived Generational Faultline → Action Processes		-.067**		.12
Structural Social Capital → Interpersonal Processes	.124**			
x Perceived Generational Faultline → Interpersonal Processes		-.104**		.10
Relational Social Capital → Transition Processes	.240**			
x Perceived Generational Faultline → Transition Processes		-.101**		.36
Relational Social Capital → Action Processes	.279**			
x Perceived Generational Faultline → Action Processes		-.120*		.38
Relational Social Capital → Interpersonal Processes	.468**			
x Perceived Generational Faultline → Interpersonal Processes		-.144**		.31
Cognitive Social Capital → Transition Processes	.221**			
x Perceived Generational Faultline → Transition Processes		-.106**		.34
Cognitive Social Capital → Action Processes	.254**			
x Perceived Generational Faultline → Action Processes		-.128**		.39
Cognitive Social Capital → Interpersonal Processes	.410*			
x Perceived Generational Faultline → Interpersonal Processes		-.081*		.31

## **Findings**

Using perceptions of generational faultlines as a moderator in this supplemental analysis demonstrates a significant and negative interaction effect of faultline perceptions on the relationship between social capital inputs and sales team processes. This finding subscribes to the notion that faultline activation is the catalyst behind team efficiency and performance impacts (Jehn and Bezrukova, 2010), and that generational conflict may likely be more of a product of stereotyping and negative perceptions than work style disruptions (Myers and Sadaghiani, 2010). Interaction graphs for these findings can be found in the following Figures 7.1-7.9. I graph the moderating effects of generational faultline strength by plotting the “high,” “moderate,” and “low” groups of the moderator using the approach reported by Cohen and Cohen (1983). High and Low levels are set at +/- 1 standard deviation from the mean. The figure displays effect differences on the dependent variable at different levels of the moderator.

The next chapter discusses the results of the main study and supplemental findings in greater detail and shares meaningful managerial and theoretical implications.



Figure 7.1

Path Analysis of Moderating Effects of Perceived Generational Faultlines

Structural Capital x Perceived Faultline → Transition Processes

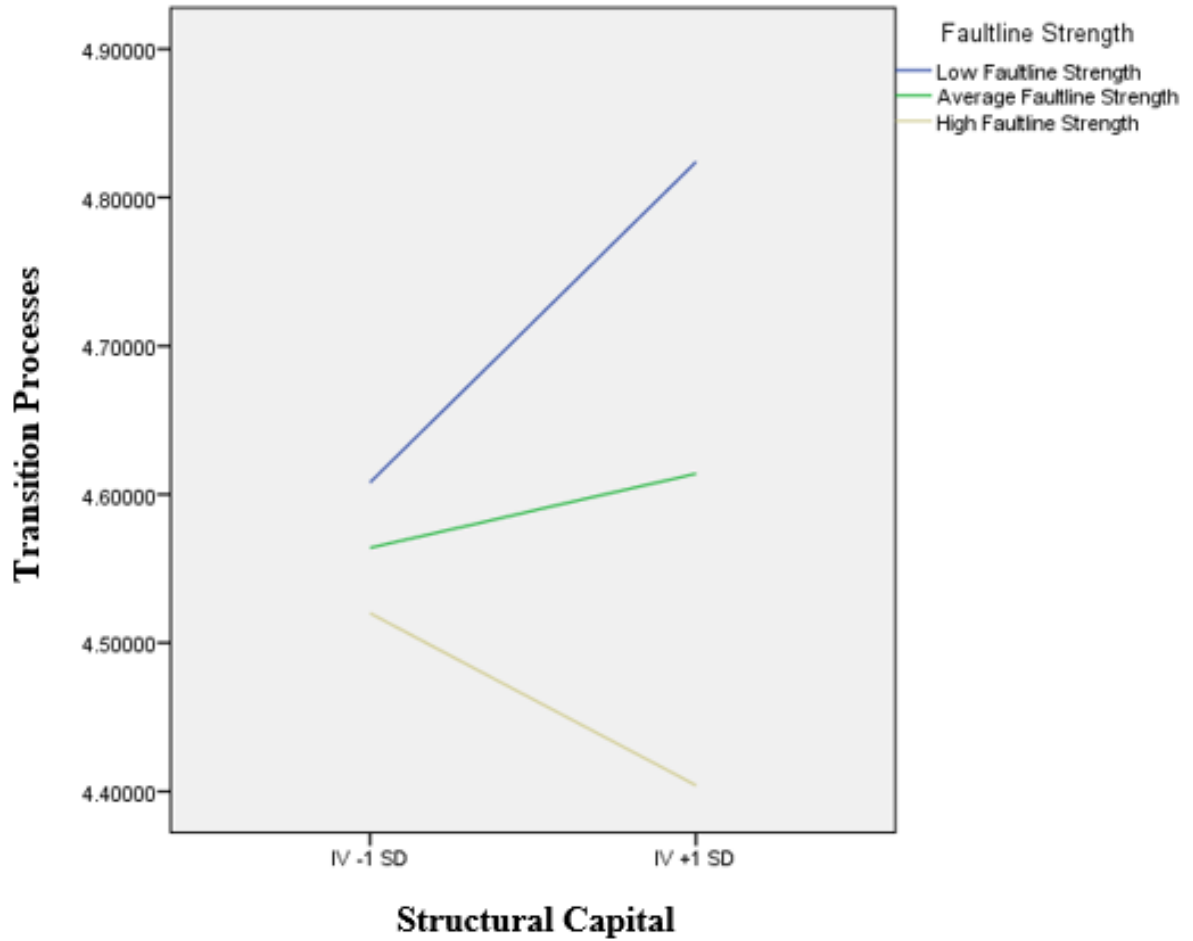


Figure 7.2

Path Analysis of Moderating Effects of Perceived Generational Faultlines

Structural Capital x Perceived Faultline → Action Processes

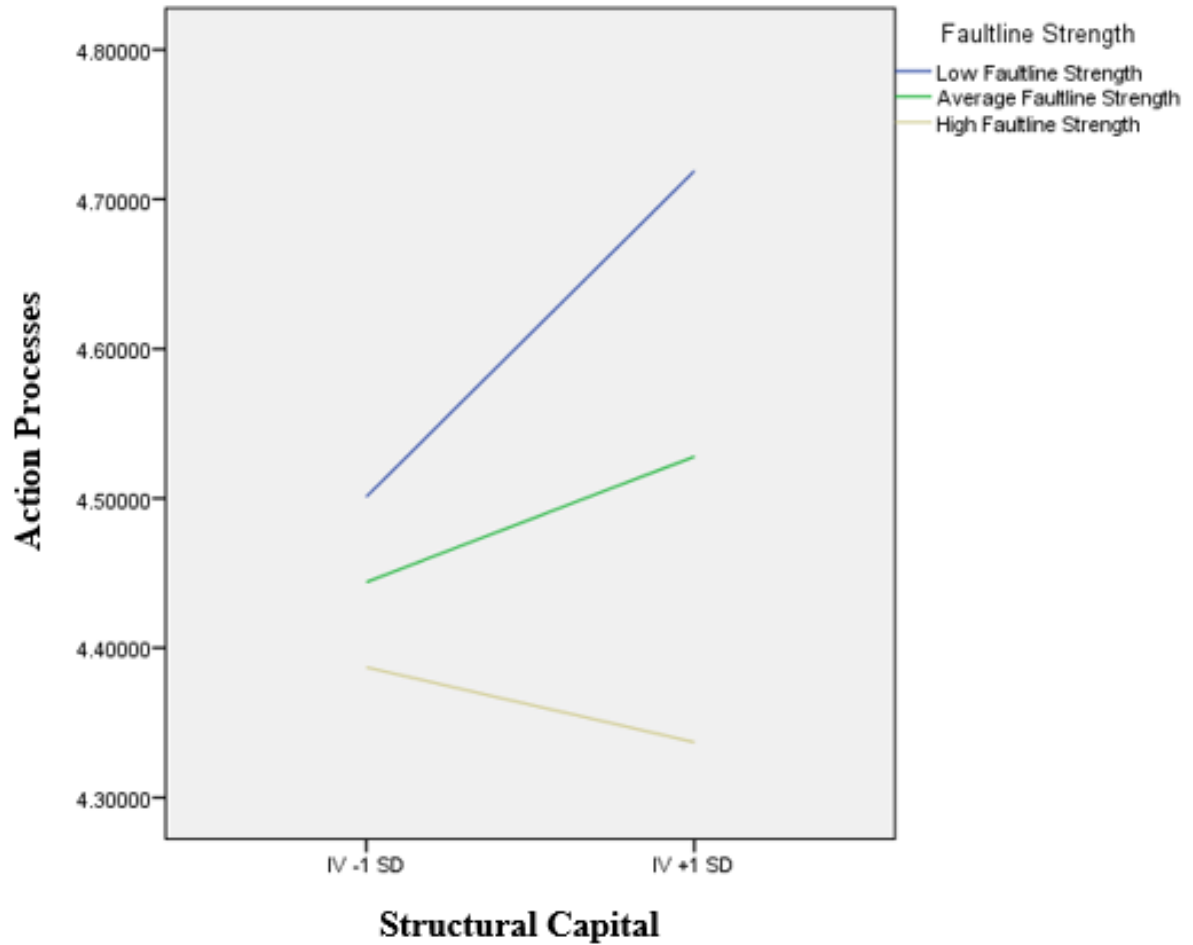
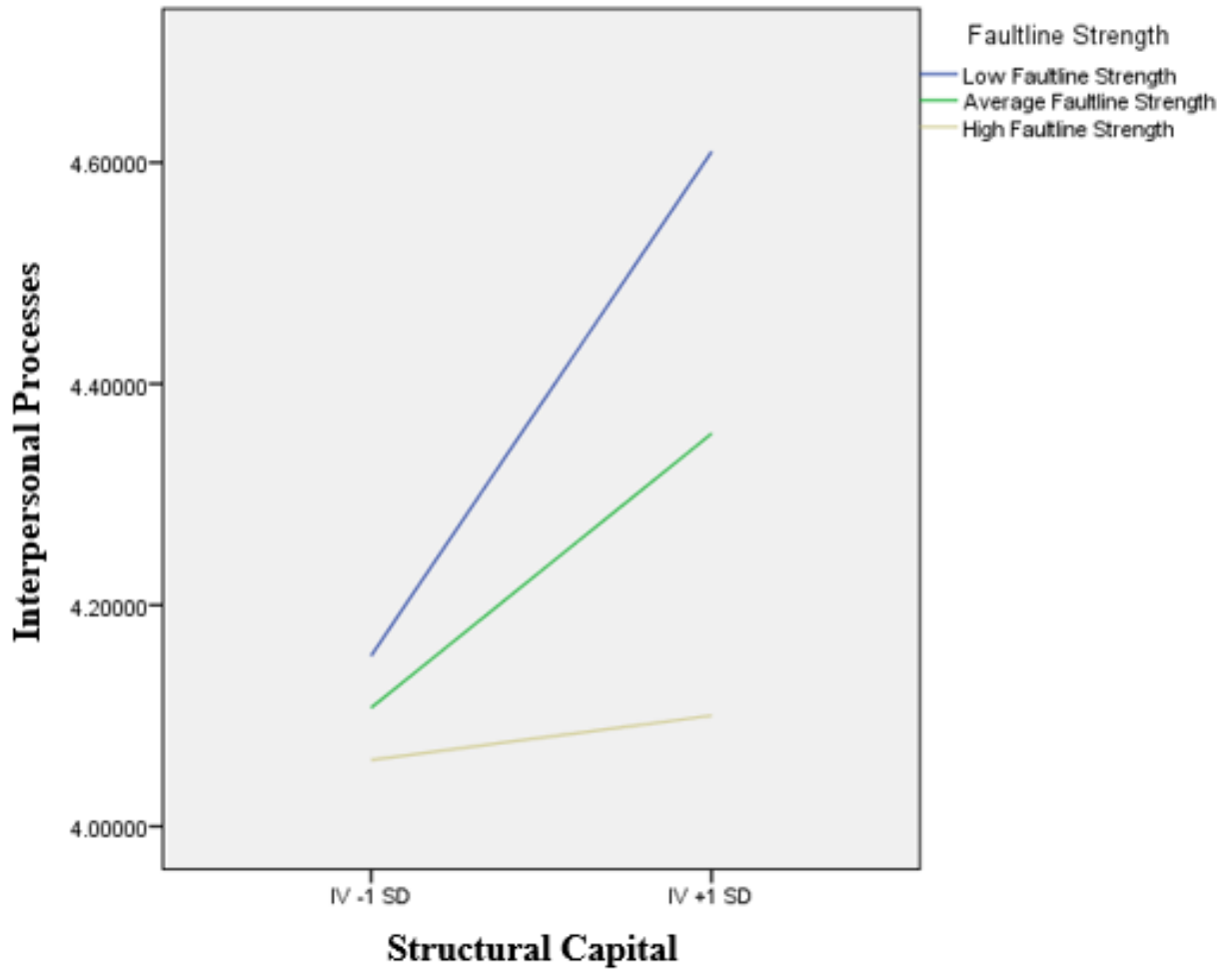


Figure 7.3

Path Analysis of Moderating Effects of Perceived Generational Faultlines

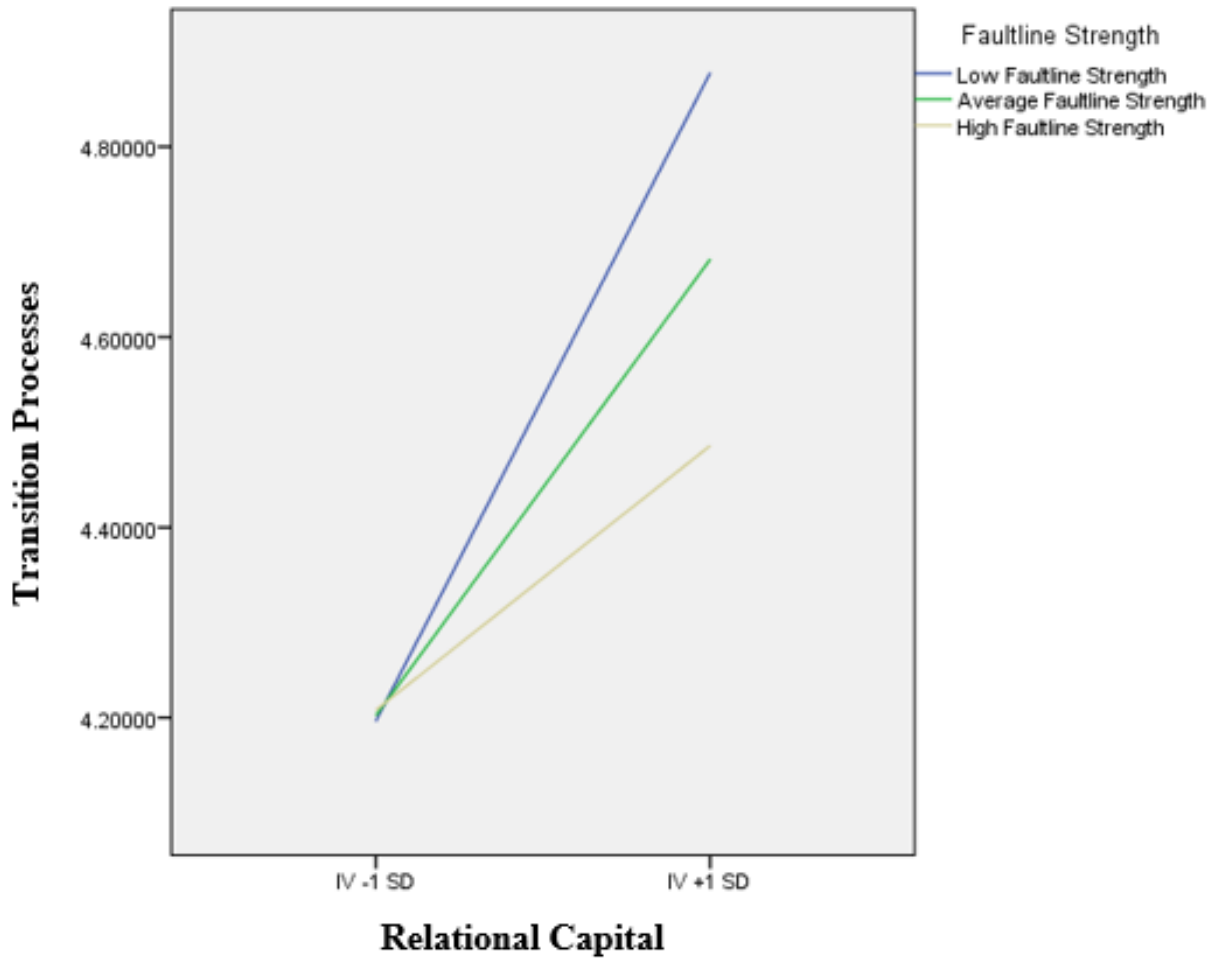
Structural Capital x Perceived Faultline → Interpersonal Processes



**Figure 7.4**

**Path Analysis of Moderating Effects of Perceived Generational Faultlines**

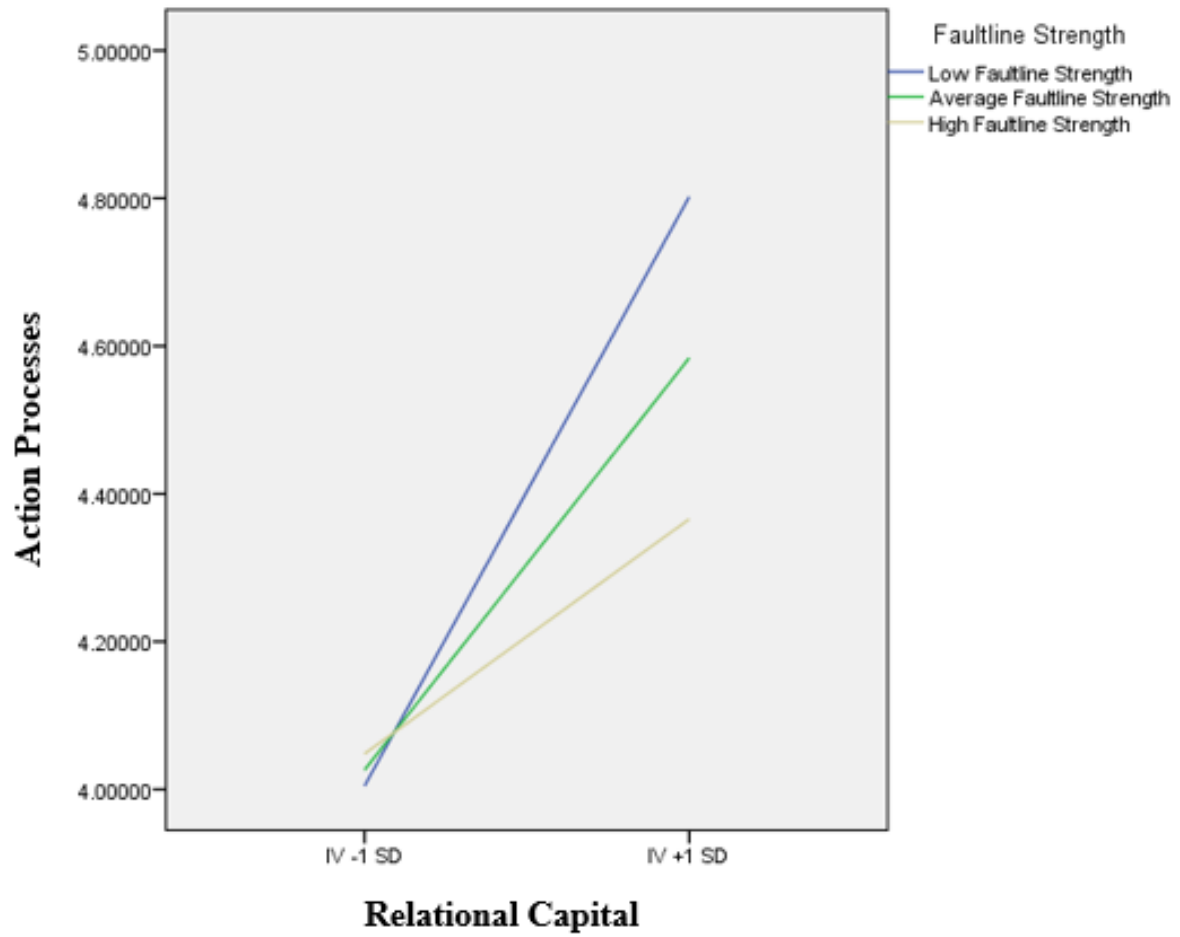
**Relational Capital x Perceived Faultline → Transition Processes**



**Figure 7.5**

**Path Analysis of Moderating Effects of Perceived Generational Faultlines.**

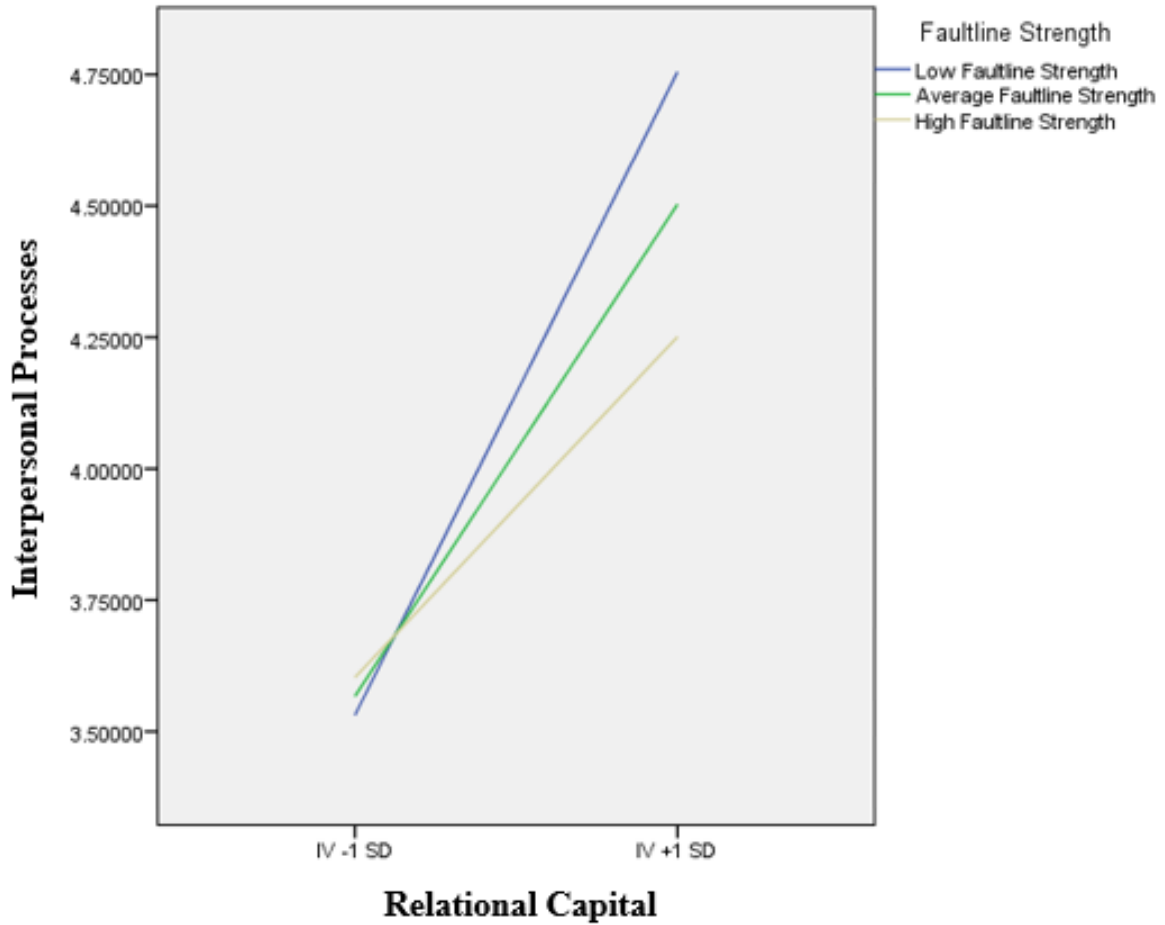
**Relational Capital x Perceived Faultline → Action Processes**



**Figure 7.6**

**Path Analysis of Moderating Effects of Perceived Generational Faultlines**

**Relational Capital x Perceived Faultline → Interpersonal Processes**



**Figure 7.7**

**Path Analysis of Moderating Effects of Perceived Generational Faultlines**

**Cognitive Capital x Perceived Faultline → Transition Processes**

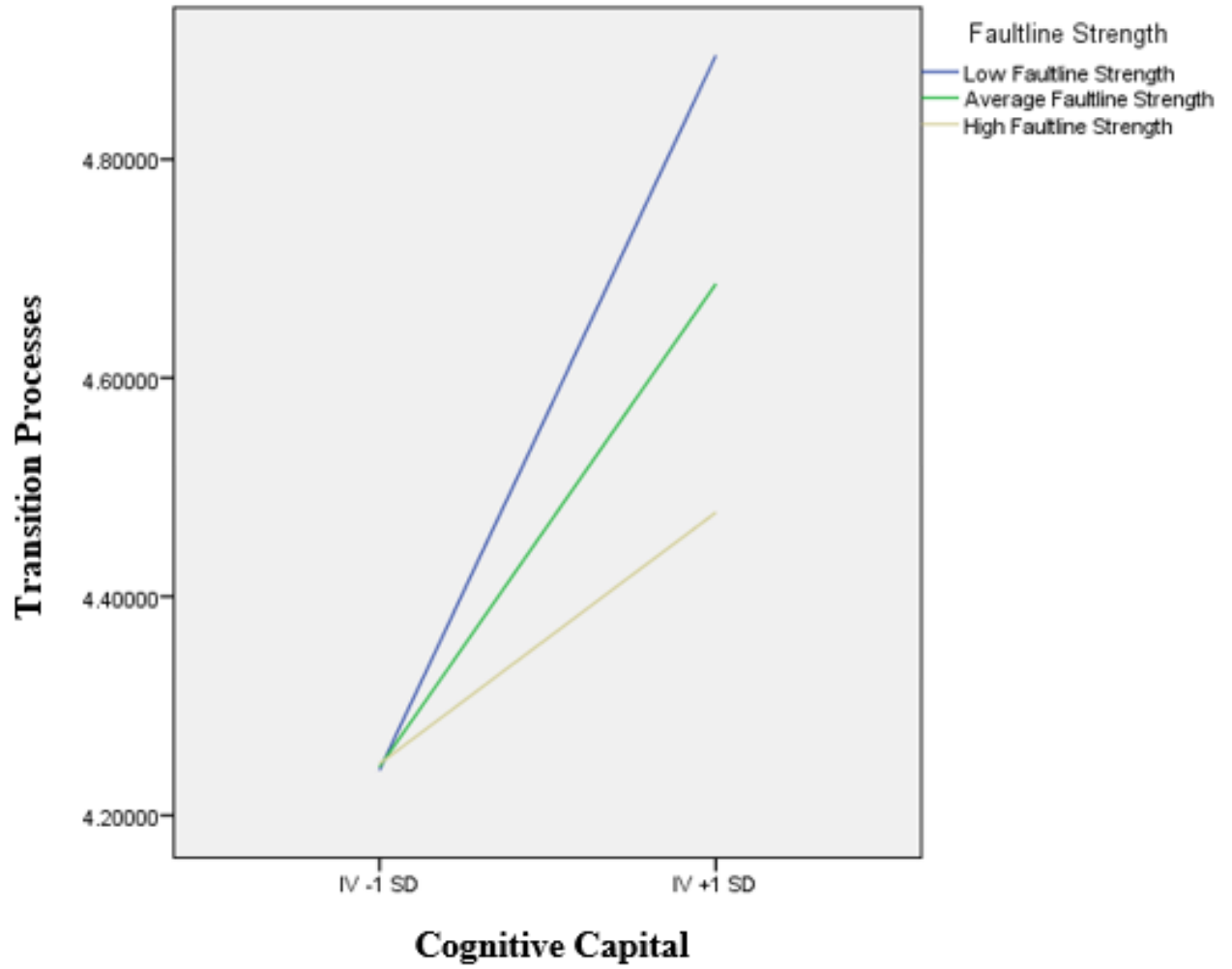
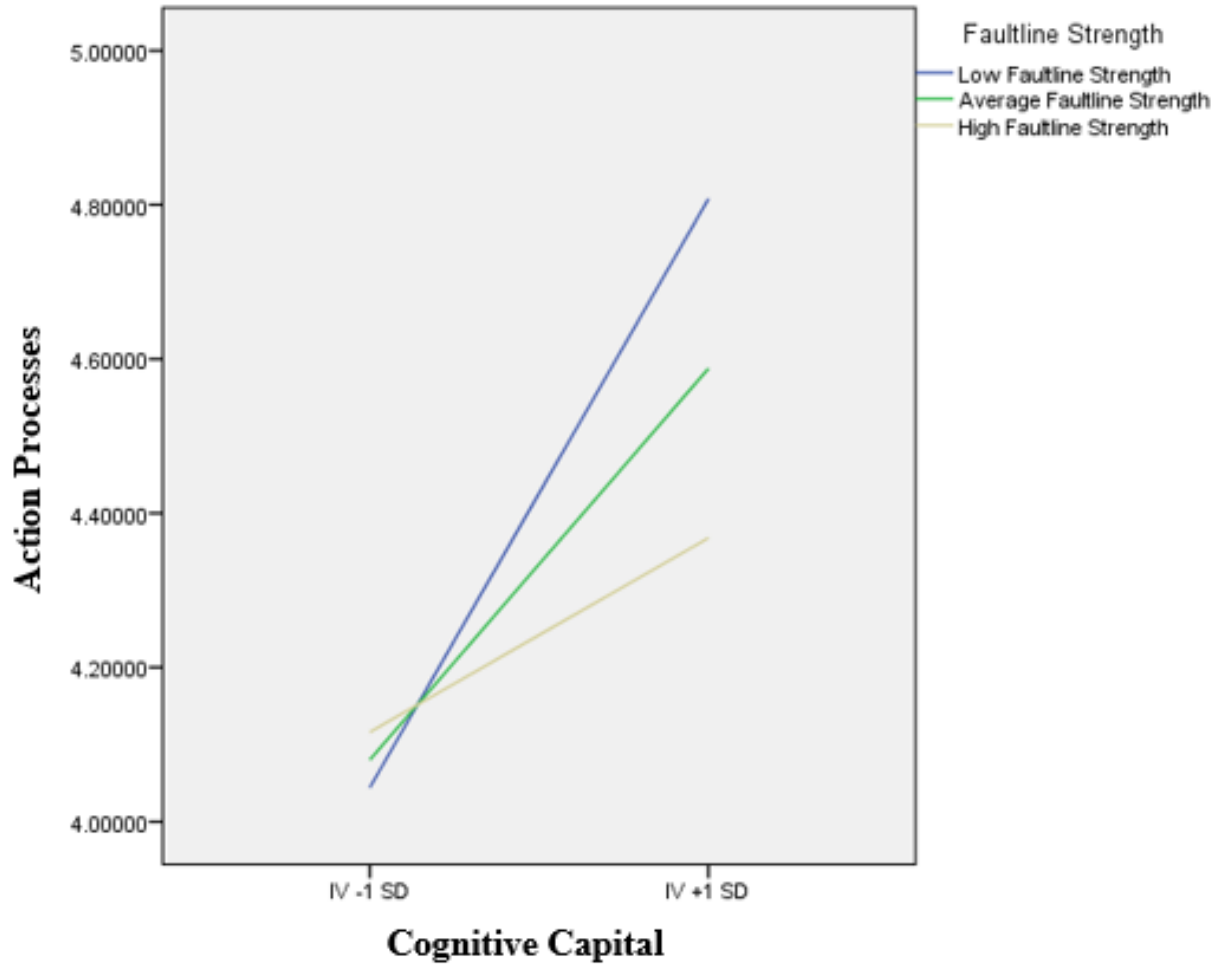


Figure 7.8

Path Analysis of Moderating Effects of Perceived Generational Faultlines

Cognitive Capital x Perceived Faultline → Action Processes

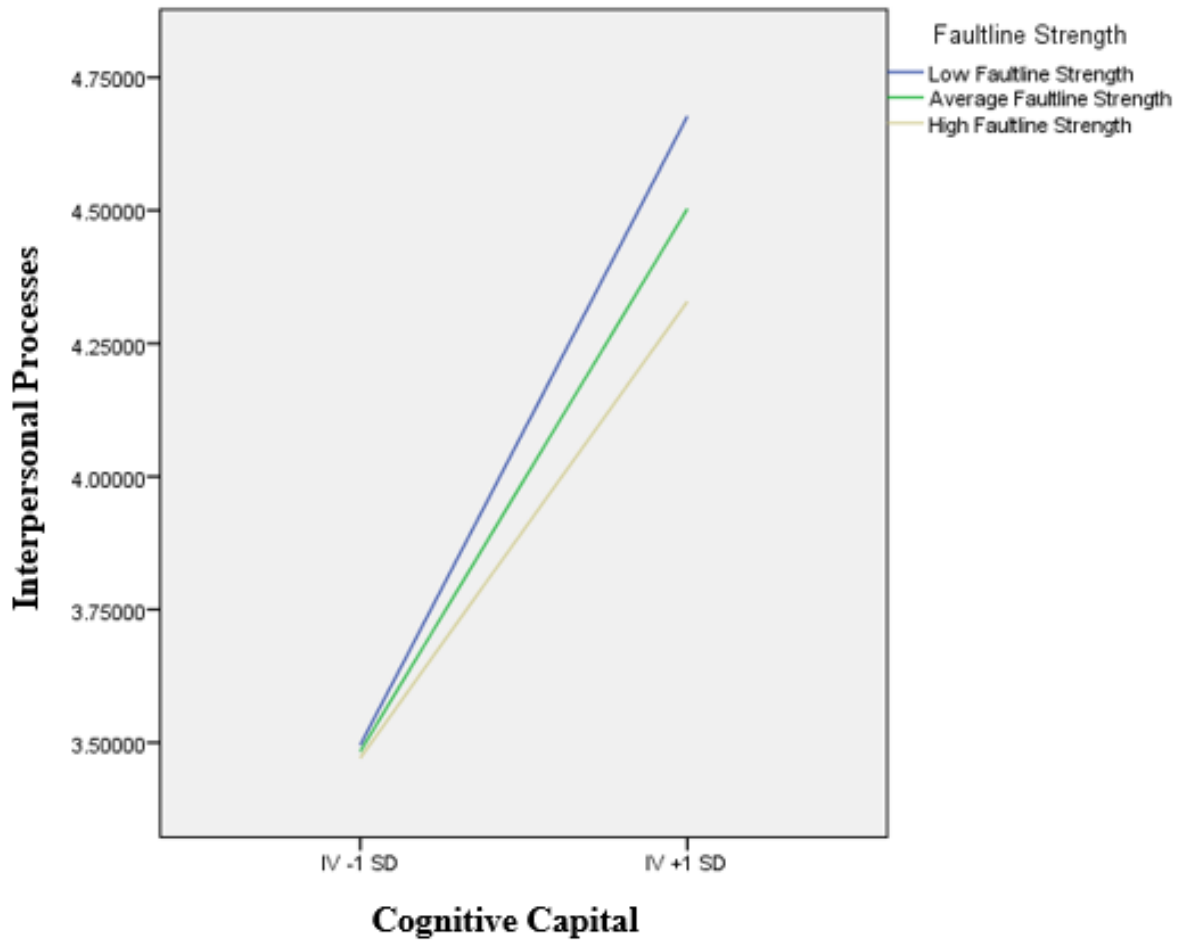




**Figure 7.9**

**Path Analysis of Moderating Effects of Perceived Generational Faultlines**

**Cognitive Capital x Perceived Faultline → Interpersonal Processes**



## **CHAPTER 8**

### **DISCUSSION**

A focus on generational cohorts has been of key importance for marketing (Kritz and Arsenault, 2006), management (Twenge and Campbell, 2008), and sales research (Schultz, Schwepker, and Good, 2012). Central to this dissertation was its intended goal of uncovering the impact of generational faultline strength on the performance of sales teams. With millennials entering the workforce in increasing numbers, their potential to change the nature of business, and the nature of the organizational dynamics, cannot be understated (Myers and Sadaghiani, 2010). We are at the height of one of the greatest societal changes in world history (Twenge and Campbell, 2008), and the importance of evolving with this monumental shift is, and should be, of the utmost concern to managers in every organization (Pew Research, 2010). The hypothetical faultlines with which employees identify are not limited to the heretofore typical demographic segments such as age, race and sex, but rather with a mindset and philosophy of life which necessitates an open dialogue between stakeholders at every level of the organizational dynamic. This dissertation begins that conversation in asserting the quantifiable impact of social capital on team processes, as well the resultant impact on associated performance, and moderating impact of faultline strength and perceived generational faultlines across each IPO relationship.

Earlier discussion clarified the Input-Process-outcome (IPO) model, and set forth the use of three dimensions of social capital as the focal antecedents in this work. Toward that end,

relationships were tested using structural capital, relational capital and cognitive capital as the input drivers of process variables. Team processes included transition process, action processes, and interpersonal processes. Finally, outcome factors captured the ultimate impact of this conceptual model via relational performance and objective sales performance, thus allowing managerial insight into a key measurable and actionable organizational element. Beyond these linear relationships, this dissertation also, for the first time, sought to quantify the interactive moderating impact of generational faultline strength on the relationships between componential social capital elements and the three facets of team processes.

In addition, this dissertation considered a supplemental question of generational faultline perceptions in light of the heavily debated topic of generational conflict (Twenge and Campbell, 2008) and the inconsistent findings in generational diversity research. For this reason, a supplemental analysis looked specifically at the moderating role of perceived generational faultlines on the relationships between social capital inputs and sales team processes in an attempt to better understand the diversity effects versus the attitudinal effects of a multi-generational work force.

In the following chapter, I discuss first the findings of the main study through an extension of the discussion related to the specific results of the hypothesized model. These results are re-summarized in table 8.1 below for reference. Following this discussion of main results I discuss in depth the findings of the supplemental analysis and compare commonalities across the two. Following this comparison I discuss implications of the overall findings of this dissertation, managerial relevance, theoretical developments for future research, and note limitations of the current work.

**Table 8.1****Summary of Main Research Findings**

Hypothesis	Linear Relationship	Finding
H1		<b>Full Support</b>
a	Structural Social Capital → Transition Processes	Supported
b	Structural Social Capital → Action Processes	Supported
c	Structural Social Capital → Interpersonal Processes	Supported
H2		<b>Full Support</b>
a	Relational Social Capital → Transition Processes	Supported
b	Relational Social Capital → Action Processes	Supported
c	Relational Social Capital → Interpersonal Processes	Supported
H3		<b>Full Support</b>
a	Cognitive Social Capital → Transition Processes	Supported
b	Cognitive Social Capital → Action Processes	Supported
c	Cognitive Social Capital → Interpersonal Processes	Supported
H4		<b>Partial Support</b>
a	Transition Processes → Relational Performance	Not Supported
b	Transition Processes → Sales Performance	Supported
H5		<b>Full Support</b>
a	Action Processes → Relational Performance	Supported
b	Action Processes → Sales Performance	Supported
H6		<b>Partial Support</b>
a	Interpersonal Processes → Relational Performance	Supported
b	Interpersonal Processes → Sales Performance	Not Supported
H7	Relational Performance → Sales Performance	<b>Supported</b>

H8		<b>Partial Support</b>
a	Structural Social Capital x Generational Faultline → Transition Processes	Not Supported
b	Structural Social Capital x Generational Faultline → Action Processes	Not Supported
c	Structural Social Capital x Generational Faultline → Interpersonal Processes	Supported
d	Relational Social Capital x Generational Faultline → Transition Processes	Supported
e	Relational Social Capital x Generational Faultline → Action Processes	Supported
f	Relational Social Capital x Generational Faultline → Interpersonal Processes	Supported
g	Cognitive Social Capital x Generational Faultline → Transition Processes	Not Supported
h	Cognitive Social Capital x Generational Faultline → Action Processes	Not Supported
i	Cognitive Social Capital x Generational Faultline → Interpersonal Processes	Not Supported

### **Linear Effects**

Elaborating upon the initial findings as delineated in the results section, this dissertation found support for each of the hypothesized linear relationships set forth in the conceptual model. Three elements of social capital. Including structural, relational and cognitive, were found to be positively related to each of the three team processes including transition, action and interpersonal processes. Additionally, support was found for some elements of team processes being positively related to relational performance and objective team performance which were, in turn, also positively related to one another. Such findings are the first step in a conversation regarding the juxtaposition of a social capital theoretical framework to the IPO model. Thus actionable managerial insight has been created which suggests that opportunities for firms and managers to effectively and efficiently manage these variables toward competitive advantage is

possible. Further discussion in that regard is included in the managerial implications section which follows later in the chapter.

Transition processes, which are marked by elements of mission analysis, goal specification, strategy formulation and planning are important team process elements which speak to individual salespeople understanding their role and specific expectations as they pertain to contributing to the collective success of the sales team. In this dissertation, structural social capital was found to be positively related to transition processes, which suggests that the system or pattern of social linkages (Tsai and Ghoshal, 1998) in the salesperson's network with the team, are especially crucial to guiding such understanding. Absent this pattern of linkages, which places a salesperson's perception of her or his role in the larger network into perspective, the salesperson would be unlikely to fully appreciate the depth and breadth of the larger strategic framework and may not fully focus efforts geared toward team success. This finding clarifies the importance of such clarity and perspective, and permits the salesperson to better plan efforts that are not just potentially individually beneficial, but also largely geared toward greater mission success.

Similarly, relational social capital was also found to be positively related to such transition processes. Specifically, relational social capital speaks to the trust and goodwill (Nahapiet and Ghoshal, 1998) afforded to the members of a social group and, accordingly, helps again to tie an individual member's individual or personal mission to the greater cause of the team (Adler and Kwon, 2002). Given the enormity of the impact of shared expectations within social groups, relational social capital strengthens relationships and the associated trust therein, but also obligates the individual actor toward maintaining the same level of trust with others. In the context of transition processes, sales team members trust that they each share the best

interests of the team and each other, and therefore put greater stock and confidence into believing that the network both protects and ensures alignment of values is the best mechanism for success.

Cognitive social capital, also positively related to team transition processes in this work, speak to the like-mindedness and shared paradigm (Tsai and Goshal, 1998) of individual salespeople, and again captures the collective belief that alignment of mission and an understanding of what it takes for success, is not a question or debatable issue within the team. Each sales team member intuitively knows and believes that thinking alike and sharing the same values guarantees that individual approaches to success, individual strategies are, in fact, the same any member would take and are intimately related to the collective success of the team. When a sales team agrees upon its common mission, goals and strategy, cognitive social capital facilitates information exchange (Hughes, Le Bon and Rapp, 2012), which solidifies the trust and like-mindedness nature of actors working in concert on shared strategy geared toward group success.

Moving beyond strategy and planning, team action processes speak to coordination and monitoring of the activities undertaken by groups toward the achievement of goals. Similar to the previous discussions, structural social capital was again found to positively relate to action processes. Given the system of social linkages and each individual salesperson's perception of the organization or team at large, the individual inherently understands the associated responsibility to monitor and coordinate actions geared toward implementation of team strategy. Just as an individual salesperson knows others are judiciously monitoring efforts and acting to enhance optimal mission performance, inherent then is the responsibility to similarly act in performance of that individual's responsibility to the network. Again, appreciating the larger operation at hand, and maintaining a cogent perception as to how each element must necessarily

fit together, the salesperson's action processes are driven by a knowledge that each actor is working diligently toward success.

With relational capital, the faith, trust and goodwill of the salesperson ensure that each individual is again doing her or his part to ensure mission success. In this work, relational capital was found to be positively related to team action processes, suggesting that salespeople feel an obligation to act on behalf of the team to monitor and coordinate actions geared toward completion of the goals or tasks at hand. Confidence that each individual is acting in concert ensures that relationship dynamics are maintained without question of individual motive, and value is maximized when collective goals are reached. As relationship proximity and strength improve within the team dynamic, each individual salesperson is more likely to act out of reciprocal obligation to the group and its delineated duties. Teams are drawn closer through collective success, which in turn ensures that the trust in each member of the team to act individually with the collective goals in mind, is also improved.

Cognitive social capital was also found to be positively related to team action processes. Given the nature of like-mindedness, and an appreciation that other salesperson members of the team would act the same when faced with similar tasks or uncertainty, individuals are free to focus on monitoring and coordination of their own responsibilities without the distraction of worrying whether other team members are, or would be, doing the same in similar circumstance. The nature on such clear parameters of operation ensures that each individual is focused on individual optimization because, by definition, each individual's goals, responsibilities and tasks are strategically designed in concert with every other element of the team's mission. Shared understanding fosters continued adoption of the mindset, and thus salespeople work to accomplish tasks with clear emphasis of vision and expectations. By doing things in what



everyone agrees is the proper way to do them, operational efficiency and effectiveness are improved.

Finally, interpersonal processes relate to conflict management, affect management, motivation, and confidence building within the team. This dissertation revealed that structural social capital is also positively related to interpersonal processes. As with transition and action processes, structural social capital suggests that the system that is in place within a team is crucial to maintaining effective management of conflict, motivation and cohesion. Because individuals have bought into the notion that they are part of a larger system that relies upon each individual optimally fulfilling her or his role, they are married to a greater vision for the team which relies upon smooth group operation and minimal individual or personal ambition or conflict which might damage the team in its efforts to achieve its goals. In essence, because the system needs each player in each role, and because collective success so intimately relies upon individual success of each player, the propensity to engage in activity that might diminish that success is necessarily attenuated.

Relational social capital also positively related to team interpersonal processes in this dissertation. The trust and goodwill inherent to relational social capital, and its heavy reliance on the strength of relationships between team members, ensures that each individual salesperson is individually incented to maintain a positive working relationship with each and every other individual and, to the extent possible, to work to diminish any conflict and, perhaps more importantly, grow the confidence (Nahapiet and Ghoshal, 1998) of each member toward that goal. Confidence by each individual member in each other member ensures that a shared vision of success can encourage group ambition and achievement of goals over the individual salesperson's need for success.

Similarly, cognitive social capital was also found to be positively related to interpersonal processes. With shared understanding and like-mindedness the key tenets of cognitive social capital, the desire or need for any individual salesperson to engage in destructive activities in both counterintuitive and counterproductive. Individuals draw their confidence and success from collective wins and, thus rely on unwavering belief in social code as a driving force behind success. Additionally, because cognitive social capital favors alignment with team goals and the proper way to operate, especially in an environment of open information exchange (Hughes, Le Bon and Rapp, 2012), any counterproductive action would be incongruent with that vision and, as such, would be unlikely to yield sustained individual conflict at the expense of the greater collective team's success.

Moving beyond the initial hypothesized linear relationships of the conceptual model, this dissertation next found some support for positive relationships between each of the team process variables and relational and objective sales performance. Support was also found for the posited positive linear relationship between relationship between relational and objective sales performance. Each of those relationships is next discussed.

This work did not confirm the posited relationship between transition processes and relational performance. Relational performance, speaks to the closeness of a salesperson or sales team to the customer (Stank, Goldsby and Vickery, 1999), and relates to elements of customer satisfaction, loyalty and the like. Given that transition processes again speak to the planning element of a sales team's strategy, which takes place in the initial phases of team work toward goals, it is possible that the length of separation between team planning and actual customer interaction is the reason for a lack in significant relationship here. Team planning often times relates more toward how the team will fulfill their goals which tends to be more closely related

to the objective performance and may have less to do with customer facing actions. It is also possible that if a team is very strong in analytical approaches necessary to effectively plan and prepare for tasks they may be less keen toward amiable, friendly, and empathetic actions that would bolster customer relationships and satisfaction. Similarly, transition processes were also found to be positively related to objective sales performance. When sales teams develop strategies to serve their customers, there is an associated resultant outcome that develops in the mission to meet objective performance or sales goals. Thus, planning a strategy around goal achievement ensures that metrics related to objective measures of sales team success are also accomplished.

In a similar vein, action processes were found to be positively related to relational performance. To the extent that a team is able to effectively work toward its delineated goals, these findings support the notion that work and effort lead to performance; in this case with customers. While transition processes involve planning, action processes by definition relate to working toward, monitoring and coordinating activities to accomplish said goals. Again, insofar as sales teams are able to make customers happy in their actions, this work confirms that there is also a positive relationship between such actions and realization of associated sales metrics. Action on strategy, therefore, leads to measurable success.

Next, interpersonal processes were also found to be positively related to relational performance but not to objective sales performance. Interpersonal processes, again, speak to the relationship building, growing and strengthening actions that individual salespeople take to bond themselves to both the members and mission of the team. Findings here suggest that, in building these relationships, the members synchronize their actions around the customer serving mission, and likely present a cohesive front toward customers. When the team is able to get along and

manage and maintain strong relationships among one another it is likely that these ‘warm and fuzzies’ translate to customer interactions as well. However, being more related to team relationship building and less task focused (Marks, Mathieu, and Zaccaro, 2001), this may not translate directly into objective sales performance but exist merely through the mediating variable of relational performance. Additionally, when a team is too close there is an opportunity for the dark side of OCBs to emerge in which the team does not hold one another accountable, and is focused too much of friendships and enjoyment as a team and lacks the rigidity to accomplish set goals. Indeed, some conflict among teams may lead to goal accomplishment as individuals push each other and hold each other accountable. As individual salespeople become more in tune with one another, and fully appreciate, live and enact the mission they’ve accepted collectively, this work shows that they reap rewards in terms of growing customer satisfaction and loyalty, but not in the achievement of objective goals. Finally, this dissertation also confirmed a positive linear relationship between relational performance and objective sales performance. Again, to the extent that a sales team is able to meet the expectations of customers and grow loyalty, trust and commitment through repeated transactions and greater sales team – customer relationships, sales teams are better positioned to meet their sales goals. Metrics related to salesperson success, in this way, are direct outcomes of the efforts and relationships that sales teams have built with their customers.

### **Interactive Effects**

The impact of generational faultline strength on each of the conceptualized social capital – IPO process relationships discussed in the last section, cannot be understated. As a key element of the contribution this dissertation sought to make, quantifying the moderating impact

of faultlines was essential to capturing the impact that Millennials are likely to have as they accept roles in organizations and take on increasing positions of responsibility with sales teams seeking to better serve their customers. Toward that end, the interactive impact of faultline strength on each relationship was explored.

Findings indicate that faultline strength negatively moderated the impact between structural capital and team interpersonal processes. To the extent that faultline strength is able to undermine the individual salesperson's perception that the system in place is geared toward collectively meeting the goals of the team, and that linkages between individual players are not necessarily critical in the achievement of stated goals, findings in this dissertation suggest that interpersonal processes will suffer as the direct result of the breakdown in this system. Individual salespeople will not be incited to act toward the greater collective good out of respect for the team, but will instead work in increasing isolation and self-interest to accomplish goals that are perceived to have the greatest individual benefit.

Similarly, findings confirm the posited negative interactive relationship between relational capital and transition, action and interpersonal processes. Each of these relationships which rely upon the individual salesperson's goodwill, trust, and social confidence in personal relationships with the sales team members, and respect for the expectation that each is operating exclusively toward the pursuit of collective goals, will also be diminished when faultline strength is high. When hypothesized self-identifying groups form which share common interests, philosophies and beliefs, to the extent that these thoughts are incongruent with those of the larger sales team at large, trust and confidence in relationships with those individuals outside of that group will decrease, and sales team success and cohesion will suffer as a whole.

Finally, cognitive social capital inherently relies upon like-mindedness and shared understanding and expectation that the proper way of doing things is universally accepted, respected and adopted throughout the group. It was hypothesized that when smaller subgroups with divergent beliefs form, to the extent that those beliefs are again incongruent with those of the larger group, or a perception exists that beliefs are incongruent, faultline strength increases and the subgroup's commitment to larger team goals suffers as a result. As mentioned earlier, deviation from, or lack of, such a shared paradigm then forces individual salespeople to act out of concert with their sales team. However it was found that there was not a significant moderating effect of faultline strength on transition or action processes. This could be a reflection that it may actually be easier for team members to establish and translate cognitive capital into team benefits when faultlines are present as it is expected often times that team member age will translate to their ability to constructively add knowledge and understanding to the team. Indeed, a significant but positive relationship existed in the interaction of faultline strength on cognitive social capital and interpersonal processes, suggesting that when greater age diversity exists the team is better able to translate cognitive capital into relationship building within the team. This gap in age may make it easier for individuals to accept that each member of the team will house their own knowledge base based on experience and expertise and foster a greater respect among team members for the housing of knowledge and shared cognitive appreciations. Because cognitive capital was measured according to transactive memory systems, it would make sense that greater age diversity allows for individuals to recognize housed information that would exist in different generational members. Accordingly, many older salespeople recounted their tendency to rely on Millennials to help with more advanced technology solutions the organization was implementing. Different generations can often cause

conflict in the workplace but they also bring distinct skill sets that can prove to create a team ability sum greater than its parts.

While not specifically tested here, the underlying assumption given the earlier findings related to direct positive relationships between team processes and performance variables, is that resultant performance will also decrease when team process variables are weakened, thus generating less likelihood for sales success with customers or in the attainment of measurable sales goals. The next section will discuss implication of findings before leading into a discussion of project limitations and potential future research.

### **Supplemental Analysis – Discussion of Findings**

“As early as the twenty-fifth century BC, the older generation in authoritarian Egypt had to ‘work at it’ to mold the younger generation in its own image,” (Bertman, 1976). Academics recognize that the ‘belief’ in generational differences is not a new challenge unique to the millennial generation entering the workforce (Riggio and Saggi, 2015). However, generational diversity research has seen a great number of contradictions (Twenge and Campbell, 2008) and popular press and academics argue that given the rate of technology innovation (Hershatter and Epstein, 2010) and changing thought patterns as seen in work done in the epigenetics field (Bloomfield and Hanson, 2015), managers are struggling with generational conflict in the workplace.

However, when intergenerational training, and generational appreciation and awareness campaigns are brought into the workplace the results have demonstrated that cohesion and unity can exist despite age differences (Dittman, 2005). The findings of the supplemental study

presented in this dissertation point toward not a diversity issue, but a perception problem. The supplemental findings are summarized below for reference.

Effective work relationships within teams and organizations are informed by the communicative interactions that occur among team members (Myers, 2009). When stereotypes plague the organization and generations cooperate only with a level of skepticism and doubt (Hersetter and Epstein, 2010), the voluntary sharing of information and coordination of social exchange necessary for team goal pursuit simply can't exist as it would in a healthy team environment.



**Table 8.2**

**Summary of Supplemental Research Findings**

<b>Relationships</b>	
Structural Social Capital x Perceived Generational Faultline → Transition Processes	<b>Significant Negative Interaction</b>
Structural Social Capital x Perceived Generational Faultline → Action Processes	<b>Significant Negative Interaction</b>
Structural Social Capital x Perceived Generational Faultline → Interpersonal Processes	<b>Significant Negative Interaction</b>
Relational Social Capital x Perceived Generational Faultline → Transition Processes	<b>Significant Negative Interaction</b>
Relational Social Capital x Perceived Generational Faultline → Action Processes	<b>Significant Negative Interaction</b>
Relational Social Capital x Perceived Generational Faultline → Interpersonal Processes	<b>Significant Negative Interaction</b>
Cognitive Social Capital x Perceived Generational Faultline → Transition Processes	<b>Significant Negative Interaction</b>
Cognitive Social Capital x Perceived Generational Faultline → Action Processes	<b>Significant Negative Interaction</b>
Cognitive Social Capital x Perceived Generational Faultline → Interpersonal Processes	<b>Significant Negative Interaction</b>

The supplemental findings demonstrate that when team members perceive generational faultlines to exist, team processes are negatively impacted. This finding follows closely with the evolution of faultline theory research in which Jehn and Bezrukova (2010) advance the notion of faultline activation. These researchers demonstrate that it is not merely the existence of a faultline that impacts the ability of groups to work together toward common goals, but the active awareness, recognition, and acceptance of a faultlines that causes conflict within groups. Indeed, the findings of this study support the notion that when group members identify subgroup conflict within a group (as demonstrated by perceptions of generational faultlines), they are less likely to translate social capital resources into team performance effectiveness.

Considering the dimensions of social capital specifically, it is likely that within a team composed of multiple generational subgroups, the team members may likely build stronger social capital within their own subgroups than with the group as a whole (Jehn and Bezrukova, 2010). This can hinder team performance as a unit when members of different subgroups must interact and do not have as much shared social capital with each other as they may with other members of the sales team. For example, if a Millennial were hired to manage the inside selling role and needed to pass valuable customer information on to the outside sales rep (say a member of Generation X) but they perceive there to be a 'generational gap' between them, they will likely share less information and be less inclined to cooperate with the outside sales rep. At the same time, as a member of Generation X, the outside sales rep may view there to be a generational faultline that separates him/herself from the inside sales rep and may not reach out for information when needed, may not give as much credit to the information conveyed, or may not communicate effectively with the inside sales rep. The individuals' perceptions of these

problems lead them to enter a situation with a personal bias that will impact their ability to effectively, and cohesively, work toward team goals.

As the findings related to perceptions of generational faultlines demonstrate, when misconceptions, biases, skepticism, stereotypes, and predisposed conflict exist within a team, the implications on team effectiveness can be detrimental. In the presence of perceived faultlines, team social norms that allow sales teams to increase commitment, trust, and solidarity as a team don't exist and team effectiveness is compromised as a result. What is referred to as the “we-they feeling” by Tajfel and Turner (1979) describes this in-group/out-group bias that manifests itself here. While individuals may be a part of a sales team composed of diverse generations, it appears to not be this diversity alone that leads to team difficulties, but the misconceptions and stereotypes brought to the inter-generational interactions that create conflict. Compounding this effect, when members identify with a subgroup they are likely to be impacted further by confirmation bias as they seek and interpret evidence that is consistent with their beliefs (Nickerson, 1998). This can have the effect of heightening sensitivity to stereotypes and increasing the perceived faultline strength between team sub-groups (Zanutto, Bezrukova, and Jehn, 2010).

As can be seen in the significant role played by perceived faultlines in the work presented above, generational “stereotypes are hard to shake,” (Costanza and Finkelstein, 2015) and the tendency of processing social information that supports our preconceptions remains inherent in such biases (Riggio and Saggi, 2015). Further, when testing for possible three-way interactions between social capital dimensions, faultline strength, and perceived faultline there were not any significant findings across paths. This is not surprising given the spectrum of generations within the workplace. Because age and generational cohort does not have a clear indicator, at times

people may not be able to easily discern which members of their team belong to which generation. For example a Millennial that has been in the workforce for a few years is likely to have adopted the work style of Generation X and would therefore represent a significant difference in age but may not be perceived to be of a different subgroup by an individual in Generation X. They may, however, be perceived to belong to a different generation by members of their own cohort. Because generations do not have a clear beginning and end but rather move along a spectrum (Twenge and Campbell, 2008), it is often left to the individual to determine what generation others belong to, based on their apparent age, work style, interaction tendencies or communication traits.

These supplemental findings presented in this study have the potential to shed light on the current dearth of empirical evidence supporting generational based differences (Costanza and Finkelstein, 2015) and provide a foundation to understand when generational perceptions play a larger role than true generational diversity. Indeed the support for the perception measure used here points toward the prevailing belief that generational conflict is rooted in “systematic biases in social perception” (Riggio and Saggi, 2015; p. 340).

### **Managerial Implications**

With greater numbers of Millennials entering the workforce every day, and a heretofore unknown associated impact on sales teams (Schultz, Schwepker, and Good, 2012), organizations are struggling to identify the proper approach by which to engage this growing class of boundary spanners, while still working to create a competitive advantage in the market place. This dissertation, through its investigation of the antecedent impact of componential elements of social capital on facets of team processes, has begun the conversation into how generational

faultline strength impacts essential sales team unity, and to what quantitative impact on relational and object sales team performance. Looking more closely at each finding, as earlier in the discussion, it is evident that numerous instances of actionable managerial intelligence have been potentially uncovered, worth noting here.

Notably, perhaps the most impactful and managerially relevant finding comes from a comparison of the primary interaction effects found in the main study (hypothesized generational diversity) and the secondary interaction effects found in the supplemental analysis (perceptions of faultline strength). These findings suggest that generational differences themselves do not play as impactful of a role in intra-team conflict as do the perceptions of generational diversity. Indeed, these findings support the idea that conflict manifests when generational cohorts view themselves as distinct subgroups within the sales team. This leads to stereotyping, in-group/out-group conflict, and lower efficiency in team processes. However, this finding presents a great avenue for managerial action. If these generational perceptions can be mitigated, the team may stand to benefit from diversity in thought and approach as opposed to fall victim to sub-group formation.

Managers can approach this situation in a variety of ways. Research has shown that training, generational awareness seminars, and proactive acknowledgement of generational differences can be effective in mitigating generational conflict (Dittmann, 2005). Managers should consider undergoing generational training, bringing this training into their workforce, and helping their salespeople understand and value differences across generations. Further, management approaches can be used to mitigate generational conflict (Jehn and Mannix, 2001). For example, through a transformational leadership approach managers can proactively raise the interest of salespeople toward the collective goals of the team (Antonakis, Avolio, &

Sivasubramaniam, 2003). By focusing on the goals of the group and the collective shared interests, managers can break down walls that separate sub-groups and create a cohesive environment. Indeed, leveraging leadership behaviors as a solution to diversity issues in team settings has been considered by only a limited number of authors. (e.g., Kearney & Gebert, 2009).

Fundamentally, the componential elements of social capital are each worthy of further discussion in their capacity as moldable personality elements of individual salespeople. Managers should make special note of each, with careful attention to those facets which might be selected at time of new salesperson hire, or modified through meaningful training regimen within the firm. First, structural social capital refers to a salesperson's individual perception as to the role he or she plays in the larger organization and, what specific reciprocity tendencies are appropriate in that role. Identifying personality traits of employees who are team players, have great capacity for organizational citizenship behaviors, who respect order and discipline, or who simply have a penchant for learning organizations might ensure that firms are finding individuals with the greatest potential for structural social capital. Beyond those traits, exposing employees to frequent orientation programs and training seminars to better involve them in, and orient them to, the hierarchy of the firm might also bear fruit. Similarly, creating mentorship opportunities for such employees to work with team stakeholders both above and below their functional role might ensure a greater appreciation for the fit of each role in the larger organizational picture, with an eye toward optimizing the collective team good. The key to structural social capital is to encourage buy-in by engaging employees across traditional fault lines and better preparing them for ready transition into roles of increasing responsibility and direct ties to team success. Such

identification with the team mission, and respect for each network linkage, is more likely to ensure lone wolf individuals or subgroups don't rise from the team network.

Next, relational social capital by definition relies upon the trust and goodwill built through interpersonal relationships between team members. Again, identifying and recruiting employees with personality traits in tune with a capacity to trust, rely on others and share collective rather than individual successes will be key to growing the confidence of individual salespeople who must work with one another to maximize value with organizational and team stakeholders, both internal and external. Employing frequent team building exercises among existing staff, or pairing individuals together on special assignments, will also bolster efforts to drive relationships with each member of the team. Only through working with those people outside of the aforementioned subgroups characteristic of strong faultlines, will such hypothetical self-identifying subgroups be returned to the sales team at large. Experiencing success on smaller, attainable special projects or sales team client tasks is likely to enhance an appreciation for the mission of the team in the context of the larger collective good that may be attained when team goals take primacy over those of the individual.

Similarly, cognitive social capital is best characterized by like-mindedness. When employees share interests, ambitions and goals, they are better able to perceive and evaluate the interests of the team in the context with the larger organizational mission at hand. Cognitive social capital also relies on individual salespeople adopting a shared perspective for the proper way things should be done in attainment of team goals. Toward that goal, hiring team members who share personality traits that show them to be team players, or individuals capable of paying deference to process over individual control, are likely to be the most successful. Additionally, training employees across the sales team on best practices, and asking individuals to regularly

share both success and failures, as well as associated processes or conditions that drive them, should also serve to improve individual salesperson adoption of team goals, as well as parameters of operation. Through a shared code of interaction, as detailed earlier in this dissertation, employees are more likely to embrace the requisite change and procedural imperatives of the sales team toward collective team success.

Further, an understanding of the opportunity for constructive conflict especially related to cognitive social capital use may be beneficial to managers as they build sales teams. If individuals can be trained to appreciate the differences represented by each generation there is an opportunity to leverage a larger skill set and build stronger relationships based on mutual respect and understanding.

Finally, no discussion of managerial implications would be complete without paying due respect to both team processes and clarity of performance objectives, both relation and sales metric based. To the extent that employees can be trained and mentored on transition, action and interpersonal processes, salespeople are likely to improve their understanding of the mission of the sales team. Similarly, aligning compensation systems with such goals, especially in relation to relation performance and objective sales performance objectives, is the best mechanism for driving salesperson action. Salespeople are known to be driven by compensation and, when compensation systems are most closely linked to the outcomes they hope to encourage and incentive, especially in a team environment, individuals are more likely to pay respect to each element of a firm and team's mission, and less likely to engage in renegade self-serving actions which may harm both the team dynamic and collective success of the team.



## **Theoretical Implications**

The goal of this dissertation was to better understand the impact of antecedent componential social capital in relationship with team process elements of the IPO model, and more specifically how the strength of generational faultlines interact in such relationships to lessen the team process outcomes which drive relational and objective sales team performance. Earlier in this dissertation, the notion that the source of social capital lies within social relations, as set forth by Adler and Kwon (2002), was discussed, as well as extant literature which suggested that social capital, in fact, emerges from such social relations (Hughes, Le Bon and Rapp, 2012). This work sought to extend the social capital theoretical lens to a discussion of theoretical subgroups, or generational faultlines within the firm, which, though not specific to one demographic characterization, are increasingly of concern as the generation of Millennials takes root in both organization and sales team dynamics.

Moving forward, this dissertation contributes to the generational-diversity conversation by providing some insight into the possible reasons for inconsistent diversity findings. By demonstrating the impacts of a generational diversity measure as compared to the effects of a perceived faultline strength measure, this work sheds light on the social value placed on perception as opposed to fact. This work should be advanced moving forward to understand the extent to which perception plays a role in sales team interactions and what the boundary conditions on these perceptions might be. These findings similarly play a role in the development and ongoing study of active faultlines. By understanding that it is not merely the existence of a faultline that will impact sales team performance but rather the perception of group division that results in team inefficiencies, this work advances understanding of when, and how, faultlines become detrimental to group performance.

Empirical support from this work has demonstrated that the strength of such faultlines has great capacity to impact and attenuate the positive relationships that exist between elements of social capital and the facets of team processes. Inherently, what this means to sales managers, is that teams can no longer be viewed as simply collections of individuals, or even as veteran and new employees, but rather as collections of hypothetical subgroups which may materialize and dematerialize around philosophical and other approaches to life, career and organizations. Furthermore, absent readily identifiable shared demographics, such subgroups or fault lines may not initially be obvious or even observable to managers outside of the conversations and team dynamics they begin to witness as such individuals further isolate their interests and goals from those of the larger team.

This dissertation has demonstrated that a negative moderating impact of generational faultlines can exist for some relationships between social capital and team processes which is of concern to managers, and furthermore that the previous treatment of social capital as a theory needs to be expanded to include changing groups and the relationships between them. Accordingly social capital theory has been extended through this work to the sales team domain, specifically in relation to such hypothetical self-identifying groups, as characterized by the Millennial generation which, at any given time may identify with veteran or new hire members, for example, in the organization. As such groups change, self-create and self-identify, their potential to present unique challenges to both the tenets of the theory, as well as to managers of the teams, is of paramount concern to sales researchers.

While social capital theory continues to offer unique insight as to the motivation of individuals within a group, this dissertation helped to further explain the notion that variance of preference may not just manifest itself in the form of generational differences, but in subgroups

and other self-identifying classifications that are less permanent in nature, though given the strength of organizational faultlines they create, incredibly prescient nonetheless. Thus, the generalizability of this particular theory has been further expanded both within the sales team domain and, very likely, now to other organizations characterized by diverse team members who may share interests beyond traditional demographic segmentations.

### **Limitations**

As with any work, there are several inescapable challenges related to research design and practicality which limit the full generalizability of the work to all contexts. Though not necessarily or specifically relevant to key findings in this dissertation, due consideration of limitations must be shared with those who may choose to replicate the study, or to expand and advance upon its findings in new contexts, or with new outcome variables, moderators or even divergent antecedents. In the discussion that follows, relevant potential limitations are discussed, and suggestions are made to improve the work.

While not atypical of survey work in this domain, cross-sectional data were employed in an effort to better understand the posited relationships of the conceptualized model set forth in this dissertation. Cross sectional data limit characterization to correlation rather than strict causation, but the work stands on its own in that all relevant hypothesized relationships found support in the study. In an effort to add depth to the understanding, other researchers might add a longitudinal element to the data collection.

Additionally, given the novelty of the area in which I am exploring, this research is limited by the measures used. Social capital dimensions were assessed and operationalized based on the strongest fitting and team appropriate measures. However, these measures are dependent

on context and may not represent these social capital dimensions adequately in other research. For this reason, this study is limited by the data collected and the measures used. In future research I look toward a stronger and more broad collection of measures for social capital that can be utilized to more fully understand the sub-dimensions of these complex constructs. One lesson learned in this dissertation was the necessity of careful planning in data collection and the need for additional considerations of measures prior to survey launch. My biggest regret in this work was not collecting a stronger group of items for social capital dimensions, and possible faultline dimensions. As I continue my hope is to learn and better plan around opportunities for data collection so as to generate stronger measures that better reflects the research questions I'm attempting to answer.

Another limitation of note relates to the use of survey data as opposed to field experiments which might subject the participants to different conditions, as opposed to simply asking survey respondents to self-characterize their perceptions of the various measures. Of additional concern with all survey research, is the potential for social desirability issues to arise which can never be fully eliminated from the research. This is not thought to impact the findings of this particular dissertation given the nature of the constructs and measures, but should be mentioned here.

Another limitation relates to the specific context of the sample in this study. A focus on sales teams, while particularly informative to sales research, does not offer full generalizability to every potential context. Similarly, selection of an outside sales force might yield different results than that of an inside sales force, so every situation can be different and warrant different consideration for findings.

## **Future Research**

Numerous opportunities exist for researchers who might like to extend or expand upon the knowledge gained through this dissertation. While this work stands on its own, and its results are applicable to the research questions at hand, nevertheless it is survey driven research which has the potential for improvement, and for generalizability to other contexts and to other research questions of a similar nature.

First, extending this research to include a longitudinal study which captures the results of sales performance metrics after training initiatives, would be particularly informing. Similarly, measuring after the adoption of a mentor program, as proposed in the discussion section, might generate better understanding as to how the strength of fault lines might be managed, or specifically, how social capital might be directed toward productive efforts like sales team goal acceptance by individuals.

Second, altering the compensation system to incent information sharing, organizational citizenship behaviors, and shared benefit or sacrifice for the accomplishment or failure of collective sales goals, would allow managers to understand how individual motivational elements can be linked to organizational imperatives when they are seemingly more important as a mission than those of the individual.

Next, adding a host of moderators to the conceptual model could potentially expand understanding as to the types of interactions which can meaningfully increase the effectiveness or positive relationships between social capital components and team processes or, perhaps even more interesting, between such processes and resultant outcome variables. It might also be interesting to consider organizational citizenship behaviors as a moderator or, as an outcome of team processes given the nature of relationships and social capital.

Other constructs of interest might include organizational identity given its similar personality elements to social capital, but more specifically how organizational identity might change for individuals and members of the sales team who are not part of the subgroup or fault line. Do they perceive a fraction in the group, and how does it impact their relationship with the firm, turnover intentions, or their own internal and external customer service?

Additional avenues for this research might include looking at different functional elements of the sales organization, ranging from inside, to outside, to specialist, for example, or simply to understanding if different types of selling such as consultative, might face bigger hurdles in terms of overcoming the impact of faultline strength due to the highly collaborative nature such a process requires across the team and with customers.

Importantly, considering the impact of technology and how it links members of the sales team might be of interest in regards to faultline strength. Do sales team members who connect virtually face the same concerns and challenges as those who work in close proximity? Are generational faultlines the product of regular or frequent face-to-face impact and, if so, are there reasons to encourage sales teams to work virtually to limit the self-creation and self-identification of fractious hypothetical subgroups which damage team processes?

Finally, examining this research question across a salesperson's network of customers might yield interesting insight. Given the social capital context wherein members share information and work toward common goals, are there instances when customers might self-identify into sub groups or faultlines which require special attention of sales teams that serve them? Each of the aforementioned future research opportunities could meaningfully further advance this work to the benefit of both the academy and practitioners alike and, as such, are encouraged to be undertaken by sales researchers interested in advancing this research stream.

## **Conclusion**

As the sales environment becomes increasingly competitive, teams are becoming a more integral piece of organizational strategy. When properly leveraged teams can provide a competitive advantage to firms looking to compete in progressively diverse economic conditions. To adequately build, manage, and maintain top performing teams, a better understanding of the impacts of social capital housed within team social structures is needed. Team member interaction is inherent in team operations, and the social capital embedded within those interactions can provide a clearer understanding of team functioning and performance.

By incorporating a social capital lens, this research explored the impacts of those resources embedded within the social network that inherently exist within a sales team. Then, by considering faultlines within a sales team context, this research extended beyond team diversity considerations to incorporate faultlines within a sales team context. By considering the strength and active state of a faultline, the performance implications of diverse teams has resulted in greater understanding.

Finally, as the millennial generation enters the workforce in droves, this research provided insights into this new generation and the impacts they are having on organizations. This newest cohort brings a new value system to the workplace and places emphasis on different social cues, codes, and relationships than previous generations. With little prior empirical understanding of this new generation of employees, and conflicting evidence in what extant research does exist (Deal et al., 2010), this research yielded the needed empirical evidence and validation to address the needs of this cohort in the field.

With an increasingly diverse marketplace and globalization of markets, firms can no longer afford to mismanage their human capital. Teams are becoming increasingly necessary for

effective customer relationship management (Auh et al., 2014), and it is imperative that managers be capable of building the most productive team and managing team member interactions to enhance team and organizational performance. This dissertation sought to aid in that process.



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