Cross-Selling Performance in Services: An Internal Marketing Perspective

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CROSS-SELLING PERFORMANCE IN SERVICES: AN INTERNAL MARKETING PERSPECTIVE

By

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ABSTRACT

This dissertation tests a comprehensive model of cross-selling performance in the context of services. Specifically, the present study examines three antecedents (in the form of cross-selling role clarity, cross-selling self-efficacy, and motivation to cross-sell) to the specific realm of cross-selling performance, while also determining the relative influence of more managerially actionable variables (cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling—under the umbrella of the term “perceived cross-selling support”) on these direct antecedents. Although management may be responsible for the decision to initiate cross-selling as a practice for the organization to undertake, it is ultimately the efforts of the employees, who implement the strategy of cross-selling, that determine its success or failure. Therefore, this study takes an internal marketing perspective, in that it seeks to help determine which management strategies can best be used to motivate the salesperson to attain high levels of cross-selling performance. Using a sample of 225 independent insurance salespeople, eight of the seventeen study hypotheses tested were supported by the data. The empirical results, though mixed, serve to provide interesting findings for cross-selling in the realm of services. The dissertation also provides additional directions for research on cross-selling in services.
Chapter Introduction

Marketing practitioners and academics alike appreciate the importance of relationship building in establishing and maintaining a solid customer base. This relationship is particularly important for services, where the sales representative is often seen as the product, as well as the company, in the eyes of the customer. Adding to the attractiveness of customer retention as a strategy is the finding that it can reportedly cost anywhere from five to ten times as much to acquire a new customer than to retain an existing one (cf. Borna 2000; Rasmusson 1999; Struebing 1996, Vavra 2001). One of the more common strategies for customer retention is the practice of cross-selling. Cross-selling has been defined as “offering current customers additional products or services that can provide added value for them” (Jones et al. 2005, p. 11). Although cross-selling is important, it has not been studied much in the marketing literature. The relative dearth of research in the area of services cross-selling, in particular cross-selling performance, has inspired this effort.

The proposed research is interdisciplinary in nature, in that it seeks to integrate the organizational behavior and marketing literatures by looking at the relative impact of a variety of antecedents of cross-selling performance in a comprehensive, interactive model for services (see Figure 1). In this way, this study takes an internal marketing approach that seeks to examine the most dominant direct antecedents of cross-selling performance and, most importantly, to determine the relative contribution to these direct antecedents of variables largely under the control of management. That is, based on the results of this study, sales managers may be able to better determine where to concentrate their efforts and scarce resources when it comes to motivating the sales force toward increased cross-selling performance.

The aforementioned direct antecedents of cross-selling performance to be examined are cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity. The contributions of each of these three variables are posited to be relatively equal in their impact on cross-selling performance. That is, an individual’s belief in their
ability, motivation to perform well, and clear expectations from management will all be assessed for their relative effect on cross-selling performance. Taking a step back in the process, the more actionable variables (from a managerial perspective), cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling, will also be investigated to determine their relative impact on cross-selling performance, mediated by the aforementioned direct antecedents.

**Relationship Marketing and Services**

Relationship marketing, first appearing in the marketing literature in 1983, has been defined by Berry (1995 p. 236) as “attracting, maintaining and – in multi-service organizations—enhancing customer relationships.” Relationship marketing has become ubiquitous on account of the benefits that organizations realize from its practice. The focus was once simply on customer acquisition, until organizations learned that it costs, on average, five to ten times more to find a new customer as it does to sell to an existing one (e.g., Borna 2000). Additionally, in early relationship marketing research, Schwartz (1963) found that the cost of dealing with continuous contact is much less than that of casual contact; selling only to existing customers can reduce costs by 10-20 percent. Furthermore, the typical U.S. business loses 15-20 percent of its customers annually (Vavra 1996). However, Reichheld and Sasser (1990) reported that a 5 percent reduction in customer defections can boost profits anywhere from 25 to 85 percent. Finally, a thorough understanding of the value of existing customer relationships is vital when considering that most companies reap 80 percent of their profits from 20 percent of their customers (Ness et al. 2001); all customers are important, but some are considerably more valuable than others. This idea further underscores the importance of knowing your customers and, by extension, knowing which ones to target most aggressively with cross-selling efforts.

Services marketing, once considered secondary to the marketing of tangible goods, has now become prevalent in the marketing literature. The private services sector alone accounts for nearly 70 percent of the current-dollar gross domestic product in the United States while also leading in 2004 growth, contributing 5.1 percent (Strassner and
Howells 2005). Services have been distinguished from tangible goods throughout the literature, but probably the most-cited work in this area is by Zeithaml et al. (1985). They characterized services as being different from goods on account of such features as intangibility, heterogeneity, and inseparability. Intangibility simply refers to the fact that “services cannot be seen, felt, tasted, or touched in the same manner in which goods can be sensed” (p. 33). Heterogeneity refers to the high potential variance from one service experience to the next, and inseparability of production and consumption refers to the fact that the consumption of services is a highly interactive process between buyer and seller. These three traits of services make the practice of relationship marketing increasingly important, because the role of the salesperson or customer-contact employee is all the more vital. In the eyes of the customer, the salesperson is the product and company, and “controls the level of service quality delivered” (Crosby et al. 1990, p. 68). Strong customer relationships are particularly important in services because of their inherently interpersonal focus and the relative lack of objective measures for evaluating service quality (Czepiel 1990).

This importance of the salesperson as representative of the organization mandates that organizations adopt an internal marketing culture, with an appreciation for good service and customer orientation (Grönroos 1990). “Management should create, continuously encourage, and enhance an understanding of and an appreciation for the roles of the employees in the organization” (Grönroos 1990, p. 8). Only when the employee has been satisfied, can that employee effectively serve customers under a relationship marketing strategy.

This study seeks to explore cross-selling as a vehicle for the practice of relationship marketing. The role of the relationship is increasingly vital considering both the intangible nature of services and the cross-selling effort simultaneously. Given that cross-selling entails selling services that are new to a salesperson’s product mix, efforts to implement cross-selling can essentially be regarded as change initiatives. Because of this, employee buy-in is vital for cross-selling to be implemented, and ultimately for a high level of performance to be realized. The present study seeks to explore employee buy-in in the form of the three proposed direct antecedents to cross-selling performance: cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity.
Likewise, the study will also look at variables that serve to influence these cross-selling performance antecedents to help serve as guidelines to managers and ultimately be compared in their predictive capabilities.

**Contributions and Implications**

This study seeks to test a comprehensive model of the impact of job-related attitudes on cross-selling performance in the context of services. Ultimately, the goal is to build on previous salesperson performance literature to help determine the most vital antecedents of high levels of performance in the realm of cross-selling. In their seminal work developing a selling performance model, Walker et al. (1977) and later with their meta-analysis of salesperson performance (Churchill et al. 1985), classified as the three most vital performance antecedents: role perceptions, skill, and motivation. The present study seeks to build upon their work by not only applying these three antecedents (in the form of cross-selling role clarity, cross-selling self-efficacy, and motivation to cross-sell) to the specific realm of cross-selling performance, but also by determining the relative influence of more managerially actionable variables on these direct antecedents. The rationale for such an effort is the contribution to the marketing literature, the goal of which is to establish a nomological network based on theory and previous findings in the literature in the context that has never yet been examined: cross-selling for services. Along with filling this gap in the marketing literature, the hope is that the inclusion in the model of cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling (under the umbrella of the term “perceived cross-selling support”) will also guide sales managers in the still developing area of cross-selling. The results of this study seek to not only replicate the findings of Churchill et al. (1985) in the context of both services and cross-selling, but also allow the relative impact of managerially actionable variables to be ascertained.

This study seeks to answer a managerially relevant question regarding the relative failure of many cross-selling initiatives. That is, what was the reason for failure, and could it have been avoided? The reason many cross-selling initiatives fail is not the strategy behind them, but rather the strategy’s implementation. “Cross-selling has become, for many banks and financial institutions, the equivalent of losing weight or
exercising. Everybody wants to do it, spends a lot of time and energy planning to do it, but, at the end of the day, the results fall far short of the goal’ (Rosen 2004, p. 41). In some cases, organizations have relied too heavily on sophisticated customer relationship management technologies that were far more focused on segmentation of customers than asking for their business (Kane 2005). It would appear that many cross-selling initiatives start out as a great idea, but ultimately lack the ingredients necessary for a successful implementation. Although management may be responsible for the decision to initiate cross-selling as a practice for the organization to undertake, it is ultimately the efforts of the employees who implement the strategy of cross-selling that determine its success or failure. Therefore, this study examines the impact of cross-selling training, cross-selling initiatives, management commitment to cross-selling, and workgroup commitment to cross-selling as potential ingredients to successful cross-selling implementation success (operationalized as cross-selling performance), mediated through the employee attitudes of cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity. The results of this study seek to further explain the relative impact of job-related attitudes on performance. Ultimately, if performance can be successfully predicted through the results of theory-building studies such as this, managers will be better prepared to focus on efforts shown to influence the appropriate employees attitudes that impact their level of performance.

Dissertation Overview

Continuing with the progression of this dissertation, Chapter 2 is next and will consist of a comprehensive literature review of all constructs included in this study. Chapter 3 will then present the hypotheses to be empirically tested. Chapter 4 will cover the method of the study, including measures used, sampling procedures, data analysis, and results obtained. Finally, Chapter 5 will be a discussion of the conclusions and implications of the study, along with limitations and suggestions for future work in the area.
Figure 1
Hypothesized Theoretical Cross-Selling Performance Model to be Tested
*All paths hypothesized to be positive
Chapter 2
LITERATURE REVIEW

Chapter Introduction

This chapter’s purpose is to serve as an overview of the literature salient to the current study. Given the multidisciplinary nature of this effort, the literature streams of both marketing and organizational behavior will be synthesized to build the forthcoming comprehensive model. The discussion will examine, in detail, the hypothesized determinants of cross-selling performance in the context of relationship selling in services. This research adopts an internal marketing viewpoint in that the attitudes that serve as antecedents to the outcome variable of interest are all individual perceptions of one’s job, or more specifically (as direct antecedents of cross-selling performance), one’s role clarity, self-efficacy, and motivation as related to cross-selling.

This chapter will proceed as follows: there will first be a general overview of cross-selling; including a discussion of empirical studies in cross-selling, and specifics regarding the present study. A discussion of each study construct will follow, beginning with a discussion of the exogenous variables of the model under the umbrella term of “perceived cross-selling support.” These variables have been chosen for inclusion because of their reported impact on the antecedents of selling performance and include: cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling. This will be followed by a discussion of the proposed direct antecedents of cross-selling performance: cross-selling role clarity, cross-selling self-efficacy, and motivation to cross-sell. Finally, a discussion of the outcome variable of the study, cross-selling performance will complete the literature review, as well as the chapter.

Cross-Selling

Overview

Cross-selling has been defined as “offering current customers additional products or services that can provide added value for them” (Jones et al. 2005, p. 11.) Cross-selling has also gone by other names such as companion selling, suggestive selling, and
complementary selling (Polonsky et al. 2000). When executed effectively, cross-selling can result in favorable outcomes such as increased sales, greater levels of customer satisfaction, loyalty, and a higher overall level of spending per customer (Levine 1996). Meanwhile, cross-selling simultaneously lowers unit acquisition costs for the organization and increases switching costs for the customer (Sippel and Gouthro 1987). These increased switching costs, coupled with the customer satisfaction that can be achieved through an enhanced relationship (e.g., knowledge of customer’s likes and dislikes) ultimately lead to less churn (Kamakura et al. 2003). Churn has been defined as “the number of buyers who became customers only to switch to another vendor within months” (Jones et al. 2005, p. 48). In other words, churn is the exact opposite of the driving goal of cross-selling, customer retention.

Early terminology for a related selling practice is “bundling.” Bundling refers to “the practice of marketing two or more products and/or services in a single ‘package’ for a special price” (Guilinian 1987, p. 74). Examples of bundling in services include such diverse situations as online travel companies such as Orbitz or Expedia bundling packages of air travel, lodging, and car rentals all the way to the “combo meal” at your local fast food restaurant. The original managerial rationale for bundling is economic in nature. That is, the marginal cost of selling additional products is relatively low when compared with total costs, and most services offered by firms are interdependent in nature (Guilinian 1987). In short, if it doesn’t cost much more in effort to offer additional products that are complementary in nature (and possibly already needed by the customer), why wouldn’t you do so? Beyond the scope of the present research is a detailed synthesis of the economic and legal aspects of the practice of bundling (Stremersch and Tellis 2002). Finally, although its benefits are readily apparent to both the seller (e.g., increased revenue, customer retention, etc.) and the customer (e.g., satisfaction, one-stop shopping, etc.), cross-selling as a practice may have begun as a motivational technique for employees.

Cross-selling could be considered a type of job redesign for the employees involved with it. Job enlargement has been defined as “an increase in the variety of tasks performed by an employee for the purpose of reducing monotony, and/or more fully utilizing the potential skills and capabilities of the individual, and/or allowing the worker
more freedom and responsibility in the performance of his job” (Reif and Schoderbek 1966, p. 17). The terms “job enlargement” and “job enrichment” have often been used interchangeably under the umbrella term “job redesign”; however, enlargement tends to relate to variety and enrichment tends to relate to responsibility (Campion and McClelland 1993). In their job characteristics model, Hackman and Oldham (1975) identified four beneficial outcomes possible from well redesigned jobs:

1) Internal work motivation (satisfaction from performing well or dissatisfaction from performing poorly)
2) Organizational commitment (manifested by low turnover and absenteeism)
3) Work satisfaction, and
4) Performance quality

These outcomes alone would be enough for many organizations to want to enact cross-selling initiatives; however, add to these the aforementioned economic reasons for cross-selling, and it becomes essential.

Of the several reported studies of job redesign, the majority of jobs involved were of a clerical or manufacturing capacity (Campion and McClelland 1991). This seems appropriate, given that both of these types of jobs are somewhat notorious for their mundane and monotonous nature. However, there have been some positive results of job enrichment in other areas. When implemented in a selling context, job enrichment resulted in higher reported levels of satisfaction and increased sales by almost 19 percent from the previous year, versus a 5 percent decline for the control group not involved in the job enrichment program (Paul et al. 1968). Therefore, although one could argue that sales jobs are autonomous and satisfying enough to not require enrichment/enlargement, it appears there is always room for improvement of work life.

In terms of placing a definitive label on where cross-selling belongs along the spectrum of job redesign, the concept of “knowledge enlargement” coined by Campion and McClelland (1993) seems to be right on target. They define knowledge enlargement as “adding requirements to the job for understanding procedures or rules relating to different products sold by the organization, whereas task enlargement is defined as adding requirements for doing other tasks on the same product” (p. 339). Given that
cross-selling relates to selling additional products, it qualifies as knowledge enlargement by definition. If the intended outcomes of cross-selling implementation (e.g., motivation and performance quality) are already present in the case of the present study, then it stands to reason that cross-selling performance will be enhanced as well.

Despite its pervasive use in practice, there is a relative dearth of empirical research on cross-selling in the academic literature. In addition to the aforementioned Guiltinan (1987) study on the “bundling of services,” the following studies were found. In the application of latent trait analysis to the evaluation of prospects for cross-selling in the area of financial services, Kamakura et al. (1991, p. 348) found that cross-selling additional financial services “not only allows a firm to tap a larger proportion of customer resources, but also increases customer switching costs – and hence the probability of retention.” Many existing cross-selling studies approach cross-selling from a database marketing perspective (e.g., Hughes 1992; Kamakura et al. 2003; Lau et al. 2004). Doyle (2002, p. 287) relates how database software can potentially be utilized to answer the fundamental business problem of “how limited resources can best be allocated to exploit cross-selling opportunities that meet overall product sales goals.” An IT system (a.k.a. customer relationship management system) to help for identifying cross-selling opportunities was pilot tested in a study by Jarrar and Neely (2002). The study resulted in successful cross-selling, but the authors concluded that the results were due to employees’ abilities to understand customer needs, and not the IT system that was meant to support the initiative. More recently, Kamakura et al. (2004) proposed a model that estimates customers’ propensities for and timing of purchasing in a product category based on timing of past purchases.

Some studies have examined cross-selling from the perspective of the customer. In terms of consumer attitudes toward cross-selling activities, Polonsky et al. (2000) found that consumers approve of cross-selling use by retailers, and view cross-selling as a customer-oriented practice that can both increase sales and better serve customers (i.e., a win-win). Meanwhile, Verhoef et al. (2001) also examined multi-service providers from the customer’s perspective (i.e., cross-buying). They found that if prices are perceived as fairer than those of the competitor, the customer’s probability of cross-buying increases.
Not surprisingly, much of the work in the area of cross-selling has been in the context of the banking and insurance industries. For instance, in their study of customer retention and cross-selling in the insurance industry, Harrison and Ansell (2002) found married, more affluent, older, and female customers all to be more likely to purchase a second product. Lau et al. (2004) cited as the five main goals of bank marketing (in order of importance to value enhancement): cross-selling, retention, increased utilization, acquisition, and cost/service quality. Regarding the cross-selling of insurance products by banks, Lymberopoulos et al. (2004, p. 34) concluded that “the greatest opportunity comes from the fact that consumer awareness of the offering of insurance products by banks is low in contrast to their willingness to use banks as insurance products providers, which is very high.” This finding suggests that banks are well positioned for capitalizing on cross-selling opportunities. Knott et al. (2002) studied a next-product-to-buy (NPTB) model used in a bank that helped to generate incremental cross-selling profits, also citing that the best predictor of cross-selling success is current product ownership. Also related to performance, Nash and Sterna-Karwat (1996) applied data envelopment analysis (DEA) to measure bank branch cross-selling efficiency. Peltier et al. (2002) suggest a cross-selling strategy they coined “interactive psychographics” whereby the organization first identifies psychographic-based segments (i.e., values, motives, attitudes, beliefs, and lifestyles), profile said segments, match individuals to the appropriate segment, and finally develop relationship strategies to best match the psychological and purchasing needs of each customer. Li et al. (2005) examined purchase patterns among bank customers to help facilitate cross-selling efforts. Among their suggestions based on empirical results is to target customers with higher education, males, and customers with higher income for cross-selling efforts. Their reasoning for these suggestions is that these customers move more quickly along the “demand maturity continuum;” that is, they are more likely to purchase additional products in a shorter amount of time.

The Present Study

The present study has chosen an oft-cited category of service organization for examination: independent insurance agencies. Insurance has been chosen for two reasons: because it is a ubiquitous service with which most consumers come into contact
on a fairly regular basis, and because the insurance industry lends itself to this type of study by virtue of the extent of cross-selling currently undertaken, particularly so of independent insurance agencies. Specifically of note to mention is the use of independent insurance agents. Independent agents are able to offer several brands of insurance products, as opposed to exclusive agents who work for one insurance company and sell only their products.

Cross-Selling of Insurance Services

Independent insurance agents, in addition to their standard offerings of auto, fire, home, and life insurance are now offering (via cross-selling) a variety of financial services such as mutual funds, IRAs, money market accounts, and loans. Based on discussions with insurance professionals, it would appear that the customer is often unaware of all the options available, thereby making customer education a priority at every opportunity. Specific to the property/casualty needs of commercial insurance customers, Mack (1997, p. 97) lists the following reasons for cross-selling every day on all appropriate accounts:

1) The retention of cross-sold accounts is 61 percent higher than those that are not.

2) Since cross-sold accounts have more coverages and services, these accounts produce 31 percent higher premium and commissions.

and

3) Agents and brokers have a two-in-three chance of selling to existing customers vs. a one-in-five chance of successfully selling to prospects.

Based on these statistics, cross-selling among insurance agents is a worthy endeavor indeed. Insurers look at cross-selling as a way to “capture the loyalty of their customers by meeting all of their financial needs” (Bowers 1999, p. 73). The chosen sample of independent insurance agents is also desirable for its generalizability to all sales careers. One of the most often cited benefits of the selling profession, in addition to factors such as income potential, is the sense of independence and freedom the career allows. A career in sales could be considered the closest thing to running your own business, without the same inherent level of personal risk. Those employed by independent
insurance agencies, given their level of autonomy, can serve as an adequate proxy for outside sales representatives of all industries.

**Perceived Cross-Selling Support**

The concept of perceived organizational support has been defined as the employee’s “global beliefs concerning the extent to which the organization values their contributions and cares about their well being” (Eisenberg et al. 1986, p. 501). Perceived organizational support has its roots in the organizational commitment literature. Employers generally value highly committed employees because of favorable outcomes such as better performance, lower absenteeism, and a lower likelihood of leaving (Mowday et al. 1982). Meanwhile, employees would prefer that their organization be committed to them as well. Social exchange theory views employment as the exchange of the employee’s effort and loyalty for the employer’s benefits and social rewards (e.g., Etzioni 1961). “To the extent that both the employee and the employer apply the reciprocity norm to their relationship, favorable treatment received by either party is reciprocated, leading to beneficial outcomes for both” (Rhoades and Eisenberger 2002, p. 698). In effect, if the employee perceives a commitment on the part of the organization, there will then be a felt obligation to be likewise committed, resulting in favorable outcomes for the organization such as improved job performance, loyalty and the like. This reciprocity results in an employee feeling a stronger identification to the goals of the organization, particularly important when in the midst of organizational change (e.g., executing a cross-selling initiative among an existing sales force).

Among the many antecedents to perceived organizational support noted in the organizational literature are pay and supervisor support (Rhoades and Eisenberger 2002). In their investigation of the antecedents to boundary-spanner organizational support, Johlke et al. (2002) found the quality of task-related training to be one element associated with perceived organizational support. Along with workgroup support, these elements in the context of cross-selling comprise the exogenous variables of the present study under the umbrella term “perceived cross-selling support.” For this purpose, perceived cross-selling support can then be defined as an employee’s global beliefs concerning the extent
to which the organization values cross-selling and cares about their well being and advancement of the cross-selling initiative.

In a survey of retail and wholesale banks, Futrell et al. (1984) found sales training, rewards/incentives for selling, sales management, and support of sales program to be the most cited priorities for increasing selling effectiveness. Meanwhile, they found that the following were among the biggest problems in developing an effective selling program: lack of management commitment, contact personnel do not have the right orientation/attitude, insufficient time to sell, poor sales management, inadequate training, and inadequate incentives. Likewise, popular press articles on cross-selling consistently point to these very same variables as vital for cross-selling success (e.g., Bowers 1999; Nathanson and Holstein 1988; West and Minifie 1998). Following is a brief overview of the above mentioned variables as they relate to the present study.

**Cross-Selling Training**

Training has been said to impact behavior via two routes: through a direct improvement in work-related skills, which can translate to improved performance when coupled with motivation, and through an increase in an individual’s self-efficacy (Robbins 2003). Training has been linked to increased self-efficacy in the literature in numerous additional instances as well (e.g., Axtell and Parker 2003; Parker 1998). With this improved skill and increased self-efficacy (which is likely to be increased further via skills gained), individuals are more likely to feel that their effort will lead to greater performance, leading to increased motivation to perform.

One of the “overt means firms may use to indicate their support for and valuation of employees is in the quality of the training it provides them” (Johlke et al. 2002, p. 121). Job training has also been likened to a discretionary practice that communicates an investment in the employee, leading to an increase in perceived organizational support (Wayne et al. 1997), or in the case of the present study, perceived cross-selling support. Furthering this perspective, Tansuhaj et al. (1991) included training as an aspect of internal marketing, leading to job performance via employee attitudes, in their model of services marketing management. For the present study, cross-selling training is defined simply as training efforts devoted specifically to cross-selling.
In the sales literature, Walker et al. (1977) included training as one aspect of organizational and managerial factors in their model of salesperson performance. They posited that training’s impact on performance was mediated by the direct antecedents of motivation, aptitude, and role perceptions. Furthermore, in their follow-up meta-analysis, organizational/environmental factors (of which training is a member) had the lowest correlation with salesperson performance, providing further justification for its mediated impact on performance.

Along with coaching and motivation, lack of training has been cited as one of the key issues that can sabotage cross-selling efforts (Rosen 2004). Likewise, a lack of product knowledge, an inherent result of insufficient training, has also been identified as a barrier to cross-selling effectiveness (Kane 2005). It is clear that the importance of training to cross-selling efforts can be witnessed among the organizations that seek to implement or improve their cross-selling initiatives. For instance, Travelers opened its Property/Casualty Financial Center in January of 1999 for the express purpose of training agents to cross-sell.

**Cross-Selling Incentives**

While many individuals may be intrinsically motivated to perform, the impact of financial incentives cannot be understated (Robbins 2003). Although employees disagreed over their top motivator, a sample of nearly 2,500 employees chose financial incentives as their number two motivator (Caudron 1993). Further, Marchetti (1999, p. 58) relates that “your sales compensation plan is probably the most important sales tool there is, period.”

Equity theory suggests that employees view money as an outcome to be compared with one’s inputs (e.g., work effort put forth) to help determine whether one is being treated equitably by one’s organization, as well as signifying how well the organization values the employee’s contribution (Robbins 2003). Likewise, both reinforcement and expectancy theories point to money as a motivator (Mitchell and Mickel 1999). Reinforcement theory says money will motivate because pay is seen by the employee as a reward for satisfactory performance; while the expectation that the requisite effort expended will result in these rewards is posited by expectancy theory. Much of sales research on compensation has focused on the issue of whether to use a salary or commission-based plan (e.g., John and Weitz 1989). The general conclusion has been that incentive compensation has been linked more often to extrinsic rewards like
money, recognition, promotion (Weitz et al. 1986), as opposed to intrinsic rewards such as finding the work and selling interesting and rewarding. However, it has also been found to be a matter of perception. When incentives are perceived as an indication of one’s competence or superior performance (as opposed to the perception of behavior control), incentive rewards can enhance intrinsic interest (Fiske and Taylor 1984; Ryan et al. 1983), and by extension, motivation. Cross-selling incentives are defined as financial rewards tied directly to the successful implementation of the cross-selling initiative.

Companies such as Allstate Life Insurance motivate agents to cross-sell (e.g., property/casualty insurance agents sell life insurance) via positive incentives (e.g., higher bonus structure) rather than penalize for failing to cross-sell (Bowers 1999). Banks, however, are somewhat behind the cross-selling compensation curve. As recently as 2000, only 30.2 percent of banks reported that they provide financial incentives for cross-selling (Cochero 2000). This number increases with the size of the bank (19.8 percent for those under $100 million, 39.4 percent for those in the $101-200 million range, and 45.5 percent for those $201 million and up), but is still considerately lower than one might expect, given the ubiquitous nature of cross-selling efforts.

Management Commitment to Cross-Selling

Management commitment to cross-selling is essentially an extension of the concept of management commitment to service quality (Ahmed and Parasuraman 1994), and can be defined as an employee’s perception of management’s conscious choice of cross-selling as operational and strategic options for the firm, and engaging in activities such as providing visible cross-selling leadership and resources for the adoption and implementation of cross-selling initiatives. The conceptualization for this study adopts Forrester’s (2000) argument that management commitment to service quality should be defined from the perspective of the employee’s perception. Likewise, management’s commitment to cross-selling, unless perceived as such by the employees charged with implementation of the cross-selling initiative, is largely meaningless. As previous studies have found that the impact of management commitment to service quality on employee performance is mediated by employee commitment and satisfaction (e.g., Babakus et al. 2003), this study also contends that the impact of management commitment to cross-selling on cross-selling performance is likewise mediated by the hypothesized direct
antecedents to cross-selling performance (cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity).

Akin to perceived organizational support, perceived supervisor support refers to an employee’s general views concerning the degree to which supervisors value their contributions and care about their well-being (Kottke and Sharafinski 1988). Acting as an agent of the organization, the degree of support provided by the supervisor is viewed by the employee as an indication of (or perhaps even a proxy for) the organization’s support (Eisenberger et al. 1986). This support of the employee can easily be applied to any aspect of the organization, such as cross-selling (and become an ingredient of perceived cross-selling support). According to a fundamental theory of motivation, the attitude of an insurance sales rep can generally be ascertained by answering two questions: “(1) Do you believe that your manager is sincerely trying to help you? and (2) Do you believe that your manager is sincerely interested in your success?” (Petersen 1990, p. 22). The answers to each of these questions can serve as an indicator of management’s commitment to the cross-selling initiative at hand. Management commitment was at the heart of cross-selling success of Clark County Community Credit Union, whose cross-selling efforts have led to a 94 percent share draft penetration of member households (Fletcher 1998). According to Lynne Fletcher, CEO, “everyone here knows the importance of cross-selling; we talk about it every day” (p. 28).

**Workgroup Commitment to Cross-Selling**

Workgroup commitment to cross-selling is analogous to management commitment to cross-selling, and can be defined simply as an employee’s perception of his/her workgroup’s commitment to the enhancement and success of the cross-selling initiative. In this case, the term workgroup refers to peers in one’s organization currently performing the same job function. The inclusion of this construct is based on group theory, more specifically, the concepts of conformity and normative influence. “Normative influence occurs when a group member conforms to expectations held by others (that is, to norms) in order to receive the rewards or avoid the punishments that are contingent on meeting these expectations” (Michener et al. 2004, p. 339). These rewards or punishments are basically seen as the degree to which the individual is accepted (or not) in the group. Generally, people want to be liked and accepted, so they follow norms of the group. In this case, the degree to which cross-selling is considered to be a group
norm can have an impact on whether or not an individual adopts the initiative as personally important.

Among the characteristics identified as indicative of a sales culture is the sense of team, manifested as an emphasis on team sales goals and team success (Nathanson and Holstein 1988). Particularly in banking, this sales culture is important in the implementation of a cross-selling initiative. The support of management, as well as your fellow employee, is vital when it comes to change. Going about business in the manner that it “has always been done” or the status quo is, by definition, the norm. If the group is committed to the cross-selling initiative, cross-selling becomes the norm. In addition to conforming to the group, we often learn from others in our workgroup. Gist and Mitchell (1992) showed that confidence (self-efficacy) can be learned via the sales force socialization process, verbal persuasion, and modeling after successful performers. In this way, we not only want to conform for conformity’s sake, but the group can also influence our own performance through our self-efficacy, motivation, and role clarity. That is, the norms of the workgroup can serve as a guide for these variables, and ultimately, performance.

**Direct Antecedents of Cross-Selling Performance**

In their seminal model of the determinants of salesperson performance, Walker et al. (1977) designated motivation, aptitude, and role perceptions as the primary direct antecedents to performance. Likewise, Barratt and Georgides (1995), in their first presentation of the Barratt Performance Improvement Model (directed at employees, rather than academics or HR professionals), stressed three main qualifications: abilities, motivation, and role clarity. Furthering their work in the area of sales performance, Churchill et al. (1985) conducted a meta-analysis on the determinants of salesperson performance in which the variables found to have the greatest association with performance included role variables, skill, and motivation. Weitz et al. (1986, p. 174) perhaps summarized the relative roles of these three direct antecedents best: “role perceptions influence the salesperson’s understanding of what activities should be undertaken and how these activities should be performed. Motivation affects the amount of effort expended performing the activities, and ability affects the quality of the effort expended.” These past research findings, coupled with popular opinion, have led to the
inclusion of the following three variables as direct antecedents to cross-selling performance in the present model.

**Cross-Selling Self-Efficacy**

The concept of self-efficacy was introduced by Bandura (1977) as a key element of his social learning theory. Bandura (1982) originally conceptualized self-efficacy as the extent to which an individual believes him or herself capable of successfully performing a specific behavior. More recently, Bandura (1986) has defined self-efficacy as a belief in one’s own capabilities to organize and execute the course of action required to attain a goal. Self-efficacy is domain-specific, meaning that one can simultaneously feel highly self-efficacious on one task, while feeling much less so on the next. In this way, self-efficacy is seen as more specific than the more global personal attitude of self-esteem. In a study of work and sports, Cockerill et al. (1996), found self-efficacy to influence success which, in turn, increased self-esteem. Further, self-efficacy has also been shown to be more related to motivation than self-esteem (Chen et al. 2004).

In addition to increasing in accordance with workplace confidence through successful experiences, it has been shown that self-efficacy can be learned via the sales force socialization process, verbal persuasion, and modeling after successful performers (Gist and Mitchell 1992). The idea of developing self-efficacy through modeling or vicarious experience was also suggested by Bandura (1977). These findings serve to underscore the importance of training and organizational support to the self-efficacy, and ultimately performance, of a sales force.

Self-efficacy is seen by managers as especially important because of its connection with performance (cf., Judge and Bono 2001; Prussia et al. 1998). “Self-efficacy has shown to be a reliable predictor of both motivation and task performance” (Wood and Bandura 1989, p. 365), and to influence personal goal setting (Wood et al. 1990). Pillai and Williams (2004), in their study of a fire department, found self-efficacy to lead to both commitment and performance in a group situation.

Especially germane to the current study, self-efficacy has been examined extensively in the sales performance literature. “Self-efficacious salespeople judge themselves to be capable of organizing and executing courses of action required to
perform successfully at their jobs” (Bandura 1986, p. 391). Chowdhury (1993) reported that self-efficacy perpetuates efforts toward achieving sales objectives. Self-efficacy was found to be strongly related to both goal level and performance in medical supply sales; that is, “high self-efficacy salespeople set higher goals and perform better” (Brown et al. 1998). Self-efficacy was also directly related to performance in such selling positions as insurance sales (Barling and Beattie 1983) and directly and indirectly (through effort) for cellular messaging services salespeople (Krishnan et al. 2002).

In addition to performance, self-efficacy has also been found to influence other outcomes of interest to sales managers such as negotiation outcomes (Brett et al. 1996), organizational commitment (Werbel et al. 1996), and burnout (Cordes and Dougherty 1993). Hartline and Ferrell (1996) found self-efficacy to be a direct antecedent of customer’s perceived service quality, which can certainly be seen as a proxy for superior performance. Krishnan et al. (2002) suggest additional research into potential antecedents of self-efficacy such as training supervisory support and personal traits. The present study seeks to add to the literature by assessing the impacts of perceived cross-selling support on self-efficacy in a cross-selling situation, as well as confirming its role as a direct determinant of cross-selling performance.

Motivation to Cross-Sell

Motivation has been defined as “the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal” (Robbins 2003, p. 155). Motivated behavior has been said to have three dimensions: 1) intensity, 2) persistence, and 3) choice (Atkinson 1964). Intensity refers to the level of effort, both mental and physical, expended. Persistence refers to the amount of time involved. Finally, choice considers both the task and approach selected. Research of both a conceptual (Naylor et al. 1980) and empirical (Katerberg and Blau 1983) nature suggests that when employees enjoy significant latitude in the manner in which they work (as do salespeople), this directional aspect of motivation is a major determinant of performance.

Among the many motivation theories that have been advanced are those related to needs, goal-setting, reinforcement, and equity (Robbins 2003). Possibly the most well-known needs-based theory of motivation is Maslow’s (1954) hierarchy of needs which
states that as an individual moves up the needs hierarchy, lower-order needs that are already satisfied, no longer motivate. Edwin Locke (1968) argued that goal-setting can be a major source of motivation. Goal-setting theory deals with the specificity and difficulty of goals and feedback and their impact on motivation and, ultimately, performance. Being the motivation theory most relevant to the current study, its implications will be explored further in chapter three. Reinforcement theory views behavior to be environmentally motivated (Robbins 2003). More specifically, as in B.F. Skinner’s (1971) operant conditioning, behavior is motivated through potential rewards or the avoidance of punishment. Equity theory says that employees compare themselves (in terms of inputs and outputs) to others and seek to eliminate inequities (Robbins 2003).

Another viewpoint of motivation is that of intrinsic and extrinsic motivation. Dyer and Parker (1975) define intrinsic motivation as the motivation to seek rewards inherent in the task or job itself, while extrinsic motivation is more associated with rewards from the environment outside of the task. Although cross-selling incentives are one of the exogenous variables in the conceptual model, the concept of motivation for the present study is intrinsic in nature. That is, while extrinsic incentives are important to include for the sake of completeness, ultimately, intrinsic motivation will lead to desired outcomes. As such, the direct antecedents of both motivation to cross-sell and cross-selling performance are both internally manifested attitudes (cross-selling self-efficacy and cross-selling role clarity).

Much of the work on salesforce motivation has been based on Vroom’s (1964) expectancy model, consisting of the following three components: expectancy, instrumentality, and valence. Valence refers to the desire for additional amounts of a given reward (intrinsic or extrinsic). Expectancy refers to the employee’s perception that increased levels of activity will lead to a higher level of performance. Finally, instrumentality is the belief that higher levels of performance will lead to greater rewards. Sales research has found motivation to be a determinant of performance (e.g., Bagozzi 1978).

Because cross-selling can often represent a change in the way a given salesperson has approached his or her daily activities (possibly for many years), the attitude of a salesperson, a reflection of their motivation, can have a significant impact on
performance. In the context of customer-contact workers in a bank setting, Franke (1988) contends “the real difference between product selling and relationship selling is attitude.” Vinchur et al. (1998) cited two characteristics, sales ability and sales interest, that are predictive of salesperson performance. In the case of the present study, sales ability is represented by perceived cross-selling self-efficacy on the part of the employee, and sales interest by motivation.

Cross-Selling Role Clarity

The concept of role clarity can theoretically be traced back to classic organization theory or, more specifically, the principle of unity of command that states that “for any action an employee should receive orders from one superior only, and that there should be only one leader and one plan for a group of activities having the same objective” (Rizzo et al. 1970, p. 150). Role perceptions, found by Churchill et al. (1985) to be best predictors of performance, consist of three interrelated variables: role conflict, role ambiguity, and role clarity.

These authors contend that role conflict is experienced when behaviors expected of an individual are inconsistent across two or more individuals who have power over him or her. This conflict will cause the individual to experience stress, become dissatisfied, and perform less effectively. Salespeople and other customer-contact employees of service organizations are particularly prone to role conflict by nature of their positions as “boundary spanners” who are required to simultaneously serve both their company and the customer (Boles and Babin 1996). On top of being employed in the selling of a service, imagine then being immersed in a change such as a cross-selling initiative. Not only are you already in a position of potential role conflict, but now you must also attempt to divide your attention from the products you have always sold among a host of new products made available by your firm. Furthermore, Walker et al. (1975, p. 38) argued that “the sales or marketing manager can do little to reduce the amount of role conflict experienced by his field salesmen [sic]” and that role conflict “lies in the nature of the salesman’s [sic] position.” Despite this contention, however, the same study results suggested that experienced sales reps perceive significantly less role conflict than their
less experienced counterparts, suggesting that amount and nature of sales training may present one avenue for reducing role conflict.

Meanwhile, ambiguous procedures, goals, criteria, and knowledge of consequences are characteristic of a high level of role ambiguity. Role clarity represents the exact opposite of role ambiguity, that is, a situation of clear procedures, goals, criteria and knowledge of consequences. Role clarity has been defined as “the degree to which a salesperson is certain about how he or she is expected to do the job” (Shoemaker 1999, p. 5). Building on this definition, cross-selling role clarity can be defined as the degree to which a salesperson is certain about cross-selling expectations on the job. These expectations are related to both the job itself and the immediate supervisor of the employee. For instance, of interest is how clear an employee understands how much time to spend on cross-selling efforts and when to cross-sell his or her customers. Additionally, this cross-selling role clarity entails how certain an employee is about such supervisory issues as cross-selling performance evaluation and feedback.

Sales supervisory behavior has been found to have an impact on perceptions of role clarity (Teas 1983). This is understandable, considering that expectations on how to do the job generally come directly from management. Donnelley and Ivancevich (1975) found role clarity in a manufacturing salesforce led to increased job interest, perceived opportunity for advancement, overall job satisfaction, less job tension, and less propensity to leave the organization. Walker et al. (1977) argue that salespeople with high role clarity are likely to be more certain of their effort-to-performance linkage; that is, the idea that increased effort leads to improved performance. This is an aforementioned aspect of motivation. Therefore, role clarity can affect performance via increased motivation.

Cross-Selling Performance

Selling performance has been defined by Krishnan et al. (2002) as “the salesperson’s perception of quantity of sales achieved, the quality of customer relations they maintain, and the knowledge they possess about their company’s products, competition, and customer needs.” Performance has been measured by many different means (e.g., sales volume, dollar sales, managerial evaluations, self-report measures of
sales effectiveness, net profit dollars, number of new accounts, percent of quota attained, etc.).

The majority of early research efforts considered one or each of the following (considered separately) as antecedents to motivation and subsequent sales performance:

1) Aptitude or ability of the salesperson
2) Financial compensation and incentives
3) Psychological incentives, and
4) Organizational and managerial factors

As reported by Walker et al. (1977), these studies generally failed to show much of a relationship between these individual variables and performance. As a result of their assessment of the existing state of the literature on the “motivation and performance of field salesmen [sic],” Walker et al. (1977, p. 157) created the first integrated model for selling performance. Their model hypothesizes selling performance to be a function of three factors: motivation, sales ability, and role perceptions. The model is multiplicative in nature, meaning that if any one of the three antecedents is at a low level, resulting performance will likewise be at a low level.

Weitz (1978) examined selling performance from a different perspective, choosing to focus on one specific task as a proxy for selling performance, that of influencing a customer’s choice decision. His research “indicates that salespeople might improve their performance if they attempted to improve their understanding of their customers’ choice decision” (Weitz 1978, p. 514). The results, however, were considered tentative in nature on account of the potential that the costs of the extra time involved and potential alienation of customers (from extensive probing) may outweigh the performance benefits. Meanwhile, Jackson et al. (1983) studied selling performance from the perspective of management evaluation. As part of their qualitative data collection, they asked respondents (sales managers attending Sales and Marketing Executives International seminars) to indicate performance bases used to evaluate their salespeople. The top three performance measures used were attitude, product knowledge, and selling skills. These three performance measures were reported as being used by 90 percent, 89 percent, and 85 percent of managers respectively.
Building on their selling performance model from 1977, Churchill et al. (1985) conducted a meta-analysis of 116 studies on salesperson performance determinants. The most significant determinants (in order of degree of association with performance) were the following: role variables, skill, motivation, personal factors, aptitude, and organizational/environmental factors. However, “perhaps the most important finding” (p. 117) in the analysis, is that the type of product sold serves as a moderating variable in the relationships between the hypothesized predictors and performance. For example, aptitude had a more substantial impact on performance in selling hard goods instead of services. Hence, sales performance antecedents should be considered job-specific. As such, the current study focuses on variables specifically related to cross-selling services to predict cross-selling performance.

In terms of other results found in the selling performance literature, Anglin et al. (1990) found tentative support for the practice of adaptive selling behaviors among high performing salespeople. Boles et al. (2000) studied relationship selling behaviors and their relationship with performance. Interaction intensity (the level of interaction between the salesperson and the buyer) and mutual disclosure (the sharing of personal and organizational information), both of which help to develop trust, had significant positive effects on performance. However, cooperative intentions had no influence on performance.

Plank and Greene (1996) sought to integrate the perspectives of both Walker et al.’s (1977) expectancy motivation model and Weitz’s (1978) adaptive selling paradigm in what he termed knowledge structure and schemata research. They applied personal construct psychology theory (PCT) by taking into account individual salespeople’s personality as an interactive process that adapts behavior to perceived situational requirements. That is, the salesperson uses external information to predict the behavior of others, resulting in improved performance.

There has been debate on the relative causal direction of the relationships of job attitudes with selling performance. For instance, do salespeople perform well because they are satisfied with their jobs, or are they satisfied with their jobs because they perform well? Many studies have found performance to be an antecedent to satisfaction (e.g., Bagozzi 1978, 1980; Park and Holloway 2004; Yilmaz and Ozdemir 2000). Others
contend that the relationship between the two constructs may be spurious due to common antecedents (e.g., Behrman and Perreault 1984; Dubinsky and Hartley 1986). Others still (e.g., Cotham 1968; Hafer and McCuen 1985) have not found the relationship to be statistically significant. MacKenzie et al. (1998) addressed this question in their study of in-role and extra-role salesperson performance. Their results suggested that in-role performance (e.g., sales volume, commissions, and percent of quota) preceded job satisfaction and organizational commitment, whereas extra-role performance (e.g., organizational citizenship behavior, pro-social behavior) was an outcome of these attitudes. It appears that this issue has yet to be resolved, however.

All three variables used in the model of Walker et al. (1977) as antecedents of selling performance correspond to variables in the present study (motivation to cross-selling motivation, sales ability to cross-selling self-efficacy, and role perceptions to cross-selling role clarity). For the present study, cross-selling performance will be defined as the degree to which the employee perceives to have successfully implemented the organization’s cross-selling initiative to meet the goals and expectations set forth. Specifically of interest is the percentage of customers to which the employee is currently cross-selling, how often the employee is successful in his or her cross-selling effort, and how the employee perceives his or her performance to rate when compared with peers in the same organization.

**Chapter 2 Summary**

This chapter consisted of a review of the pertinent marketing and organizational behavior literature of the antecedents of cross-selling performance in services. Its goal was to serve as a backdrop for the study hypotheses that are to follow in Chapter 3 of this dissertation. Globally, the discussions of cross-selling, coupled with the brief introductory discussions of services and relationship selling, set the stage for the more specific examinations of the constructs represented in the study model to be tested (Figure 1). The discussion of Walker et al.’s (1977) model of salesperson performance determinants is especially crucial to the development of the model proposed by the current study.
The subsequent discussion of perceived cross-selling support included descriptions of the four exogenous variables in the model: cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling. These constructs were investigated in the context of their role as performance influencers, as mediated by the focal performance antecedents of cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity. These constructs were then examined in depth to set the stage for ultimately reaching the target of cross-selling performance. Chapter 3 follows with further discussion leading up to each study hypothesis, followed by the explicit statements of the study hypotheses.
Chapter 3
RESEARCH MODEL AND HYPOTHESES

Chapter Introduction

The purpose of Chapter 3 is to specify the relationships represented in the study model (Figure 2) of the constructs discussed in detail in Chapter 2. While the justifications were implied, if not explicitly stated, in the previous chapter, the following hypotheses will be afforded sufficient introduction as to clarify each proposed relationship. Special attention will be directed at the practical implications of each hypothesis.

Figure 2
Hypothesized Cross-Selling Performance Model to be Tested
*All paths hypothesized to be positive
The Influence of Perceived Cross-Selling Support

The first aspect of the proposed model to be presented in hypothesis form is the influence of perceived cross-selling support. Perceived cross-selling support consists of four exogenous variables (cross-selling training, cross-selling incentives, management commitment to cross-selling, and workgroup commitment to cross-selling) that serve as a starting point toward the ultimate goal of superior cross-selling performance. In effect, these constructs represent aspects of the organization that are, to more or less of a degree, actionable for management. While the merits of all four could be argued, these variables will be examined to help determine their relative importance to the direct antecedents of, and ultimately, cross-selling performance. With this knowledge, managers can have a better idea of where to apply scarce resources in an effort to improve cross-selling performance, and ultimately the cross-selling initiative as a whole.

Effects of Cross-Selling Training

As mentioned previously, training has been said to impact behavior via two routes: through a direct improvement in work-related skills and through an increase in an individual’s self-efficacy (Robbins 2003). By this rationale, training can influence performance, but not in and of itself. Adequate cross-selling training can impact performance through an improvement of skills, which leads directly to an increase in self-efficacy due to that improved skill. In the qualitative phase of this study, one insurance agent said that a lack of confidence and/or product knowledge was one of the biggest obstacles to cross-selling. To quote said agent, “sales reps only sell what they are good at selling.” This point underscores the importance of self-efficacy and training to help increase it. If an employee feels like he or she has been trained well, they are much more likely to feel prepared and confident when attempting to sell new products.

Quality of training has also been discussed as an indication of the degree of investment in the employee being trained (Wayne et al. 1997). That is, organizations invest in high quality training for those employees they truly value. This investment leads to an increase in the degree of perceived support (in the current study, perceived cross-selling support) felt by the employee. As Social Exchange Theory tells us, individuals who feel valued and committed to, will reciprocate that commitment (Rhoads and Eisenberger 2002). Therefore, the commitment felt
through quality training will then be returned as increased motivation on the part of the employee to want to succeed at the cross-selling endeavor.

Training can also help to increase the degree of role clarity experienced by an employee. Among the aspects of cross-selling that would likely be covered in any/every training session would be procedures involved, goals, etc. These same aspects are by definition those that create the perception of role clarity. To put it simply, the more training one has, the more confident one should be in one’s ability, the more motivated one should be to perform well, and the clearer one’s goals should be. Furthermore, Walker et al. (1977) likewise included training as one aspect of their organizational and managerial factors in their model of sales performance (influencing performance, mediated by ability, motivation, and role perceptions). Therefore, in terms of the quality of cross-selling training provided by the organization:

**H1A:** Cross-selling training has a positive effect on cross-selling self-efficacy.

**H1B:** Cross-selling training has a positive effect on motivation to cross-sell.

**H1C:** Cross-selling training has a positive effect on cross-selling role clarity.

### Effects of Cross-Selling Incentives

Cross-selling incentives are also hypothesized to impact cross-selling performance, but only as mediated through the direct antecedents of the study. An important aspect of incentives is that perception plays a large role. The implication is that the employee must be told that incentive compensation for cross-selling is a reward for one’s superior performance and competence (Fiske and Taylor 1984). This is in stark contrast to the situation in which the employee feels as though he or she will be punished for not cross-selling. In the former case, the employee who receives the incentive can feel good knowing he or she has done a great job. Because of these good feelings, self-efficacy (through increased confidence) will increase and help perpetuate improved performance. Also, this reward can enhance intrinsic motivation on top of the financial benefit. The employee will want to similarly perpetuate these intrinsic rewards as well by continuing to do well. Thus, the reward will have served to motivate further as the employee desires to continue to reap the reward, and avoids the potential punishment of not attaining the reward. Finally, rewarding incentives based on cross-selling goals makes ultimate sense for management. If there is a cross-selling initiative attempt, but there has been no change in the incentive plan, motivation will be difficult. In the end, employees (especially
sales reps) are going to do what is generally rewarded (intrinsically or extrinsically) within their organization. In that way, a proper incentive program that rewards the desired behavior (cross-selling) can also serve as a guideline for an employee in terms of how they should focus their time and energy. This focus on the proper goals and procedures is indicative of role clarity. Taken together, in terms of how incentives are seen to be appropriate in influencing cross-selling efforts, these arguments suggest:

H$_{2A}$: Cross-selling incentives have a positive effect on cross-selling self-efficacy.
H$_{2B}$: Cross-selling incentives have a positive effect on motivation to cross-sell.
H$_{2C}$: Cross-selling incentives have a positive effect on cross-selling role clarity.

**Effects of Management Commitment to Cross-Selling**

Top management provides the vision for the organization. Cross-selling is basically a change initiative. There is possibly no other situation where leadership is more important than in situations of change. For instance, top management support has been found to be critical to the success of technology acceptance, another change initiative (Jarvenpaa and Ives 1991). If the top individuals in an organization do not believe in the change, neither will anyone else. They truly do set the tone for the organization.

The impact of management commitment to cross-selling on desirable employee attitudes in the current study can largely be attributed to Bandura’s (1977) social learning theory. One of the central tenets of this theory is the idea that an individual can acquire new responses through observation of the behavior of another (imitation or modeling). This learning can occur with or without external reinforcement, but the subsequent performance of the desired behavior can be impacted by the consequences involved. It has been suggested that outstanding leaders influence their followers through role modeling (Podsakoff et al. 1990). Followers identify with role models who they perceive positively (Bandura 1986). Additionally, according to Bandura (1977), an individual’s perception of his or her own ability to perform a behavior is influenced simply by watching another perform said behavior. By this rationale, management commitment to cross-selling should influence the cross-selling self-efficacy of the employee, as well as his or her motivation to cross-sell. Likewise, Eden’s (1992) Pygmalion leadership style suggests that leader expectations (which can be communicated through role modeling) are eventually internalized by the employee, leading to increased motivation.
One aspect of management commitment to cross-selling regards talking about cross-selling and communicating its importance with employees. Along with proper training, discussing the merits of the initiative on a regular basis (e.g., Q & A sessions, informally, etc.) should allow the entire organization to feel more comfortable with a new way of doing things. Through this repeated exposure, self-efficacy should, by extension, also increase. With increasing exposure comes more comfort, which then increases the level of confidence felt by the employee. Similarly, enthusiasm can be regarded as contagious. It is certainly likely that management excitement about cross-selling, if expressed to the entire organization on a regular basis, should spread to the individuals charged with its implementation. Finally, effective communication goes hand-in-hand with enthusiasm. Employees need to be directed specifically when it comes to the goals of the organization where new initiatives like cross-selling are concerned. While we generally fear change, it is virtually impossible if we do not know how to go about enacting it. Goal-setting theory stresses the importance of goal specificity, challenge, and feedback on performance (Locke 1968). Managers who are highly committed to cross-selling discuss its strategies with employees often and are specific in their expectations for its implementation, leading to cross-selling role clarity for the employee. In terms of the degree of management commitment to cross-selling perceived by the employee, these proposals lead to the following:

H3A: Management commitment to cross-selling has a positive effect on cross-selling self-efficacy.
H3B: Management commitment to cross-selling has a positive effect on motivation to cross-sell.
H3C: Management commitment to cross-selling has a positive effect on cross-selling role clarity.

Effects of Workgroup Commitment to Cross-Selling

Workgroup commitment to cross-selling can impact an individual’s performance much like management commitment to cross-selling. However, some may argue that peers are more effective influencers of behavior than authority figures. While it can vary greatly by organization, this can in some cases be true. For instance, in a very small organization, management is likely to be very much in tune with employees and will be more likely to keep open and effective communication channels. However, in very large organizations, some employees may go weeks without seeing a manager. In this case, the commitment level of the
workgroup becomes absolutely vital. The way workgroup commitment to cross-selling can influence cross-selling self-efficacy is largely through the socialization process. Van Maanen and Schein (1979) define organizational socialization as the process by which a person acquires the social knowledge and organizational skills necessary to assume an organizational role. Their concept of serial socialization entails an experienced employee socializing a newer employee in a mentoring situation. Much like that of the management commitment to cross-selling, an employee can gain confidence in his or her abilities (i.e., cross-selling self-efficacy) simply by watching the more experienced employee successfully cross-sell.

Motivation is also affected by workgroup dynamics. Normative influence is present when group members follow group norms in order to receive rewards, such as being accepted into the group (Janes and Olson 2000). Additionally, through majority influence, groups often pressure individuals to conform to the practices of the group (Michener et al. 2004). If the workgroup is committed to the cross-selling initiative, that commitment is then the norm. Therefore, workgroup commitment to cross-selling should also impact the employee’s motivation to cross-sell as they wish to conform to the group. Not only do employees follow group norms, but they are also often competitive (particularly sales reps). Through recognition of success, incentives and the like, workgroup members can continuously compete to see who is the best at cross-selling.

Similarly, when the workgroup is committed to the cross-selling initiative, role clarity should improve as well. Workgroup socialization has been found to increase the likelihood of adoption of role orientations desired by the organization (Jones 1986). Particularly if socialized via a mentor, the employee has an additional role model (along with his or her supervisor) from which to receive guidance. This guidance, in addition to role modeling, can consist of clear expectations for job performance (i.e., cross-selling role clarity). Additionally, this can be especially so if the group receives incentives collectively; roles will develop as they do in groups. In this case, complementary talents can be determined and cross-selling efforts divided in a way that optimizes group efforts. For instance, each group member may choose one particular product to be the “resident expert” on and, by design, become the point person for those sales and/or questions from other employees. Each group member will know his or her role in the group and cross-selling clarity will be the result. Taken together, in terms of the employee’s perception of his or her workgroup’s commitment to cross-selling:
H4A: Workgroup commitment to cross-selling has a positive effect on cross-selling self-efficacy.
H4B: Workgroup commitment to cross-selling has a positive effect on motivation to cross-sell.
H4C: Workgroup commitment to cross-selling has a positive effect on cross-selling role clarity.

The Influence of the Direct Antecedents of Cross-Selling Performance

The following hypotheses detail the influence of the direct antecedents of cross-selling performance: cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity. The relationships hypothesized here have been reported in numerous previous studies (e.g., Churchill et al. 1985) for general selling performance, however, the present study seeks to replicate former findings for the special case of cross-selling performance.

Effects of Cross-Selling Self-Efficacy

As mentioned previously, self-efficacy refers to the extent to which an individual believes him or herself capable of successfully performing a specific behavior (Bandura 1982). More recently, however, Bandura (1986) has amended his definition of the term to a more operational definition including a belief in one’s ability to organize and execute the course of action required to attain a goal. This definition fits well with the relationship of cross-selling self-efficacy to motivation to cross-sell. Self-efficacy for a specific activity can be increased through repeated successful experiences (Bandura 1982). As a result, the individual then becomes more likely to seek opportunities to engage in that behavior (Michener et al. 2004). As such, as an employee’s cross-selling self-efficacy increases through successful efforts, they will then become increasingly motivated to cross-sell. Likewise, Eden (1992) suggested the existence of a Galatea effect, whereby employee performance expectations provide a sense of confidence and intrinsic motivation, which serve to drive effort to help fulfill the employee’s own personal prophesy of expected performance. The implication is that an employee’s cross-selling self-efficacy brings high expectations which, in turn, drive his or her motivation to cross-sell.

The universal importance of self-efficacy is primarily due to its ultimate impact on performance. In this case, since self-efficacy is domain specific in nature, it is even more appropriate to link the result of cross-selling self-efficacy to cross-selling performance. According to Bandura (1982), the greater an employee’s self-efficacy, the
more effort that employee will put forth on a given task and the greater that employee’s persistence will be if a situation gets difficult. These, taken together, will most certainly result in a higher level of performance. Because cross-selling is usually a change in the normal manner of doing things for most employees, self-efficacy takes on added importance. If an employee has been selling the same products for years and does not have to worry too much about learning anything new, that employee would be likely to focus on more extrinsic factors such as pay for motivation. However, in a situation where new products and procedures have to be learned, confidence in one’s knowledge of the new products and procedures (and one’s ability to successfully cross-sell) is vital to be motivated to cross-sell in addition to attaining superior cross-selling performance.

There have been numerous studies that have confirmed the relationship between self-efficacy, motivation, and performance. For instance, “self-efficacy has shown to be a reliable predictor of both motivation and task performance” (Wood and Bandura 1989, p. 365). Chowdhury (1993) reported that self-efficacy perpetuates efforts toward achieving sales objectives. One instance for medical supply sales reported by Brown et al. (1998) stated that salespeople high in self-efficacy set higher goals and performed better. In short, the effect of self-efficacy on selling performance appears to be both direct and partially mediated via motivation. As such, the following is hypothesized:

\[ H_5: \text{Cross-selling self-efficacy has a positive effect on motivation to cross-sell.} \]
\[ H_6: \text{Cross-selling self-efficacy has a positive effect on cross-selling performance.} \]

**Effects of Motivation to Cross-Sell**

Motivation has been defined as “the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal” (Robbins 2003, p. 155). Some may argue that motivation is more important than ability when it comes to performance. In their meta-analysis on the determinants of salesperson performance, Churchill et al. (1985) found that motivation (while not as good a predictor of performance as skill level) to be a better predictor of performance than aptitude. Indeed, often the more determined, gritty, salesperson performs much more successfully than the smarter, but less motivated employee. In an empirical investigation of the trade-off between motivation and experience (in a services setting), Bartkus et al. (1994, p. 15)
found that “highly experienced but less motivated travel agents performed no better than highly motivated but less experienced ones.”

The expectancy theory of motivation (Vroom 1964), and it’s three parts of valence, expectancy, and instrumentality, is most relevant in a discussion about motivation’s impact on performance. Valence refers to a desire for additional amounts of a given reward. That is, given past success, motivation to cross-sell should influence cross-selling performance through the expectation of rewards one has enjoyed in the past. The expectancy aspect argues that increased levels of activity will lead to a higher level of performance. It is this belief that drives the employee to increase his or her level of effort toward the goal of improved performance. Once again, motivation’s impact is increasingly vital in the situation of cross-selling. This is because the effort level required for successful performance increases when change is initiated. Often, salespeople get complacent when they have many years of experience. These salespeople can rely on what they already know and succeed. However, when a change initiative like cross-selling becomes the norm, a salesperson cannot simply rely on what has worked in the past. The individual must be motivated to learn the new products and procedures involved. This is where employee buy-in comes into play. If the employee has not fully adopted the idea of cross-selling (presumably through the influence of perceived cross-selling support variables), cross-selling success cannot occur. The final aspect of Vroom’s (1964) expectancy theory of motivation concerns instrumentality. Instrumentality refers to beliefs that higher levels of performance will lead to greater rewards. This aspect really ties the theory together in that the desire for rewards (valence), coupled with the belief that extra effort will improve performance (expectancy) and the belief that higher levels of performance will lead to greater rewards (instrumentality) will be reflective of a high degree of motivation and, ultimately a higher degree of performance. From these arguments comes the following:

H7: Motivation to cross-sell has a positive effect on cross-selling performance.

Effects of Cross-Selling Role Clarity

The existence of role clarity suggests a situation in which the employee enjoys clear procedures, goals, criteria and knowledge of consequences (Rizzo et al. 1970). The existence of
role clarity is usually due to effective communication on the part of management. Role clarity has been found to have a positive impact on performance throughout the literature (e.g., Dubinsky and Mattson 1979; Fried et al. 2003; Wright 2004). Setting clear goals on an individual’s job generally increases performance (Steers and Porter 1974) because specific goals focus attention and effort. In their sales performance model, Walker et al. (1977) argue that salespeople who enjoy high role clarity are more certain that increased effort will lead to a higher performance level. Not only does this speak to the effect of role clarity on performance, but it also specifically refers to the expectancy component of Vroom’s (1964) model of motivation. Hence, cross-selling role clarity should also lead to increased motivation to cross-sell, as well as increased cross-selling performance.

In the qualitative phase of this research project, the most cited barrier to cross-selling for both bank employees and insurance agents interviewed was a lack of sufficient time due to the ever present existence of multiple tasks fighting for attention at once. Directly related to role clarity is the concept of scarcity of time. The expression “there are not enough hours in the day” comes to mind. This is where role clarity becomes increasingly important in the context of cross-selling. When time is at a premium, having a clearly defined role can be a real difference maker when it comes to performance. For instance, when an employee is faced with multiple tasks, a sense of role clarity (through such sources as clearly communicated goals, procedures, etc.) can help the employee prioritize tasks and focus the most important ones first. Additionally, when time is so scarce, learning new products to sell and procedures in which to sell them is not always priority one for the average change-averse employee. However, clear expectations provided by role clarity serve to let the employee know just how important the new cross-selling initiative is (and hopefully this role clarity was formed through sufficient training, incentives, management and workgroup commitment). The resulting prioritization results in not only increased motivation to cross-sell but also, by extension, improved cross-selling performance. Hence:

$H_8$: Cross-selling role clarity has a positive effect on motivation to cross-sell.

$H_9$: Cross-selling role clarity has a positive effect on cross-selling performance.
Chapter 3 Summary

This chapter discussed and listed the nine specific hypotheses to be tested by the present study. While many of the relationships have been tested in previous studies, they have never been tested in the context of cross-selling for services. The next chapter will focus on the research design of the study, including measures used, sample and data collection procedures used, as well as the results of the study.
Chapter 4
RESEARCH METHOD

Chapter Introduction

The following chapter will discuss all aspects of the method employed in the study at hand. First will be a description of the sample employed for the purpose of data collection. Second, the data collection instrument, in this case questionnaire, will be under examination, including specific descriptions of measures used to operationalize the salient constructs of the study, as well as a description of steps taken to ensure reliability and validity of these measures. Third will be a discussion of the data analysis employed to test the study hypotheses, including the overall fit of both the measurement and structural model tested, as well as specific results of each hypothesis tested.

Sample

Data were obtained for the proposed study via cross-sectional survey. Survey research employs questionnaires “to ask people to provide information about themselves— their attitudes and beliefs, demographics, and other facts, and past or intended future behaviors” (Cozby 2001, p. 104). The questionnaire developed was distributed to a sample of independent insurance agents. The insurance sales representative usually works out of an office, but is also quite independent as an outside salesperson. Because of this independence, one would consider the insurance sales rep to be very adept at “out of the box” thinking and quite flexible. Both of these qualities lend themselves to cross-selling adoption. “Insurers see cross-selling as a way to capture the loyalty of their customers by meeting all of their financial needs” (Bowers 1999). Insurance agents have always been very sales oriented; in effect, very aggressive in their quest for the next sale. This is largely due to incentive-based pay in which higher sales equate to a larger paycheck.

The insurance agents were sampled via direct e-mails sent to individuals throughout the United States, with most of the respondents coming from the Southeast and Midwest. Their e-mail addresses were obtained from their company websites. This
approach could be considered a convenience sample in that, in order to obtain as large a sample size as possible, all available respondents were contacted (that is, independent agencies that had websites including e-mail addresses of individual employees). This method of sampling is generally accepted because the goal of the research is the relationship among the variables in the study, as opposed to the accurate estimation of population variables (Cozby 2001). However, the process was also somewhat random in that the only criteria for receiving an e-mail invitation to participate was that the potential respondent’s e-mail was available on their firm’s website. This method of data collection was similar to that used by Etgar (1976), in which mail surveys were sent to a sample of insurance agents using agent directories as a source. The resultant sample, as can be inferred from Table 1, is relatively heterogeneous in nature. However, there are inherent response biases evident in this method worthy of mention. First of all, those potential respondents who are more inclined to cross-sell in their job would likely be more likely to participate in a study on cross-selling. Likewise, since an online questionnaire was used, one would expect that respondents would be at least somewhat more “tech savvy” than those who chose not to participate. The questionnaire was setup via a website that respondents were guided to via a hotlink included in an e-mail. The introduction/instructional letter used on this website can be found in Appendix B. A total of 10,988 e-mails were sent, with 804 bouncing back (never to reach the intended recipient). A total of 241 responses (representing a 2.2% response rate) resulted in a final sample of 225 (from 119 different independent agencies) after responses were dropped due to missing items. The mean age of the respondents was 43.8, with 46.7% being female. While 38.2% of the respondents had over 20 years of insurance experience, 42.7% of respondents had only 1-5 years experience with their current firm. In terms of the age and education, the sample was quite representative of those that have been found in the past (e.g., Boorom et al. 1998; MacKenzie et al. 1999). Income was found to be somewhat higher than previous studies, likely a function of the higher levels of overall experience. Likewise, the percentage of female respondents was higher than in previous studies, consistent with workforce trends. The complete demographic profile of the sample is represented in Table 1.
Preliminary ANOVA analyses were run to ascertain the relationships among some of the categorical demographic variables and pertinent model constructs. Significant ($\alpha = .05$) mean differences were found between male and female respondents in terms of their perceptions of cross-selling training, cross-selling incentives, workgroup commitment to cross-selling, cross-selling self-efficacy, and cross-selling performance. A significant mean difference among ethnic groups was found only for self-efficacy; however, with the exception of the Caucasian group, the low numbers of respondents per ethnic group render this finding relatively meaningless. Significant mean differences were found for different levels of education where perceptions of cross-selling incentives and cross-selling performance were concerned. Specifically, those respondents with a four year college degree reported a greater mean perception of cross-selling incentives than that of respondents reporting some college. Meanwhile, respondents with a high school degree only reported significantly lower cross-selling performance levels than those respondents reporting both a four year degree and some graduate school. Finally mean differences were found among respondents by reason for cross-selling for perceptions of cross-selling training, management commitment to cross-selling, cross-selling self-efficacy, and cross-selling performance. Specifically, those who reported cross-selling because of a company-wide initiative were found to have a higher mean perception of cross-selling training (as well as management commitment to cross-selling) than that of those who reported self-motivated cross-selling. Meanwhile, self-motivated cross-selling respondents reported higher mean scores than those who reported either a company-wide initiative or supervisor encouragement for both cross-selling self-efficacy and cross-selling performance. In both cases, mean scores were also greater for those who were operating under a company-wide initiative, rather than simply a supervisor's encouragement. The specifics of these findings can be seen in Table 3.

Correlation analyses were run between the nominal demographic variables and study constructs. Not surprisingly, correlation analysis found positive significant relationships between income and cross-selling incentives, cross-selling self-efficacy, and cross-selling performance (income was negatively correlated with motivation to cross-sell). Age was also found to be significantly correlated with perceptions of management commitment to cross-selling and motivation to cross-sell (negatively); and cross-selling...
self-efficacy (positively). Experience in the insurance field was found to be significantly and positively correlated with cross-selling self-efficacy. Finally, an individual's experience level with their current employer was not found to be significantly correlated with any of the study variables. These reported correlation can be examined with the correlations among the study variables in Table 2.

Because the independent and dependent measures were collected in the same manner, at the same time, from the same respondents, there was the potential for common method variance to artificially inflate the relationships of the study. Anticipating this possibility, a Harman One-Factor Test (Podsakoff and Organ, 1986) was conducted. To run the Harman One-Factor Test, all of the pertinent variables were entered into a principal components exploratory factor analysis. If there is a substantial amount of common method variance, either one factor will emerge, or one “general factor will account for the majority of the covariance in the independent and criterion variables” (Podsakoff and Organ, 1986). The results of the principal components analyses found one factor accounting for 44% of the variance, another accounting for 17% (followed by 10, 8, and so on). Therefore, the results indicated no evidence of common method variance.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Demographics of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance Sample</strong></td>
<td></td>
</tr>
<tr>
<td>n = 225</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>Mean = 43.80</td>
</tr>
<tr>
<td></td>
<td>Std. Dev. = 12.42</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>52.9%</td>
</tr>
<tr>
<td>Female</td>
<td>46.7</td>
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<tr>
<td><strong>Ethnic Status</strong></td>
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<tr>
<td>Caucasian</td>
<td>95.1%</td>
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<tr>
<td>African-American</td>
<td>0.4</td>
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<tr>
<td>Hispanic</td>
<td>1.3</td>
</tr>
<tr>
<td>Asian-American</td>
<td>1.8</td>
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<tr>
<td>Native American</td>
<td>0.4</td>
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<tr>
<td>Other</td>
<td>0.4</td>
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<tr>
<td>Table 1- continued</td>
<td></td>
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<tr>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>High school graduate</td>
<td>6.7%</td>
</tr>
<tr>
<td>Some college</td>
<td>33.3</td>
</tr>
<tr>
<td>College graduate</td>
<td>36.9</td>
</tr>
<tr>
<td>Some post graduate work</td>
<td>11.6</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>11.6</td>
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<tr>
<td><strong>Income/Year</strong></td>
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<tr>
<td>Less than $20,000</td>
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<td>$20,000 to $39,999</td>
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<td>$40,000 to $59,999</td>
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<td>$60,000 to $79,999</td>
<td>14.7</td>
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<tr>
<td>$80,000 to $99,999</td>
<td>11.1</td>
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<tr>
<td>More than $100,000</td>
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<tr>
<td><strong>Insurance Experience</strong></td>
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<tr>
<td>Less than 1 year</td>
<td>2.7%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>21.3</td>
</tr>
<tr>
<td>6-10 years</td>
<td>14.7</td>
</tr>
<tr>
<td>11-15 years</td>
<td>11.1</td>
</tr>
<tr>
<td>16-20 years</td>
<td>11.6</td>
</tr>
<tr>
<td>Over 20 years</td>
<td>38.2</td>
</tr>
<tr>
<td><strong>Experience with Current Firm</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>11.6%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>42.7</td>
</tr>
<tr>
<td>6-10 years</td>
<td>18.7</td>
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<tr>
<td>11-15 years</td>
<td>7.1</td>
</tr>
<tr>
<td>16-20 years</td>
<td>7.6</td>
</tr>
<tr>
<td>Over 20 years</td>
<td>11.6</td>
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<tr>
<td><strong>Primary Reason for Cross-Selling</strong></td>
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<tr>
<td>Company-wide Initiative</td>
<td>30.7%</td>
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<tr>
<td>Encouraged by Supervisor</td>
<td>10.2</td>
</tr>
<tr>
<td>Self-Motivated</td>
<td>59.1</td>
</tr>
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Table 2
Means, Standard Deviations, and Correlations among the Variables

N = 225

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cross-Selling Training</td>
<td>3.29</td>
<td>0.94</td>
<td>.91</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Cross-Selling Incentives</td>
<td>3.35</td>
<td>1.08</td>
<td>.58*</td>
<td>.89</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Management Commitment to Cross-Selling</td>
<td>3.84</td>
<td>0.84</td>
<td>.48*</td>
<td>.33*</td>
<td>.93</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>4. Workgroup Commitment to Cross-Selling</td>
<td>3.51</td>
<td>0.78</td>
<td>.54*</td>
<td>.44*</td>
<td>.57*</td>
<td>.92</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5. Cross-Selling Self-Efficacy</td>
<td>4.53</td>
<td>0.57</td>
<td>.21*</td>
<td>.25*</td>
<td>.07</td>
<td>.13*</td>
<td>.89</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6. Cross-Selling Role Clarity</td>
<td>3.63</td>
<td>0.80</td>
<td>.52*</td>
<td>.44*</td>
<td>.53*</td>
<td>.44*</td>
<td>.32*</td>
<td>.83</td>
<td>-</td>
<td>-</td>
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<tr>
<td>7. Motivation to Cross-Sell</td>
<td>3.48</td>
<td>0.89</td>
<td>.27*</td>
<td>.28*</td>
<td>.31*</td>
<td>.38*</td>
<td>.23*</td>
<td>.26*</td>
<td>.82</td>
<td>-</td>
</tr>
<tr>
<td>8. Cross-Selling Performance</td>
<td>63.06</td>
<td>19.70</td>
<td>.15*</td>
<td>.24*</td>
<td>.08</td>
<td>.26*</td>
<td>.50*</td>
<td>.29*</td>
<td>.38*</td>
<td>.68</td>
</tr>
<tr>
<td>9. Age</td>
<td>43.80</td>
<td>12.42</td>
<td>.01</td>
<td>.00</td>
<td>-.15*</td>
<td>-.10</td>
<td>.17*</td>
<td>.03</td>
<td>-.14*</td>
<td>.06</td>
</tr>
<tr>
<td>10. Income</td>
<td>-</td>
<td>-</td>
<td>-.05</td>
<td>.17*</td>
<td>-.08</td>
<td>-.08</td>
<td>.18*</td>
<td>-.01</td>
<td>-.15*</td>
<td>.18*</td>
</tr>
<tr>
<td>11. Insurance experience</td>
<td>-</td>
<td>-</td>
<td>.00</td>
<td>-.04</td>
<td>-.10</td>
<td>-.10</td>
<td>.16*</td>
<td>.04</td>
<td>-.10</td>
<td>.08</td>
</tr>
<tr>
<td>12. Experience with current firm</td>
<td>.09</td>
<td>.00</td>
<td>-.06</td>
<td>.00</td>
<td>.11</td>
<td>.07</td>
<td>-.08</td>
<td>.04</td>
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</table>

Note: Construct reliability for each scale is presented in bold face along the diagonal.
* p < .05
### Table 3

**Significant Demographic ANOVA Results***

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Male (n = 119)</th>
<th>Female (n = 105)</th>
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</thead>
<tbody>
<tr>
<td>Cross-Selling Training</td>
<td>3.41 (0.87)</td>
<td>3.17 (0.99)</td>
</tr>
<tr>
<td>Cross-Selling Incentives</td>
<td>3.63 (0.94)</td>
<td>3.06 (1.07)</td>
</tr>
<tr>
<td>Workgroup Commitment to CS</td>
<td>3.56 (0.76)</td>
<td>3.31 (0.78)</td>
</tr>
<tr>
<td>Cross-Selling Self-Efficacy</td>
<td>4.66 (0.42)</td>
<td>4.38 (0.68)</td>
</tr>
<tr>
<td>Cross-Selling Performance</td>
<td>67.02 (17.87)</td>
<td>58.50 (20.83)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education Level</th>
<th>High School (n=15)</th>
<th>Some College (n=75)</th>
<th>4-Year Degree (n=83)</th>
<th>Some Graduate (n=26)</th>
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<tbody>
<tr>
<td>Cross-Selling Incentives</td>
<td>3.00 (1.16)</td>
<td>3.09 (1.09)a</td>
<td>3.65 (0.94)b</td>
<td>3.60 (0.87)</td>
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<tr>
<td>Cross-Selling Performance</td>
<td>47.27 (24.84)a</td>
<td>61.51 (19.31)a</td>
<td>65.31 (16.81)b</td>
<td>68.28 (21.43)b</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Reason for Cross-Selling</th>
<th>Self Motivated (n = 133)</th>
<th>Company-Wide Initiative (n = 69)</th>
<th>Encouraged by Supervisor (n = 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-Selling Training</td>
<td>3.17 (0.97)a</td>
<td>3.56 (0.82)b</td>
<td>3.14 (0.98)</td>
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<tr>
<td>Management Commitment to CS</td>
<td>3.57 (0.85)a</td>
<td>3.99 (0.77)b</td>
<td>3.91 (0.70)</td>
</tr>
<tr>
<td>Cross-Selling Self-Efficacy</td>
<td>4.66 (0.43)a</td>
<td>4.44 (0.68)b</td>
<td>4.09 (0.73)c</td>
</tr>
<tr>
<td>Cross-Selling Performance</td>
<td>67.61 (19.04)a</td>
<td>60.41 (17.94)b</td>
<td>44.71 (16.80)c</td>
</tr>
</tbody>
</table>

*Table contains means and standard deviations (in parentheses)

a, b, c Denote statistically significant differences across rows (different superscript = significantly different)

### Measures

To the extent that they exist, the questionnaire consists of reliable, established scales from the marketing literature to measure the salient constructs. The existing scales to be used were adapted, in most cases, to be more applicable to the particular interest of the study; that is, cross-selling. Except where noted, the scales are multi-item in nature and responses were recorded via a Likert-type format with endpoints of strongly disagree (1) and strongly agree (5). Hence, the higher the respondent indicated on the item, the higher the degree of construct being measured. Items with weaker than expected loadings were dropped. The resulting scales used in the study were subjected to Fornell and Larcker's (1981) methods for assessing construct reliability, convergent validity and discriminant validity. Table 2 contains a summary of the scales used, and the specific items can be found in Appendix A. Table 3 also contains scale statistics such as means, standard deviations, and correlations for all variables. Following is an overview of each
construct’s measurement, including construct reliabilities, validity confirmation, and sample items.

<table>
<thead>
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<th>Table 4</th>
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<tr>
<td>Scales Used in the Dissertation</td>
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<tr>
<td>Construct</td>
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<td>Management Commitment to Cross-Selling</td>
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<tr>
<td>Workgroup Commitment to Cross-Selling</td>
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<tr>
<td>Cross-Selling Self-Efficacy</td>
</tr>
<tr>
<td>Cross-Selling Role Clarity</td>
</tr>
<tr>
<td>Cross-Selling Performance</td>
</tr>
</tbody>
</table>
Cross-Selling Training was measured via an adaptation of the organization subset of Futrell et al.’s (1984) Sales Training Index. A sample of the seven-item scale is: “Cross-selling training takes place on a regular basis at our organization.” This scale was created using a Bank Marketing Association sample, with a reported alpha of .86. The complete Sales Training Index consists of three parts: directing, organization, and planning and evaluation. For the sake of parsimony, and because the items most closely matched the concept of perceived cross-selling support, only the organization subset was used. The construct reliability for this scale was .91. The average variance extracted for the scale was .60, exceeding Fornell and Larcker's (1981) recommendation of .50; providing evidence of convergent validity. Likewise, discriminant validity was also exhibited by the scale; average variance extracted exceeds shared variance with the other variables in the study.

Cross-Selling Incentives were measured via a four-item subset of a six-item scale consisting of one item adapted from the pay portion of Churchill et al.’s (1974) job satisfaction scale and three items adapted from the financial portion of Kraimer and Wayne’s (2004) perceived organizational support scale. Again, the items were chosen on the basis of relevance to the present study. Examples from each, respectively, are: “My cross-selling incentives are high in comparison with what others receive for similar work in other companies” and “I cannot complain about the financial benefits associated with my cross-selling efforts.” Construct reliability for the scale was .89. The average variance extracted of .68 exceeded shared variance with the other study constructs, providing evidence of convergent and discriminant validity.

Management Commitment to Cross-Selling was measured using an adapted eight item subset of Mowday et al.’s (1979) nine-item organizational commitment scale. The items were adapted to reflect the employee’s perception of their management’s commitment to the cross-selling initiative within the organization. The precedence for this was provided by Hartline and Ferrell’s (1996) successful adaptation of the scale to measure management’s desire to improve his or her unit’s service quality. Their adaptation resulted in a coefficient alpha of .87. An example item is: “My manager explains to all employees the importance of cross-selling to our customers.” The construct reliability of the scale was .93. Meanwhile, the average variance extracted of
.62 exceeded the shared variance with the other study variables, providing evidence of convergent and discriminant validity.

*Workgroup Commitment to Cross-Selling* is to be measured via the same eight items adapted for the above management commitment to cross-selling scale, only in this case adapted to reflect the degree of commitment to cross-selling exhibited by the employee’s workgroup. An example item is: “My workgroup gains a sense of personal accomplishment in cross-selling to our customers.” The construct reliability was again acceptable at .92. Convergent and discriminant validity were also acceptable with an average variance extracted of .58.

*Cross-Selling Self-Efficacy* was measured via an adaptation of a four-item self-efficacy scale created by Krishnan et al. (2002) to measure an employee’s confidence in the cross-selling context. The items in the scale were originally culled from Sujan et al. (1994) and Chowdhury (1993). An example item includes: “I feel I am very capable at the task of cross-selling.” The construct reliability of the scale of .89 was acceptable. The average variance extracted of .66 exceeded shared variance with the other study variables to exhibit acceptable convergent and discriminant validity.

*Motivation to Cross-Sell* was measured via a combination of two scales, by Sujan et al. (1994) and Bartkus et al. (1994), developed to measure motivation in the selling context. The respective one and three items form a scale to measure an employee’s cross-selling motivation. Example items from each respective scale are as follows: “I spend a lot of time thinking about how my cross-selling performance compares with that of other salespeople,” and “I have a strong need to excel at cross-selling.” With a construct reliability of .82 and an average variance extracted of .54, all reliability and validity requirements were met as set forth by Fornell and Larcker (1981).

*Cross-Selling Role Clarity* was measured via an adapted four-item subset of Chonko et al.’s (1986) role ambiguity scale. Since all items are reverse-coded, with rating scale endpoints of not at all certain (1) and completely certain (5), the scale in effect measures the opposite of role ambiguity; that is, role clarity. Likewise, the items are adapted to reflect role clarity in terms of on the job cross-selling. The resulting scale to be used is a subset using items from the aspects found relevant to the current study: one item from the job aspect, and three items from the supervisor aspect. Example items
of each, respectively, are ("Please indicate your degree of certainty regarding the following statements . . . "): “. . . how often to cross-sell my customers” and “. . . of the method my supervisor will use to evaluate my cross-selling performance.” This scale also met reliability and validity standards with a construct reliability of .83 and an average variance extracted of .55.

There have not generally been any previously published measures of Cross-Selling Performance in the marketing literature. While performance measures that have been used in the past could conceivably be adapted for the purposes of cross-selling specifically, many organizations may not have readily available detailed records specific to results from cross-selling. Because of this and for the sake of simplicity to the respondent, the present study is measuring cross-selling performance via self-report measures. While some have argued that using self-report measures for performance is flawed on account of an upward bias, Churchill et al. (1985, p. 113) concluded that “there is no basis for generalizations that higher correlations can be expected when particular types of performance measures are used as criteria.”

The first of three items developed for this study asks respondents to estimate the percentage of customers to which they are currently cross-selling. The second cross-selling item asks for an on average (that is 0-100%) assessment of how successful they are in their cross-selling efforts. The third item asks the respondent to rank his/her cross-selling performance with others in his/her organization (again, for the sake of uniformity, from 0 to 100). These measures were developed in line with the theoretical definition of cross-selling sales performance set forth in this study (the degree to which the employee perceives to have successfully implemented the organization’s cross-selling initiative to meet the goals and expectations set forth). The first step of successful implementation of a cross-selling initiative, captured in the first item, is simply engaging in the practice of cross-selling. The second item then measures the effectiveness of cross-selling by measuring the percentage of successful efforts. Finally, the third item reflects the respondent’s perception of their relative level of success within their organization.

Principal axis factoring analysis was run to confirm the unidimensionality of the scale; the results found only one dimension with an eigenvalue over 1 (1.832), which explained 61% of the variance. Fornell and Larcker's (1981) method yielded a slightly
lower than acceptable construct reliability of .68, which could have been expected given the ad hoc nature of the scale. Furthermore, since the average variance extracted was also slightly below desirable using the same method (.42), Jöreskog’s (1971) method of determining discriminant validity was used. In this method, correlations of the construct in question are set to one with each other latent variable (sequentially). In each case, fit was found to be significantly worse in the model in which correlation was set to unity (via a chi-square difference test), confirming discriminant validity.

**Data Analysis**

Structural equation modeling was used via LISREL 8.3 to estimate the parameters for testing the proposed model. Structural equation modeling was chosen as the data analysis method for this dissertation primarily for its two distinct capabilities: the estimation of multiple interrelated relationships, and the representation of latent variables while simultaneously accounting for measurement error in the estimation process (Hair et al. 1998). A sample size of 200 has been proposed to be critical in order to make accurate assessments of model fit when using SEM with Maximum Likelihood estimation (Hoelter 1983). Anderson and Gerbing (1988) suggest a two-step approach of structural equation modeling whereby a measurement model is first examined to confirm convergent and discriminant validity, followed by the simultaneous estimation of the measurement and structural models. This approach was adopted for the present study. All analyses used item-level covariance matrices as inputs and maximum likelihood estimation of parameters.

**Measurement Model Results**

The measurement model was tested via confirmatory factor analysis (CFA), with each item constrained to load only on its intended construct. Table 4 includes specific factor loadings for each item and respective R-square values, as well as goodness-of-fit statistics for the CFA. The results of the measurement model were favorable in that all items loaded significantly on their appropriate factor. The reported fit indices were based on the suggestion of Hu and Bentler (1999) to use a dual index reporting strategy, reporting SRMR and CFI (if N < 250) or SRMR and NNFI (if N > 250). Since the
sample is very close to the 250 sample size cutoff, all three indices are reported. The comparative fit index (CFI), which represents model fit relative to the null model, is the most reported fit index in psychology (McDonald and Ho 2002). This is due largely to the fact that it is less sensitive to sample size than most fit indices. The nonnormed fit index (NNFI, a.k.a. Tucker Lewis Index) is similar to the normed fit index (NFI), which is based on a ratio of the hypothesized model fit to the independence model fit, except it adjusts for model complexity (Bollen 1986). Also, the NNFI has been shown to reflect model fit very well at all sample sizes (Bentler 1990). Finally, the standardized root mean square residual (SRMR) has been found to be the index most sensitive to models with misspecified factor covariances or latent structures (Hu and Bentler 1999). The model provided a good fit to the data based on an examination of the fit indices: \(\chi^2\) (df = 791, N = 225) = 1,283.55, p < .05; CFI = .92, NNFI = .91, SRMR = .061. The cutoff point for good fit suggested by Bentler (1992) is around .90 (or higher) for CFI and NNFI. Meanwhile, the suggested cutoff of .08 (or lower) for SRMR (Hu and Bentler 1999) was also met. Therefore, the measurement model displays good fit to the data.

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<th>Factor/Variable</th>
<th>Completely Standardized Loading</th>
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<th>AVE</th>
<th>CR</th>
<th>(\alpha)</th>
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<table>
<thead>
<tr>
<th>Cross-Selling Role Clarity</th>
<th></th>
<th>.55</th>
<th>.83</th>
<th>.88</th>
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<tbody>
<tr>
<td>Cross-Selling Role Clarity 1</td>
<td>a</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Cross-Selling Role Clarity 2</td>
<td>a</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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<td>Cross-Selling Role Clarity 3</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cross-Selling Role Clarity 4</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Cross-Selling Role Clarity 5</td>
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<td>.19</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Cross-Selling Role Clarity 6</td>
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<td>.69</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Cross-Selling Role Clarity 7</td>
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<td>-</td>
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<td>Cross-Selling Role Clarity 8</td>
<td>0.84</td>
<td>.71</td>
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Table 5- continued

<table>
<thead>
<tr>
<th>Factor/Variable</th>
<th>Completely Standardized Loading</th>
<th>$R^2$</th>
<th>AVE</th>
<th>CR</th>
<th>$\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-Selling Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-Selling Performance 1</td>
<td>0.58</td>
<td>.34</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Cross-Selling Performance 2</td>
<td>0.54</td>
<td>.29</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cross-Selling Performance 3</td>
<td>0.80</td>
<td>.63</td>
<td>-</td>
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</tr>
</tbody>
</table>

Confirmatory Factor Analysis

Goodness-of-Fit Statistics:

*Insurance Sample: $\chi^2$ (df = 791, N = 225) = 1283.55, p < .05; CFI = .92; NNFI = .91; SRMR = .061; RMSEA = .051

* p < .05 for all loadings

a Dropped item

Structural Model Results

The hypothesized structural equation model (see Figure 1) was then estimated to evaluate path estimates and overall model fit. The hypothesized model reflected good overall model fit: $\chi^2$ (df = 796, N = 225) = 1,299.68, p < .05; CFI = .91; TLI = .91; SRMR = .065. As with the measurement model, all fit indices are well within their established cutoff points for exhibition of good fit. Table 6 contains specific path coefficients and variances explained for the entire model, in addition to the fit indices listed above.

Hypothesis Testing Results

Table 6 lists the path coefficient for each hypothesis and whether or not it was supported by the data. The same information, along with R-square results for each endogenous variable, can also be seen in graphical format in Figures 3 and 4. The following section examines each hypothesis tested by the model individually in order to assess the results of the data analysis. The discussion is organized in the same manner as the hypotheses themselves, starting with the relationships of the exogenous variables (perceived cross-selling support) with the direct antecedents and moving forward to the relationship among these variables and with cross-selling performance.
Table 6
Structural Model Results
Insurance Sample (N = 225)

<table>
<thead>
<tr>
<th>Hypothesized Paths</th>
<th>T-Values</th>
<th>Path Coefficients</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1A: CS Training → CS Self-Efficacy</td>
<td>0.44</td>
<td>.048</td>
<td>.087</td>
</tr>
<tr>
<td>H1B: CS Training → CS Motivation</td>
<td>-0.58</td>
<td>-.063</td>
<td>.250</td>
</tr>
<tr>
<td>H1C: CS Training → CS Role Clarity</td>
<td>2.76</td>
<td>.260*</td>
<td>.470</td>
</tr>
<tr>
<td>H2A: CS Incentives → CS Self-Efficacy</td>
<td>2.69</td>
<td>.260*</td>
<td></td>
</tr>
<tr>
<td>H2B: CS Incentives → CS Motivation</td>
<td>1.22</td>
<td>.120</td>
<td></td>
</tr>
<tr>
<td>H2C: CS Incentives → CS Role Clarity</td>
<td>2.48</td>
<td>.200*</td>
<td></td>
</tr>
<tr>
<td>H3A: Management Commitment to CS → CS Self-Efficacy</td>
<td>-0.91</td>
<td>-.085</td>
<td></td>
</tr>
<tr>
<td>H3B: Management Commitment to CS → CS Motivation</td>
<td>1.18</td>
<td>.120</td>
<td></td>
</tr>
<tr>
<td>H3C: Management Commitment to CS → CS Role Clarity</td>
<td>4.50</td>
<td>.380*</td>
<td></td>
</tr>
<tr>
<td>H4A: Workgroup Commitment to CS → CS Self-Efficacy</td>
<td>0.50</td>
<td>.052</td>
<td></td>
</tr>
<tr>
<td>H4B: Workgroup Commitment to CS → CS Motivation</td>
<td>3.06</td>
<td>.320*</td>
<td></td>
</tr>
<tr>
<td>H4C: Workgroup Commitment to CS → CS Role Clarity</td>
<td>-0.03</td>
<td>-.002</td>
<td></td>
</tr>
<tr>
<td>H5: CS Self-Efficacy → CS Motivation</td>
<td>3.06</td>
<td>.230*</td>
<td></td>
</tr>
<tr>
<td>H6: CS Self-Efficacy → CS Performance</td>
<td>5.59</td>
<td>.520*</td>
<td>.590</td>
</tr>
<tr>
<td>H7: CS Motivation → CS Performance</td>
<td>4.66</td>
<td>.420*</td>
<td></td>
</tr>
<tr>
<td>H8: CS Role Clarity → CS Motivation</td>
<td>-0.35</td>
<td>-.036</td>
<td></td>
</tr>
<tr>
<td>H9: CS Role Clarity → CS Performance</td>
<td>0.02</td>
<td>.001</td>
<td></td>
</tr>
</tbody>
</table>

Structural Model Results:

Insurance Sample: χ² (df = 796, N = 225) = 1258.14, p < .05; CFI = .91; NNFI = .91; SRMR = .065; RMSEA = .05

Note: CS indicates Cross-Selling for space concerns

* p < .05

Perceived Cross-Selling Support Relationships

As reported in Table 6, the R² values for each endogenous variable hypothesized to be effected by perceived cross-selling support are .087, .250 and .470 for cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity respectively. These figures represent that the model explains 8.7% of the variance of cross-selling self-efficacy, 25% of the variance of motivation to cross-sell, and 47% of the variance of cross-selling role clarity.
Hypotheses 1_A through 1_C are concerned with the impact of cross-selling training on the direct antecedents of cross-selling performance (i.e., cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity). Specifically, Hypothesis 1_A stated that cross-selling training has a positive effect on cross-selling self-efficacy. This path was not found to be significant, therefore, Hypothesis 1_A was not supported. Hypothesis 1_B stated that cross-selling training has a positive effect on motivation to cross-sell. However, Hypothesis 1_B also was not supported. Hypothesis 1_C predicted that cross-selling training has a positive effect on cross-selling role clarity. Hypothesis 1_C was supported with a significant path coefficient of .260 (p < .05). Based on these results, the impact of cross-selling training is only realized through cross-selling role clarity.

Hypotheses 2_A through 2_C examined the impact of cross-selling incentives on cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity respectively. Hypothesis 2_A predicted that cross-selling incentives have a positive effect on cross-selling self-efficacy. This hypothesis was supported with a positive path coefficient of .260 (p < .05). Hypothesis 2_B stated that cross-selling incentives have a positive effect on motivation to cross-sell. This path was not significant at the .05 level. Finally, Hypothesis 2_C predicted that cross-selling incentives have a positive effect on cross-selling role clarity. This relationship was found to be significant at the .05 level (path coefficient of .200). Therefore, cross-selling incentives were found to significantly impact both cross-selling self-efficacy and cross-selling role clarity.

Hypotheses 3_A through 3_C were interested in the impact of management commitment to cross-selling. Hypothesis 3_A stated that management commitment to cross-selling has a positive effect on cross-selling self-efficacy. However, the results provided an insignificant path coefficient, failing to support hypothesis 3_A. Hypothesis 3_B predicted that management commitment to cross-selling has a positive effect on motivation to cross-sell. Hypothesis 3_B was also not supported. Finally, hypothesis 3_C proposed that Management commitment to cross-selling has a positive effect on cross-selling role clarity. The results found a significant path coefficient of .380 (p < .05), supporting Hypothesis 3_C. Therefore, the data analysis finds that the impact of management commitment to cross-selling is evident only on cross-selling role clarity.
Hypotheses $4_A$ through $4_C$ seek to predict the relative impact of workgroup commitment to cross-selling self-efficacy, motivation and role clarity. Hypothesis $4_A$ predicts that workgroup commitment to cross-selling has a positive effect on cross-selling self-efficacy. The path coefficient was insignificant, failing to support Hypothesis $4_A$. Meanwhile, Hypothesis $4_B$, testing the positive impact of workgroup commitment to cross-selling on motivation to cross-sell, was supported. Its path coefficient of .320 was found to be significant at the .05 level. Finally, Hypothesis $4_C$ was not supported. The results acknowledge the impact of workgroup commitment to cross-selling only through its relationship significant with cross-selling motivation.

![Figure 3](image-url)

**Figure 3**
Path Coefficient Results of the Impact of Perceived Cross-Selling Support
Direct Antecedents of Cross-Selling Performance Relationships

The next relationships to be examined are those relating to the impact of cross-selling self-efficacy and cross-selling role clarity on motivation to cross-sell and cross-selling performance, as well as the resultant impact of motivation to cross-sell on cross-selling performance. The R-Square values (representing the variance explained by the model) of motivation to cross-sell and cross-selling performance are .47 and .59 respectively. Thus, 47% of the variance of motivation to cross-sell and 59% of the variance of cross-selling performance were explained by the model. Hypothesis 5 predicted that cross-selling self-efficacy has a positive effect on motivation to cross-sell. With a significant path coefficient of .230 ($p < .05$), Hypothesis 5 was supported by the data. Also supported was Hypothesis 6, which predicted that cross-selling self-efficacy has a positive effect on cross-selling performance. Hypothesis 7 also was found to be significantly strong at .420 ($p < .05$). It predicts that motivation to cross-sell has a positive effect on cross-selling performance. However, the influence of cross-selling role clarity on neither cross-selling motivation nor cross-selling performance was significant. Thus, neither Hypothesis 8 nor Hypothesis 9 were supported by the data. Overall, three of the five hypotheses were found to be significant, with strong relationships evident for the two most vital variables of interest in the study, cross-selling motivation and cross-selling performance.

![Path Coefficient Results of the Impact of Direct Antecedents to Cross-Selling Performance](image_url)

**Figure 4**
Path Coefficient Results of the Impact of Direct Antecedents to Cross-Selling Performance

Note: $^* p < .05$
Chapter 4 Summary

Chapter 4 included an account of every aspect of the method employed in this dissertation. It began with a discussion of the sample used for the purpose of data collection, including its potential drawbacks, response rate and demographic profile. Next there was an in depth discussion of the measures employed for data collection. Among the topics covered were the scales used, reliability and validity assessments and sample items. The data analysis method employed was also discussed, including successful overall fit assessment of both the measurement and structural models. Finally, the hypothesis testing results were examined on an individual basis. Overall, eight of the seventeen study hypotheses were found to be significant. While these results were certainly mixed in terms of specific predictions, arguably the most vital variables exhibited strong relationships. These results and more will be discussed at greater length in Chapter 5.
Chapter 5
DISCUSSION

Chapter Introduction

This dissertation sought to cultivate and test a comprehensive model of the impact of job-related attitudes on cross-selling performance in the context of services (namely insurance sales). The goal was to build on previous salesperson performance literature to help determine the most vital direct antecedents (that is, cross-selling self-efficacy, motivation to cross-sell, and cross-selling role clarity) of high levels of performance in the realm of cross-selling. In the process, this dissertation also sought to better ascertain the relative impact of largely managerially actionable antecedents to these variables (under the umbrella term “perceived cross-selling support”). The empirical results, though mixed, serve to provide interesting findings for cross-selling in the realm of services. In the distinct case examined in this dissertation, not all of the previous selling performance findings apply. These results also have practical implications for insurance sales managers.

Chapter 5 consists of a discussion of the findings of the dissertation, including both the hypotheses supported, as well as potential explanations for the hypotheses that were not supported. Also included in this chapter are the managerial implications for the results of the study. Finally, the limitations of the dissertation will be addressed, along with suggestions for future related research avenues.

Principal Research Findings

The objective of this dissertation was to build and test a comprehensive model of cross-selling performance. Eight of the seventeen study hypotheses tested were supported by the data. A summary of these results is provided in Table 7. Likewise, a reduced theoretical model, showing only significant paths, is represented in Figure 5.
<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Support for Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_{1A}$: Cross-selling training has a positive effect on cross-selling self-efficacy.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{1B}$: Cross-selling training has a positive effect on motivation to cross-sell.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{1C}$: Cross-selling training has a positive effect on cross-selling role clarity.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{2A}$: Cross-selling incentives have a positive effect on cross-selling self-efficacy.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{2B}$: Cross-selling incentives have a positive effect on motivation to cross-sell.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{2C}$: Cross-selling incentives have a positive effect on cross-selling role clarity.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{3A}$: Management commitment to cross-selling has a positive effect on cross-selling self-efficacy.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{3B}$: Management commitment to cross-selling has a positive effect on motivation to cross-sell.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{3C}$: Management commitment to cross-selling has a positive effect on cross-selling role clarity.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{4A}$: Workgroup commitment to cross-selling has a positive effect on cross-selling self-efficacy.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{4B}$: Workgroup commitment to cross-selling has a positive effect on motivation to cross-sell.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{4C}$: Workgroup commitment to cross-selling has a positive effect on cross-selling role clarity.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{5}$: Cross-selling self-efficacy has a positive effect on motivation to cross-sell.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{6}$: Cross-selling self-efficacy has a positive effect on cross-selling performance.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{7}$: Motivation to cross-sell has a positive effect on cross-selling performance.</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{8}$: Cross-selling role clarity has a positive effect on motivation to cross-sell.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>$H_{9}$: Cross-selling role clarity has a positive effect on cross-selling performance.</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>
The path coefficients for the impact of perceived cross-selling support variables are included in an isolated version of the overall model in Figure 3. Of these first twelve hypotheses, five were supported. Cross-selling incentives proved to be the most consistent of these exogenous variables, with two of its three hypotheses supported. Following is an examination of the results in terms of the impact of each study variable.

The Impact of Cross-Selling Training. Cross-selling training was hypothesized (H1a) to have a positive effect on cross-selling self-efficacy. While the path coefficient was in the predicted direction (positive), it was not found to be significant. This is an interesting finding, since it fails to corroborate the results of previous studies that have
linked training to self-efficacy (e.g., Axtell and Parker 2003; Parker 1998). It also stands to reason that training should help to predict an individual’s self-efficacy in virtually any setting. As can be examined in Table 2, cross-selling training was found to have a relatively low mean (3.29). This suggests that the respondents of the study on average reported that cross-selling training was only slightly over average. These results suggest room for improvement, and this relatively low opinion of training received may likely have caused its lack of impact on the study variables.

Hypothesis 1B, predicting that cross-selling training would have a positive impact on cross-selling motivation, was not supported by the data. This finding runs counter to Walker et al.’s (1977) salesperson performance model, which found training to impact selling performance via motivation. An examination of the sample’s demographics serves to potentially shed light on this counterintuitive finding. The largest segment of respondents (38.2%) had over twenty years of insurance experience, while only 2.7% reported less than a year of experience. It could be that many of these highly experienced respondents do not find training to have that big of an impact on their motivation level. It stands to reason that the individual would likely be quite self-motivated to remain in insurance sales for over twenty years. Furthermore, while ongoing training is certainly encouraged by most organizations, a large portion of training takes place at the beginning of an individual’s career. Interestingly, however, the largest segment of the sample (42.7%) also indicated that they had been with their current firm only 1-5 years. Even experienced professionals are expected to attend initial training with their new organization. This would lead one to believe that highly experienced individuals are likely to rely on their own self-efficacy and motivation for success in cross-selling, regardless of how long they’ve been with their current employer.

Of the three hypotheses related to the impact of cross-selling training, only its impact on cross-selling role clarity ($H_{1c}$) was found to be significant. That is, while training did not receive the highest marks from this highly experienced sample, it did impact the sense of cross-selling role clarity experienced by the respondents. This finding, coupled with the other results relating to cross-selling training, would imply that its impact can be fully exploited in establishing clear goals where experienced employees are concerned.
**The Impact of Cross-Selling Incentives.** Of the four perceived cross-selling support variables, the most consistent was cross-selling incentives, with two of its three hypotheses supported by the data. This would seem appropriate given Marchetti’s (1999, p. 58) statement that “your sales compensation plan is probably the most important sales tool there is, period.” Cross-selling incentives were found to have a positive impact on cross-selling self-efficacy, supporting Hypothesis 2A. This finding supports the assertion that incentives provide positive affirmation in the way of a reward for one’s superior performance and competence (Fiske and Taylor 1984). That is, cross-selling incentives serve as an indicator to the employee that they have exhibited competence on the job, thereby increasing cross-selling self-efficacy.

Likewise, Hypothesis 2C, predicting the positive impact of cross-selling incentives on cross-selling role clarity, was supported. This finding gives credence to the idea that a proper incentive program for cross-selling can serve as a guideline to salespeople for prioritization and how best to spend their time. In fact, the impact of cross-selling incentives on cross-selling role clarity (path coefficient of .20) was nearly that of cross-selling training (path coefficient of .26).

With its effects on cross-selling self-efficacy and cross-selling role clarity, cross-selling incentives have been shown here to be more indicative of ability and instructional to the employee than motivational. That is, Hypothesis 2B, stating that cross-selling incentives have a positive effect on motivation to cross-sell, was not supported. The path was not found significant. Once again, this result seems most likely to be influenced by the sample employed for the study. Given that a large portion of respondents had over twenty years of insurance experience, it would stand to reason that they would find their work rewarding in and of itself, which would be indicative of intrinsic motivation (Dyer and Parker 1975). Therefore, this finding supports Herzberg’s (1987) assertion that employees may see incentives as more of a hygiene factor (that only serves to cause unhappiness on the job if not seen as appropriate/sufficient), rather than a source of motivation.

**The Impact of Management Commitment to Cross-Selling.** Only one of the three hypotheses predicting the impact of management commitment to cross-selling was supported by the data. These results are interesting in that, despite its relative lack of
effect on other variables in the study, management commitment to cross-selling was rated relatively high (with a mean of 3.84).

Hypothesis 3C, predicting that management commitment to cross-selling positively effects cross-selling role clarity was supported. Therefore, it would appear that perhaps the most important role of management commitment to cross-selling is to serve as a guide to employees as to their role where a cross-selling initiative is concerned. Of the important facets of management commitment to cross-selling is continuous communication of the importance of cross-selling to the organization and its customers. These results confirm that this communication of the virtues of cross-selling are manifested in clear expectations (i.e., cross-selling role clarity) as to their role as employees in the cross-selling endeavor.

Hypotheses 3A and 3B, on the other hand, were not supported. These hypotheses predicted the positive impact of management commitment to cross-selling on cross-selling self-efficacy and motivation to cross-sell respectively. These findings are curious given their strong background rooted in Bandura’s (1977) social learning theory. That is, an individual’s level of cross-selling self-efficacy, as well as their motivation to cross-sell can be influenced by and learned from their management via role modeling. The lack of support for these two hypotheses is all the more curious when one takes into account the fact that management commitment to cross-selling received high ratings by respondents overall.

Despite the impression of respondents that their management was generally committed to cross-selling, this commitment did not correspond to either their own increased cross-selling self-efficacy or motivation to cross-sell. Clearly, another factor must be at work in this situation. For instance, it could be that the high level of experience of the respondents on average has resulted in a sample that operates with a high degree of autonomy, relative to the average employee. Alternatively, the results could be affected by whether the organization or management has even enacted an official cross-selling initiative. The respondents were asked “Which of the following would you say is your primary reason for cross-selling in your job?” Only 30.7% of respondents reported a company-wide initiative, while only 10.2% reported that their cross-selling was due to their supervisor’s encouragement. Meanwhile, a full 59.1%
reported that their cross-selling efforts were self-motivated. This high degree of self-motivated cross-selling is far from coincidental. First of all, the fact that the sample was, on average, highly experienced in the insurance field is certainly a factor. Through the course of time, with the growth of a client base, insurance salespeople will naturally cross-sell their best customers whether they have a formal directive to do so or not. They would not have lasted that long without having done so. Second, the widely publicized benefits of cross-selling would serve as self-motivation to cross-sell as well. For instance, in an article featured in the trade publication *Best’s Review*, Mack (1997, p.97) relates of the following reasons to cross-sell on a daily basis:

1) The retention of cross-sold accounts is 61 percent higher than those that are not.

2) Since cross-sold accounts have more coverages and services, these accounts produce 31 percent higher premium and commissions.

and

3) Agents and brokers have a two-in-three chance of selling to existing customers vs. a one-in-five chance of successfully selling to prospects.

Finally, selling, in particularly independent insurance selling, is a very autonomous profession. One of the biggest selling points of selling is the flexibility and independence afforded salespeople, especially when compared to other professions.

*The Impact of Workgroup Commitment to Cross-Selling*. Finally, the impact of workgroup commitment to cross-selling was also met with mixed results. These results are not surprising given the independent nature of the sample respondents as just discussed. Hypotheses 4A and 4C, predicting the positive effects of workgroup commitment to cross-selling on cross-selling self-efficacy and cross-selling role clarity respectively, were not supported. Once again, the prediction that Bandura’s (1977) role modeling would impact an employee’s cross-selling self-efficacy (in this case via the workgroup), was not supported. Likewise, there was no evidence for an effect on cross-selling role clarity due to a socialization process (e.g., Jones 1986). Both of these results point to the individualism of the respondents as a primary barrier.

On the other hand, workgroup commitment to cross-selling was found to have a significant, positive effect on motivation to cross-sell (H4B). Two potentially competing
rationales exist for this finding. First, the impact of workgroup commitment to motivation to cross-sell can be attributed to the existence of group norms. That is, if the workgroup is highly committed to cross-selling, then the employee would seek to conform to this group norm in order to receive inherent rewards (e.g., being accepted), leading to increased motivation (Janes and Olson 2000). On the other hand, it can certainly be argued that the competitive nature of salespeople in general can be at work. That is, if the workgroup as a whole is very committed to cross-selling, each salesperson is all the more motivated to be the best in the group. Salespeople are a notoriously competitive group, as evidenced by the common posting of month-to-date sales figures for motivation. This is not to say that both of these theories cannot be at work simultaneously. For instance, the group norm could be based on intense competition where cross-selling is concerned.

Direct Antecedents of Cross-Selling Performance Relationships

Three of the final five hypotheses were supported. The path coefficients for the effects of cross-selling self-efficacy and cross-selling role clarity on cross-selling performance and motivation to cross-sell, as well as the effect of motivation to cross-sell on cross-selling performance are included in an isolated version of the overall model in Figure 4. The results were as expected where cross-selling self-efficacy, motivation to cross-sell, and cross-selling performance were concerned. In fact, the focal variable of the study, cross-selling performance was explained better than any other variable in the model ($R^2 = .59$). However, the relationships among cross-selling role clarity and the other variables were unexpected. Overall, however, the findings reported here help to provide a new dimension to the sales performance literature. Following is an examination of the results in terms of the impact of each study variable.

The Impact of Cross-Selling Self-Efficacy. The results of structural equation modeling found an $R^2$ value of .087 for cross-selling self-efficacy, meaning the model explains 8.7% of the variance of cross-selling self-efficacy. The only perceived cross-selling support variable found to have a significant positive impact on cross-selling self-efficacy was cross-selling incentives. This result again underscores the independent and highly experienced nature of the study sample. Financial incentives to cross-sell were
more effective in increasing cross-selling self-efficacy than cross-selling training, or others (management and workgroup commitment to cross-selling). Despite this relatively low R-Square value, cross-selling self-efficacy did perform as predicted where motivation to cross-sell and cross-selling performance are concerned. Furthermore, the results also reflect the experienced nature of the sample in that the reported mean value of cross-selling self-efficacy was relatively high (mean of 4.53). This finding signals the inherent confidence displayed on average by the sample respondents.

Hypothesis 5 validated (in the realm of cross-selling) many previous studies that found self-efficacy to positively impact motivation (e.g., Chen et al. 2004; Wood and Bandura 1989). The reasoning is that the feelings of confidence brought on by cross-selling self-efficacy result in heightened performance expectations, which ultimately provide a sense of intrinsic motivation (Eden 1992). Continued success leads to increased self-efficacy, which in turn leads to increased motivation and higher levels performance (Bandura 1982), and returning to increased self-efficacy via a sort of feedback loop.

Hypothesis 6 also replicated the results of various studies finding positive relationships between self-efficacy and performance (e.g., Judge and Bono 2001; Prussia et al. 1998; Wood and Bandura 1989). More specific to the present study, this connection between self-efficacy and performance has been reported in a sales setting as well (Bandura 1986; Barling and Beattie 1983; Brown et al. 1998; Chowdhury 1993; Krishnan et al. 2002). In addition to being the highly rated variable in the study, cross-selling self-efficacy also had the most dramatic impact on cross-selling performance, with a path coefficient of .52. Therefore, these common findings were successfully replicated by the present study in the distinct context of cross-selling in services (specifically, insurance).

**The Impact of Motivation to Cross-Sell.** The hypothesized model explained 25% of the variance of motivation to cross-sell ($R^2 = .25$). Despite this result, only cross-selling self-efficacy (as described above) and workgroup commitment to cross-selling were found to significantly effect motivation to cross-sell. Motivation to cross-sell, however, was found to significantly affect cross-selling performance as predicted in Hypothesis 7. Its impact was second only to cross-selling self-efficacy, with a positive path coefficient of .42. This finding echoes the impact of cross-selling self-efficacy, in
that it empirically confirms previous studies (e.g., Bagozzi 1978) in the newly tested context of cross-selling services.

The Impact of Cross-Selling Role Clarity. The results related to cross-selling role clarity were simultaneously encouraging, disappointing, and unusual. The encouraging aspect of these results is the fact that it was second to cross-selling performance in terms of the percentage of variance explained by the hypothesized model ($R^2 = .47$). This is due to three of the four perceived cross-selling support variables significantly affecting cross-selling role clarity (specifically, cross-selling training, cross-selling incentives, and management commitment to cross-selling). Meanwhile, however, the impact of cross-selling role clarity was not as expected. Neither Hypothesis 8, stating that cross-selling role clarity positively affects motivation to cross-sell, nor Hypothesis 9, stating the same for cross-selling performance, were found to be significant. These results are in contrast to previous findings in the marketing literature that found role clarity to affect motivation and performance (e.g., Walker et al 1977). In fact, in their meta-analysis of sales performance, Churchill et al. (1985) found role perceptions (of which role clarity is a member) to be the best predictors of performance. The path coefficients of cross-selling role clarity to motivation to cross-sell and cross-selling performance were -.036 and .001 respectively, indicating very low correlation. Once again, the demographic profile of the sample can be examined for possible explanations to this unexpected outcome. Perhaps the lack of impact of cross-selling role clarity can be attributed to the highly independent, successful, and experienced nature of the sample respondents. Given that they were motivated only by their workgroup’s commitment to cross-selling (competition) and their cross-selling self-efficacy was impacted only by their cross-selling incentives received, it stands to reason that cross-selling role clarity just does not have the same level of motivational impact as their own internal motivation (driven largely by their confidence in their ability to cross-sell). In fact, perhaps cross-selling self-efficacy and cross-selling performance are the only true motivators where these individuals are concerned. The independent nature of sales, especially so in the case of independent insurance agents, lends credence to this possibility. Perhaps cross-selling role clarity could be considered a hygiene factor (Herzberg 1987) in that it is necessary to prevent dissatisfaction, but does not necessarily contribute to employee satisfaction.
Managerial Implications

The empirical examination of this dissertation, in addition to being the first study of cross-selling performance in services, has implications that can be managerially relevant to service organizations in the midst of a cross-selling initiative. The implications discussed here, however, should be tempered by the limitations of the study sample. These limitations will be discussed further in the next section. Ultimately, however, the results can provide a great deal of guidance to insurance agencies, particularly those with experienced independent agents. Additionally, the results can likely be generalized to other service industries, and possibly some physical goods industries as well. The following discussion will touch upon some of the more actionable aspects of the study (perceived cross-selling support), as well as some of the employee attitudes (i.e., cross-selling self-efficacy and motivation to cross-sell) that can help lead to the ultimate goal of exceptional cross-selling performance.

First of these implications is the finding that, at least among independent insurance agencies, there is plenty of room for improvement for cross-selling training. The respondents ranked it relatively low. In the qualitative portion of this study, an insurance agent mentioned lack of training as an impediment to cross-selling, in that agents tended to sell only the products they knew well and with which they were comfortable. This lack of adequate perceived cross-selling training was likely, in fact, a primary reason for its lack of impact in the hypothesized model. This finding certainly suggests that insurance agencies should re-evaluate their training programs, specifically where cross-selling is concerned. Despite this overall lack of impact, however, it was a significant antecedent of cross-selling role clarity. At the very least, therefore, managers should emphasize the importance of training to their staffs as a means of establishing clear expectations of the role of cross-selling in daily on-the-job activities. Given time and financial restraints that are a limitation to all firms, inadequate training is likely an issue across the board for all service and physical goods industries alike. For this reason, it is imperative for all organizations to continuously seek to keep training programs relevant to the necessary job requirements sales representatives face on a day-to-day basis.
Secondly, cross-selling incentives, while not found to be direct motivators of cross-selling, do ultimately affect cross-selling performance through influence on cross-selling self-efficacy. Debate will continue on whether or not financial incentives are effective in motivating employees. However, the results of this dissertation suggest that financial incentives tied to cross-selling initiatives can serve to provide feedback as to the cross-selling competence of employees (i.e., cross-selling self-efficacy) that ultimately does lead to motivation as well as cross-selling performance. Cross-selling incentives can also help to provide cross-selling role clarity through clearly communicating what is expected of the salesperson via appropriate reward systems. Along with continuous monitoring of the appropriateness of training systems, incentive systems should also be under a constant state of scrutiny. If an organization is truly seeking to increase cross-selling among its employees, it must first consider what is rewarded in the existing incentive system. For instance, if monthly sales quotas consist simply of units and/or dollar amounts to be reached, the employee will likely continue selling only the products they feel especially comfortable with. This situation not only may stifle the cross-selling initiative, but also can result in customers whose needs may or may not be effectively met. Conversely, if management provides additional incentive to its sales force to provide its customers with bundles of products to efficiently meet their needs, employees are more likely to take the time and effort to become more comfortable with selling all product lines offered by the firm.

Similarly, management commitment to cross-selling can send a strong message to employees and customers alike as to the importance of cross-selling to the employee, customer, and firm as a whole. Management commitment is all about communication. Management sets the tone for the entire organization. If the importance of cross-selling is communicated on a daily basis, the expectations of its practice are likely to be more clearly understood by employees (resulting in greater cross-selling role clarity).

Workgroups can be a great source of internal competition among salespeople. Assuming the competition level is not taken to the extreme, a workgroup that is highly committed to a cross-selling initiative is likely to increase motivation to cross-sell. Salespeople across all industries are generally quite competitive in nature; this type of employee buy-in can serve to increase that competition, and in turn, increase motivation
to cross-sell. This can be due to employees’ conformity to workgroup norms to continue acceptance within the group. That is, if cross-selling becomes the expected norm among a given workgroup, its members are all the more likely to proactively participate, especially if there are formal or informal contests involved. Further, the impact of workgroup commitment to cross-selling on motivation to cross-sell has implications for the use of sales force mentoring in organizations. Partnerships with more experienced sales representatives who are highly committed to cross-selling can help motivate their less experienced protégés to put forth increased effort toward the cross-selling initiative.

Finally, the findings of this dissertation that are most directly relevant to improved cross-selling performance are related to cross-selling self-efficacy and motivation to cross-sell. These were the two factors that were found to directly and positively affect cross-selling performance. While these same results have been found in sales performance previously, they have never been studied in the context of cross-selling in services until now. Particular to this study, because of the relatively experienced (38.2% of respondents with over 20 years insurance experience), and independent (59.1% were self-motivated cross-sellers) nature of this sample, cross-selling self-efficacy and motivation to cross-sell take on increased importance. While less experienced employees may benefit more from cross-selling training and management commitment to cross-selling in terms of their ultimate performance, experienced salespeople appear to be more intrinsically motivated. This is not to say that cross-selling support is not important to experienced salespeople, just that it is likely to be considerably more important to newer employees who may not yet be fully confident in their abilities. Therefore, just as an organization would seek to customize its marketing efforts to different target segments, so should sales management seek to customize its internal marketing efforts to its employees. Less experienced employees, as can be expected, would likely need a little more guidance at the start of their careers (in the form of perceived cross-selling support). On the other hand, employees that are highly experienced may prefer financial incentives and recognition as indications that they are successful in their chosen profession (leading to increased motivation and, ultimately, increased performance). Ultimately, communication is again the key. Especially with experienced salespeople, with whom
autonomy is a way of life, proactively seeking input to determine the most effective means of motivation is vital.

**Limitations of the Dissertation**

Despite the worthwhile findings reported here, there are limitations to the dissertation. Because of these potential limitations, the findings should be tempered by their inherent context. Among the limitations to be discussed in this section is the limited nature of the hypothesized model, the data collection vehicle of choice and, most noteworthy, the resultant sample.

First of all, as with all studies, the present dissertation is limited to the specific constructs included in the hypothesized model to be tested. Although a rigorous literature review was undertaken to ascertain the appropriate variables to include in this model of cross-selling performance, there invariably are additional variables whose inclusion could be successfully argued. All of the variables used in the dissertation either had theoretical and/or practical argument to warrant their inclusion. For the sake of parsimony, and upon several iterations, a final concise model was agreed upon.

The data collection vehicle of choice is a second potential limitation to this dissertation. Data was collected via an online self-report questionnaire. This format, along with the sampling procedure employed, has the potential for two limitations. First, on account of the difficulty of gaining agreement from organizations to sample their employees, a convenience sample was used. In this case, individuals were contacted via e-mail to ask for participation. This type of convenience sampling, although necessary, can often lead to response bias. In this case, it is possible that, given the subject matter of the survey, individuals would be more likely to respond if they were especially successful at cross-selling. Also, since the survey was online, there was also the chance that respondents were more tech savvy than their nonresponding counterparts. Second, the self-report nature of the questionnaire relies on the respondents’ perception of the variables measured. This may be particularly noteworthy in the case of cross-selling performance. Objective sales figures, while exponentially more difficult to collect, would have been preferred in general.
Finally, and most notably, the resulting sample obtained is an inherent limitation to the dissertation. The sample consists exclusively of independent insurance sales representatives. The fact that only insurance agents were surveyed for this study may potentially limit the generalizability of the results. Upon the completion of data collection, additional limitations, related to the sample, were discovered. Specifically, the sample respondents were found to be highly experienced, successful, and independent on average. These biases in the sample seemed to influence the results in that the impacts of perceived cross-selling support variables were greatly overestimated. This bias, likely to be even more apparent given the relatively independent nature of insurance agents, would likely be less evident if the study were replicated with a different sample. More discussion of this possibility is included in the next section.

**Recommendations for Future Research**

Given the promising results that were obtained, coupled with the inherent limitations to the dissertation just discussed, there are many potential avenues of further research that can be explored. Among these additional research suggestions are additional samples employed for the purpose of replication, comparisons of services to goods cross-selling, additional constructs that can be included in a comprehensive model, and cross-selling productivity.

The most elemental and promising area for additional fruitful research would be to replicate the model with different samples. For instance, another category of service providers that would be ideal for such an investigation would be that of bank employees. While cross-selling is as prevalent in banking as it is in insurance, the nature of the bank employee is considerably different from that of the insurance agent. The inherent independence of the insurance respondents is in stark contrast to the more team-oriented approach common in most banks. It would stand to reason that the importance of perceived cross-selling support would be amplified with a sample such as this.

Banks, when compared to insurance agencies, have been relatively slow in successfully converting the idea of cross-selling into reality. The national average number of products sold to retail customers in 2000 was only 2.8; this data was from the banks that had the ability to track cross-selling, which was less than half of the banks
surveyed (Cochero 2000). A general lack of a sales culture has been identified as one of the potential reasons for a less-than-ideal cross-selling atmosphere in banking. A 2001 survey showed some promise for the future. Among the data reported, 65.8 percent of banks had a CEO who likes to sell (signaling management commitment to selling), with 59.2 percent paying incentives for sales, 51.8 percent tracking cross-selling, and 44.9 percent having trained sales representatives (ABA 2001). It would appear that the gap between cross-selling discussion and cross-selling practice is decreasing, making the banking industry increasingly attractive as a research target.

There are other sample-related avenues for further research that could prove fruitful as well. For instance, the study results could be dramatically different if samples were compared based on their experience. That is, the perceived cross-selling support variables would once again likely gain in importance for samples of employees with less experience than the one employed in the present study. A comparison of a cross-selling performance model for services and that for physical goods could also provide an interesting contrast.

The research stream could also be enhanced with an expansion of the current model. There are many additional constructs that could likely be included based on their potential impact on cross-selling performance. Some potential examples that have been linked to some of the variables included in the dissertation model are organizational commitment, job satisfaction, and customer orientation. For instance, the hypothesized outcomes of Steers’ (1977) model of organizational commitment include a strong desire and intent to remain with the organization, employee retention or turnover, attendance, and job performance.

Measurement of the job satisfaction construct has been related to many job aspects, such as the supervisor, the work itself, pay, promotion opportunities, and coworkers (Brown and Peterson 1993). Organizations are primarily concerned with the following work outcomes associated with job satisfaction: performance, organizational commitment, propensity to leave, and turnover (Brown and Peterson 1993). The causal direction of the job satisfaction/performance relationship has been argued from both sides in the literature. Many studies have found performance to be an antecedent to satisfaction (e.g., Bagozzi 1978, 1980; Park and Holloway 2004; Yılmaz and Ozdemir
2000). Others contend that the relationship between the two constructs may be spurious due to common antecedents (e.g., Behrman and Perreault 1984; Dubinsky and Hartley 1986). Others still (e.g., Cotham 1968; Hafer and McCuen 1985) have not found the relationship to be statistically significant.

Customer orientation could especially be an interesting variable to include in additional models of cross-selling performance. In effect, customer orientation is an individual implementation of the marketing concept, under which all firm activities are aimed toward providing customer satisfaction and establishing long-term, mutually beneficial relationships with its market (Kotler 1980). Dubinsky and Staples (1981), in an effort to determine whether salespeople were taking a marketing concept perspective in their individual work, found that salespeople tend to prefer selling techniques that allow them to meet the needs of their customers. Hence, there was reason to believe that salespeople can adopt the marketing concept on an individual basis (i.e., a customer orientation). Job satisfaction (Hoffman and Ingram 1992) and organizational commitment (Kelley 1992; O’Hara et al. 1991) have both been found to be positively related to customer orientation among salespeople. Furthermore, customer orientation has been characterized in the literature as being an important trait of high performers in sales (Kelley 1992; Taylor 1986). Therefore, given its importance in relationship marketing, research on the potential influence of customer orientation on cross-selling performance is warranted.

It also may be interesting to examine cross-selling performance from the customer’s point of view. Perhaps an examination of cross-selling service quality or satisfaction could be explored to add a new twist to an expansive literature available on those topics. An examination of what practices best contribute to favorable customer responses to cross-selling would be especially helpful to sales managers and sales representatives alike.

Finally, an additional measure of the efficiency of cross-selling performance, cross-selling productivity, could be examined. Since this is not an area that has yet been examined, it could prove an exceptionally fruitful avenue to help determine the variables that help to improve cross-selling productivity of the service employee. While the economic benefits of relationship marketing are highly publicized and rarely questioned,
the additional utility to be gained (given the extra effort that a cross-selling initiative requires) may be a worthwhile consideration for some organizations. In other words, it must be established whether the additional costs that accompany a cross-selling initiative (e.g., training and opportunity costs arising from time spent training leading to less time to focus on new business, etc.) will be offset by the additional profitability gained from successfully servicing existing customers with additional products.
APPENDIX A

MEASURES USED

Cross-Selling Training (Organization)—Futrell, Berry, and Bowers (1984)

1-5 Strongly disagree-Strongly agree

1. Cross-selling training takes place on a regular basis at our organization.
2. Management provides the necessary budget for cross-selling training.
3. Most personnel in selling roles seem to make use of the information provided them in cross-selling training sessions.
4. We have good facilities for cross-selling training.
5. Management supports the cross-selling training program.
6. The degree of managerial support for the cross-selling training program is recognized by the staff.
7. The cross-selling training program motivates our employees to want sales success.


1-5 Strongly disagree-Strongly agree

1. My cross-selling incentives are high in comparison with what others receive for similar work in other companies.
2. My pay gives me incentive to increase my cross-selling efforts.*
3. My cross-selling ability largely determines my earnings in this company.*
4. The financial incentives and allowances for cross-selling provided by my company are good.
5. I have received generous financial support from my company for my cross-selling efforts.
6. I cannot complain about the financial benefits associated with my cross-selling efforts.
Management Commitment to Cross-Selling- adapted from Mowday, Steers, and Porter (1979) organizational commitment scale

1-5 Strongly disagree-Strongly agree

1. My immediate supervisor feels strongly about improving the quality of our organization’s cross-selling efforts.
2. My immediate supervisor enjoys discussing cross-selling with people in our organization.
3. My immediate supervisor gains a sense of personal accomplishment in cross-selling to our customers.
4. My immediate supervisor explains to all of us the importance of cross-selling to our customers.
5. My immediate supervisor often discusses cross-selling with people outside of our organization.
6. Cross-selling to our customers is the number one priority of my immediate supervisor.*
7. My immediate supervisor is willing to put in a great deal of effort beyond that normally expected in order to help our organization cross-sell to our customers.
8. The way that my immediate supervisor feels about cross-selling is very similar to the way our organization feels about cross-selling.
9. My immediate supervisor really cares about cross-selling.

Workgroup Commitment to Cross-Selling- Adapted from Mowday, Steers, and Porter (1979) organizational commitment scale

With workgroup being those peers in your organization currently performing the same job function as you:

1-5 Strongly disagree-Strongly agree

1. My workgroup feels strongly about improving the quality of our organization’s cross-selling efforts.
2. My workgroup enjoys discussing cross-selling with people in our organization.
3. My workgroup gains a sense of personal accomplishment in cross-selling to our customers.

4. My workgroup explains to all other employees the importance of cross-selling to our customers.

5. My workgroup often discusses cross-selling with people outside of our organization.

6. Cross-selling to our customers is the number one priority of my workgroup.*

7. My workgroup is willing to put in a great deal of effort beyond that normally expected in order to help our organization cross-sell to our customers.

8. The way my workgroup feels about cross-selling is very similar to the way my organization feels about cross-selling.

9. My workgroup really cares about cross-selling.

**Cross-Selling Self-Efficacy- Adapted from Krishnan, Netemeyer and Boles (2002)**

1-5 Strongly disagree-Strongly agree

1. I know the right thing to do in cross-selling situations.

2. Overall, I am confident of my ability to cross-sell.

3. I feel I am very capable at the task of cross-selling.

4. I feel I have the capabilities to successfully cross-sell on the job.

**Motivation—Motivational Orientation (Performance)—Sujan, Weitz, Kumar (1994) and Bartkus et al. (1994)**

1-5 Strongly disagree-Strongly agree

1. I evaluate my cross-selling performance using my supervisor's criteria.*

2. I try very hard to improve on my past cross-selling performance.

3. It is very important to me that my supervisor sees me as good at cross-selling.*

4. I very much want my co-workers to consider me good at cross-selling.*

5. I feel very good when I know I have outperformed other salespeople in my company at cross-selling.*

6. I always try to communicate my cross-selling accomplishments to my manager.*
7. I spend a lot of time thinking about how my cross-selling performance compares with the performance of other salespeople.*
8. I have a strong need to excel at cross-selling.
9. I try to think of better ways to cross-sell.
10. I try to cross-sell better than others in my organization.

**Role Clarity**

**Role Ambiguity—Chonko, Howell, and Bellenger (1986)- scale reverse to reflect role clarity**

Please indicate your degree of certainty regarding the following statements:
1-5 Not at all certain – Completely certain

1. …how best to cross-sell a customer*
2. …about how much time I should spend on cross-selling aspects of my job*
3. …when to cross-sell my customers*
4. …where to get cross-selling assistance*
5. …how often to cross-sell my customers
6. …of the method my supervisor will use to evaluate my cross-selling performance
7. …how satisfied my supervisor is with my cross-selling performance
8. …how my cross-selling goals are set
9. …that my cross-selling performance is a critical factor in the determination of my promotion and advancement*
10. …how my supervisor expects me to allocate my cross-selling time among my accounts*

**Cross-Selling Performance**

**Measure created**

1. To what percentage of your customers are you currently cross-selling (0-100%)?
2. On average, how often are you successful in your cross-selling effort (0-100%)?
3. If you were to rank yourself against other salespeople/employees in your organization, how would your cross-selling performance compare? (indicate a number from 0 to 100. For example, if you have the best cross-selling
performance in your organization, give yourself 100. If you have the worst cross-selling performance, give yourself a 0. If you are right in the middle, give yourself a 50.)

* Dropped item
APPENDIX B
DATA COLLECTION INSTRUCTIONS FOR PARTICIPANTS

2006 Cross-Selling Survey

I am a Doctoral Candidate under the direction of Dr. Michael D. Hartline (phone: 850-644-7859 / e-mail: mhartlin@cob.fsu.edu) in the Department of Marketing at Florida State University. I am conducting this survey in conjunction with my dissertation, studying the impact of job-related attitudes on cross-selling performance. I am requesting your participation, which will involve completing a short survey. It will take you about twenty-five minutes to fill out this questionnaire. You must be at least 18 years old to participate.

Your participation is purely voluntary. If you choose not to participate or to withdraw from the study at any time, there will be no penalty. The questionnaire is confidential. The results of the research study may be published, but neither your name, nor that of your employer, will be released. Information obtained during the course of the study will remain confidential, to the extent allowed by law. Furthermore, the completed questionnaires will be kept only until the data are entered into the computer, at which time all questionnaires will be destroyed. If you have questions about your rights as a participant in this research, you can contact the Chair of Human Subjects Committee, Institutional Review Board, through the Office of the Vice-President for Research, at (850) 644-8633.

If you have any questions concerning the research study, please call me at (850)644-4417 or e-mail jjz02@garnet.acns.fsu.edu. Return of the questionnaire will be considered your consent to participate. Additionally, upon completion of the project, a summary of the survey will be available for your review. The summary will have no identifying information. If you would like a copy of the summary, please contact me via either the above telephone number or e-mail listed above.

Thank you!

Sincerely,

James J. Zboja

The questions are not meant to embarrass you. Your answers will be kept confidential and will be combined with others and used only for research purposes. It is important that you answer every item. Please respond to each item honestly and accurately. For the purpose of this questionnaire, cross-selling is defined simply as “offering current customers additional products or services that can provide added value for them.”
APPENDIX C
HUMAN SUBJECTS COMMITTEE APPROVAL

Office of the Vice President For Research
Human Subjects Committee
Tallahassee, Florida 32306-2742
(850) 644-8673 · FAX (850) 644-4392

APPROVAL MEMORANDUM

Date: 4/28/2006

To:
James Zboja
1648 Eagles Landing Blvd. # 117
Tallahassee, FL 32308

Dept.: MARKETING

From: Thomas L. Jacobson, Chair

Re: Use of Human Subjects in Research
Cross-Selling Performance in Services: An Internal Marketing Perspective

The forms that you submitted to this office in regard to the use of human subjects in the proposal referenced above have been reviewed by the Secretary, the Chair, and two members of the Human Subjects Committee. Your project is determined to be Exempt per 45 CFR § 46.101(b) 2 and has been approved by an accelerated review process.

The Human Subjects Committee has not evaluated your proposal for scientific merit, except to weigh the risk to the human participants and the aspects of the proposal related to potential risk and benefit. This approval does not replace any departmental or other approvals, which may be required.

If the project has not been completed by 4/25/2007 you must request renewed approval for continuation of the project.

You are advised that any change in protocol in this project must be approved by resubmission of the project to the Committee for approval. Also, the principal investigator must promptly report, in writing, any unexpected problems causing risks to research subjects or others.

By copy of this memorandum, the chairman of your department and/or your major professor is reminded that he/she is responsible for being informed concerning research projects involving human subjects in the department, and should review protocols of such investigations as often as needed to insure that the project is being conducted in compliance with our institution and with DHHS regulations.

This institution has an Assurance on file with the Office for Protection from Research Risks. The Assurance Number is IRB00000446.

Cc: Michael Hartline
HSC No. 2006.0103
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BIOGRAPHICAL SKETCH

Jim Zboja is a doctoral candidate at Florida State University and Assistant Professor in the Marketing department at Eastern Michigan University. He earned both B.B.A. and M.B.A. degrees in Marketing from Middle Tennessee State University. Prior to attending Florida State University, Jim gained six years of sales experience with organizations such as Campbell Soup Company, ADT Security, and BellSouth Mobility, Inc. His primary research interests include personal selling/sales management, services marketing, consumer coupon use, and consumer social influence. His work has appeared in such journals as *Journal of Nonprofit and Public Sector Marketing*, *Journal of Services Marketing*, and *Journal of Retailing and Consumer Services*. He has also presented at conferences such as American Marketing Association, Society for Marketing Advances, and Association of Marketing Theory and Practice. Jim prides himself on excellence in the classroom. Born in Chicago, Jim is a long-suffering Cubs fan. He also enjoys tennis and music in his free time.