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of Marketing

## The Formation of a Cross-Selling Initiative Climate and its Interplay with Service Climate

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Keywords:	cross-selling initiative climate, felt accountability, bottom-line mentality, sales-service performance, service climate

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## The Formation of a Cross-Selling Initiative Climate and its Interplay with Service Climate

### Abstract

**Purpose**—This study explores the formation and consequences of a cross-selling initiative climate, as well as how a service climate, which provides an important boundary condition, affects both its formation and its ultimate impact on service–sales performance. This article identifies two important predictors of a cross-selling initiative climate: frontline employees’ perceptions of supervisors’ bottom-line mentality and their own sense of accountability.

**Design/methodology/approach**—The multilevel data set includes 180 frontline staff and supervisors (team leaders) from 31 teams employed by a spa/beauty salon chain. Hierarchical linear modelling and partial least squares methods serve to analyse the data.

**Findings**—Supervisors’ bottom-line mentality disrupts a cross-selling initiative climate; a sense of accountability exerts a positive impact, at both individual and team levels. A service climate at the team level weakens the impact of a sense of accountability on a cross-selling initiative climate. A cross-selling initiative climate has a positive effect on team-level service–sales performance, but this effect is weakened by the service climate.

**Originality/value**—This study conceptualises an important frontline work unit attribute as a climate. It offers an initial argument that a cross-selling initiative climate is a central factor driving a work unit’s service–sales performance, which can increase firms’ productivity and competitive advantages. With this initial attempt to explore the antecedents and consequences of a cross-selling initiative climate, the study also offers novel insights into the interplay between a service and a cross-selling initiative climate.

**Keywords**—cross-selling initiative climate, service climate, felt accountability, bottom-line mentality, sales–service performance

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3 As established in multi-climate literature, climate is a facet-specific construct that reflects a  
4 specific attribute of a general organizational environment. In this general environment,  
5 multiple attributes co-exist, which lead to various climates (Schneider *et al.*, 1998; Zohar,  
6 2008). Although multiple climates commonly exist in any organization, the interplay among  
7 these multiple climates and their joint impact on performance has rarely been addressed in  
8 prior climate literature.  
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16 In service research, a service climate describes the shared process of collective  
17 sensemaking about the quality of service delivery (Salanova *et al.*, 2005; Schneider *et al.*,  
18 1998). A service climate that encourages staff to provide quality service and satisfy  
19 customers as best they can is crucial, and significant research and managerial attention has  
20 been devoted to it (e.g., Jiang *et al.*, 2016). However, in addition to service goals, firms  
21 embrace cross-selling as a strategic goal for their customer-facing service operations, using  
22 cross-selling initiatives during the service delivery (Huter, 2013; Yu *et al.*, 2013). The service  
23 climate is well studied, yet the climate associated with frontline staff taking the initiative to  
24 cross-sell—or a cross-selling initiative climate—during service delivery has not been  
25 explored, in terms of either its formation or its consequences. When sales becomes a key  
26 performance parameter, the contributions of frontline service operations to the bottom line  
27 become more explicit, which improves both the strategic position and the productivity of  
28 firms' frontline operations (Bonner, 2013). Because a frontline service unit focuses  
29 simultaneously on satisfying customers and cross-selling to improve productivity, it becomes  
30 crucial to understand the interplay of service and cross-selling initiative climates.  
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48 In particular, frontline service staff generally have been hired and trained to deliver  
49 services, yet they also may be held accountable to meet sales targets (Jasmand *et al.*, 2012).  
50 They may feel frustrated with frontline supervisors who overemphasise sales performance  
51 and the bottom line at the expense of customer service (Greenbaum *et al.*, 2012). Faced with  
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3 this reality, new employees frequently rely on fellow team members, whom they observe so  
4 that they can learn how to deliver quality service and cross-sell (Girish, 2010). The proximal  
5 work context thus creates a critical contingency factor, as predicted by emerging theory on  
6 work unit climates (Beus *et al.*, 2010).  
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11 Other emerging research also examines the co-existence of different climates in  
12 companies to explore how they relate and jointly affect performance. This cross-roads,  
13 marked by the intersection of the relatively well-established service climate concept and the  
14 novel addition of sales, in a cross-selling initiative climate, is relevant to companies that seek  
15 to turn frontline service encounters into selling opportunities; investigating this link also can  
16 extend marketing theory relative to the performance of service firms. By studying this cross-  
17 selling initiative climate, the current study seeks to turn a spotlight on the proactive activities  
18 that are essential to cross-selling (i.e., recognising an opportunity in the service encounter),  
19 moving beyond automatic recommendations for standard offerings that tend to be highlighted  
20 in previous research on service–sales ambidexterity (Jasmand *et al.*, 2012; Yu *et al.*, 2013).  
21 This point is crucial: When they introduce cross-selling during service delivery, firms often  
22 receive complaints and concerns (Yeates, 2016). Our study acknowledges the importance of  
23 cross-selling during service delivery but also considers how a bottom-line mentality (i.e.,  
24 short-term–focused mindset) might affect the cross-selling initiative climate.  
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41 By examining the formation and consequences of a cross-selling initiative climate, along  
42 with its interplay with a service climate, this study thus offers three main contributions. First,  
43 it examines how employees' beliefs about their unit's proactive cross-selling behaviour  
44 determine the service and sales performance achieved by teams (i.e., team service–sales  
45 performance). Cross-selling implementation processes often are marked by unexpected  
46 obstacles and setbacks, and a collective sense of the importance of cross-selling initiatives  
47 among team members might help overcome such barriers (Baer and Frese, 2003).  
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3           Second, this research assesses whether holding employees responsible for coming up  
4 with solutions to the challenges of cross-selling is conducive to the formation of a cross-  
5 selling initiative climate. In particular, (shared) felt accountability (Hochwarter *et al.*, 2005)  
6 might predict such a climate, and an operational manager's dominant or exclusive emphasis  
7 on sales might further influence this cross-selling initiative climate. A leader's bottom-line  
8 mentality thus provides a second, relevant antecedent of a cross-selling initiative climate. The  
9 impacts of self- and leader-induced responsibilities may vary across individual employees, as  
10 well as across work groups that develop unique solutions (Mathieu and Kohler, 1990).  
11 Accordingly, this study examines the influence of both individual- and group-level predictors  
12 of a cross-selling initiative climate (Kidwell *et al.*, 1997).  
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24           Third, multiple climates exist in frontline service teams; this study takes a novel view to  
25 focus on their interaction and, specifically, whether a team's focus on service delivery  
26 excellence affects the impact of self- and leader-induced responsibilities on the formation of  
27 the cross-selling initiative climate. The service climate also might influence the impact of the  
28 cross-selling initiative climate on the service and sales performance of boundary-spanning  
29 service teams. By considering these interactive effects, the current study extends some recent  
30 research that probes multiple climates in specific work contexts (Walumbwa *et al.*, 2010).  
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40           To deliver on these intended contributions, the next section presents a conceptual  
41 framework that acknowledges that a cross-selling initiative climate in service delivery units is  
42 critical to team service–sales performance. Felt accountability and the bottom-line mentality  
43 of operational managers constitute two relevant predictors in this framework. The hypotheses  
44 predict that team service climate moderates both the formation and the impact of a cross-  
45 selling initiative climate. Using survey data from the service employees and team leaders of a  
46 nationwide, multi-site firm that provides health spa and beauty services, the authors test the  
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3 predicted relationships; the findings suggest some notable theoretical and managerial  
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5 implications.

### 6 7 **Conceptual Background**

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9 Personal initiative in an organizational context implies employees' self-started,  
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11 proactive, goal-oriented, persistent role behaviours, which signal a longer-term focus (Rank  
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13 *et al.*, 2004). Initiative reflects employees' efforts to handle challenges that, at first glance,  
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15 might not relate directly to their core tasks. When strategic imperatives expand, such as when  
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17 cross-selling responsibilities are included with service delivery operations, individual  
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19 employees must establish and pursue self-set goals instead of assigned ones (Frese *et al.*,  
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21 1997). Cross-selling goals might not be specified clearly by supervisors, and frontline service  
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23 employees frequently are unfamiliar with selling tactics. Therefore, employees need to define  
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25 active goal attainment strategies; proactively anticipate problems, challenges, and  
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27 opportunities; and reflect on how to address any issues before they arise (de Jong and de  
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29 Ruyter, 2004). For example, when a frontline service employee has an opportunity to sell  
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31 multiple services, she or he might act proactively or decide not to pursue this opportunity,  
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33 after noting the potential negative consequences (e.g., customer dissatisfaction due to  
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35 interrupted service delivery). Finally, it is important that employees show persistence,  
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37 because cross-selling goals and the effort it takes to attain them likely lead to unexpected  
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39 setbacks (Fay and Frese, 2001). Cross-selling in particular requires sales skills and product  
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41 knowledge, which service staff may lack. If a frontline service employee is accustomed to  
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43 providing quality service, she or he likely confronts challenges when also required to conduct  
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45 sales tasks, which cover a broader range of performance parameters.

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47 Initiative also exists at the workgroup level (Brav *et al.*, 2009). In teams, frontline service  
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49 providers coordinate and balance diverse, sometimes conflicting performance objectives (i.e.,  
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51 service quality standards vs. cross-selling targets at the workgroup level). Frontline teams  
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3 also need to learn different ways to complete unfamiliar tasks. Selling tactics may not  
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5 immediately yield results and even could be detrimental to service performance standards. In  
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7 this sense, employee teams must persist and adapt to achieve success (Frese *et al.*, 1997). To  
8  
9 address the challenges related to cross-selling, employees might seek guidance from their  
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11 work unit's collective appraisal of priorities and norms, because they are trying to determine  
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13 which behaviours are likely to be rewarded (Zohar and Luria, 2004). As a collective  
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15 sensemaking process, a team climate relates inextricably to a specific strategic focus. As  
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17 Schneider *et al.* (1998, p. 151) explain, "a climate must be a climate for something," such as  
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19 one that encourages employees to take the initiative to attain cross-selling goals. The focal  
20  
21 construct for this study, cross-selling initiative climate, reflects individual perceptions of the  
22  
23 team climate pertaining to cross-selling initiative practices, as sensed by each team member.  
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25 This approach is based on the notion of psychological climate, as developed by James and  
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27 colleagues (1990), who conceptualise climate as an individual employee's perception of the  
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29 facets of the work environment that impact him or her. A team climate might emphasise and  
30  
31 reward initiatives aimed at realising transactional goals, but it likely coexists with a team's  
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33 service climate, defined as the "perceptions of the practices, procedures, and behaviors that  
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35 get rewarded, supported, and expected with regard to customer service and customer service  
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37 quality" (Schneider *et al.*, 1998, p. 151). Service teams traditionally focus almost exclusively  
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39 on service excellence (Lytle *et al.*, 1998), and adding a sales orientation may require  
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41 distinctive skills or create increased competition for resources (Jasmand *et al.*, 2012).  
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46 Recent research (Yu *et al.*, 2015) also reveals that performing cross-selling and service  
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48 delivery is an operational balancing act. To describe this balancing act in more detail, the  
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50 current study considers the interplay of a cross-selling initiative climate and a service climate  
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52 in the same work environment. Jasmand *et al.* (2012) point out that service and sales are  
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54 distinctive; though they both likely have impacts on customer satisfaction, their influences  
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3 move through different mechanisms. Customer service attempts to fulfil customers' needs  
4 using their existing product consumption portfolios, but cross-selling aims to change  
5 customers' product consumption to meet needs that cannot be satisfied by their current  
6 product consumption portfolio. This distinctive, interdependent, complementary view of  
7 service and cross-selling has been supported by service–sales ambidexterity scholars (Yu *et*  
8 *al.*, 2013).  
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16 In relation to frontline service teams, social cognition theory suggests that employees  
17 learn what is expected of them by observing and listening to others (e.g., supervisors, co-  
18 workers), and these actors are central to norm enforcement (Bandura, 1997). Work units  
19 tasked with cross-selling contain multivalent entities with varying responsibilities. Therefore,  
20 it is necessary to consider both self- and supervisor-induced influences on cross-selling  
21 climate perceptions. If employees are governed by expectations and standards that hold them  
22 responsible for decisions and behaviours relative to certain performance objectives (Beu and  
23 Buckley, 2004), they experience a subjective sense of accountability. Unlike a prescribed or  
24 formal appraisal system, this sense of felt accountability reflects the “implicit or explicit  
25 expectation that one's decisions or actions will be deemed important or noteworthy, and will  
26 be subject to evaluation by salient others with the belief that there exists the potential for one  
27 to receive either rewards or sanctions” (Hochwarter *et al.*, 2005, p. 518). Self-imposed  
28 responsibilities to achieve cross-selling likely encourage employees to undertake cross-  
29 selling initiatives within their workgroup.  
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46 In contrast, an operational leader who over-emphasises sales targets might hinder the  
47 development of a cross-selling initiative climate. If operational managers prefer “hard” sales  
48 targets that can be easily monitored over soft performance parameters, they might develop a  
49 myopic focus on profit, which constitutes a bottom-line mentality, or “1-dimensional thinking  
50 that revolves around securing bottom-line outcomes to the neglect of competing priorities”  
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3 (Greenbaum *et al.*, 2012, p. 343). This narrowly focused orientation toward transactions and  
4 financial returns can conflict with other organizational goals (Appelbaum *et al.*, 2005).  
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6 Despite recognition of the dysfunctional nature of a bottom-line mentality (Sims, 1992) and  
7 of supervisors' ability to engineer work climates (Walumbwa *et al.*, 2010), extant research  
8 lacks a clear understanding of the impact of a supervisor's bottom-line mentality on team  
9 climates. This study accordingly proposes that both felt accountability for selling and a  
10 supervisor's focus on bottom-line implications are fundamental norm enforcement  
11 mechanisms in a cross-selling climate (Greenbaum *et al.*, 2012; Tetlock, 1992). They  
12 determine shared perceptions of what is important in social systems (e.g., work teams).  
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22 Finally, *service–sales performance* refers to a team's overall service and sales  
23 performance. Because an organization's climate is an attribute specific to that organization, it  
24 leads to unique, associated outcomes. For example, a service climate likely affects service  
25 performance and service behaviours within the unit (Bowen and Schneider, 2014). Similarly,  
26 a cross-selling initiative climate should exert an impact on sales performance. For the current  
27 investigation of the consequences of the interplay of service and cross-selling initiative  
28 climates, the focal outcomes must be associated with both service and cross-selling—namely,  
29 service–sales performance. Frontline service sales teams often have both service and sales  
30 targets, so by exploring service–sales performance, rather than service or sales performance  
31 alone, this study provides a broader view of the effects of both service and cross-selling  
32 initiative climates when they interact.  
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46 On the basis of these insights, the conceptual framework details the antecedents and  
47 consequences of a cross-selling initiative climate and its interaction with a team service  
48 climate (see Figure 1). It also informs the hypotheses that follow.  
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52 Insert Figure 1 About Here

### 53 54 55 **Hypotheses Development** 56 57 58 59 60

### ***Individual-Level Antecedents***

Hackman (1987) states that a crystallised, normative structure is a crucial condition for ensuring a shared sense of a team's purpose. However, the perceived need to adhere to such a structure may be more important than the actual norm content (Argote, 1999). Felt accountability implies self-set goals, in that employees feel obliged to perform certain behaviours because of their own convictions. When they perceive accountability as an obligation to themselves, employees anticipate and pursue attitudes and behaviour that can benefit the firm, as opposed to those that might be evaluated more critically (Erdogan *et al.*, 2004). If there is a strong sense of accountability for cross-selling for example, it should foster gestalt perceptions of "the way things are around here" (Reichers and Schneider, 1990, p. 22), such that frontline employees have implicit guidelines about which decisions and behaviours are desirable. If employees feel responsible for the implementation of certain goals, they may infer which actions will be monitored and attempt to be as proactive as possible (Ferris *et al.*, 1995). Felt responsibility for cross-selling in particular should produce a cross-selling initiative climate, designed to meet sales performance objectives. Subjectively felt accountability also leads to self-set goals; when employees feel they are responsible for cross-selling, they are more likely to engage in active role fulfilment efforts (Frink and Klimoski, 2004). Felt accountability motivates employees to invest in solutions that enhance their performance and address challenges (Erdogan *et al.*, 2004). Thus,

H<sub>1</sub>: Employees' sense of accountability has a positive influence on the cross-selling initiative climate at the individual level.

In contrast, a supervisor's bottom-line mentality implies goals that are not self-set but rather are uni-dimensional and imposed. This scenario conflicts with the self-starting goal development associated with cross-selling initiative taking. When operational managers exhibit such a mentality, they probably dislike unconventional cross-selling initiatives, such

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3 as unproven ideas that might result from trial-and-error initiative processes (Frese *et al.*,  
4 1996). A one-dimensional win-lose mentality that revolves around bottom-line outcomes  
5 also encourages frontline employees to view their co-workers as competitors, because it  
6 frames “winning” or performing well against the benchmark of others who perform less well.  
7 Conversely, if others are doing well, their success becomes a threat. This mentality likely  
8 breeds competitiveness, such that co-workers are perceived as potential opponents (Sims,  
9 1992; Sims and Brinkman, 2002; Wolfe, 1988). If the bottom line is a game to be won,  
10 adversarial relationships and the myopic pursuit of a single outcome are prioritised, at the  
11 expense of other organizational priorities (Wolfe, 1988). This prioritisation threatens a sense  
12 of psychological safety for the workgroup, which likely is required for group members to  
13 come up with initiatives that are conducive to sustainable cross-selling. Focusing only on  
14 meeting bottom-line demands might encourage them to cut corners and reap low-hanging  
15 fruit, at the expense of quality or ethical considerations. As Levinson (1970) argues, an  
16 exclusive focus on quantifiable results obscures important aspects of team initiatives, as  
17 outcomes of a shared vision. In line with social cognition theory (Bandura, 1986), a  
18 supervisor’s bottom-line mentality may encourage frontline employees to mimic this point of  
19 view, with negative influences on the cross-selling initiative climate. Formally,

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H<sub>2</sub>: Supervisor bottom-line mentality has a negative influence on the cross-selling initiative climate at the individual level.

### ***Group-Level Antecedents***

Chan (1998) argues that the same construct may differ qualitatively at various levels and thus yield different impacts. For example, he proposes that a climate, as perceived by individuals and groups, has different theoretical meanings and thus distinct impacts. Because all staff members in a particular team are exposed to similar aspects of their work environment, such as the culture, customers, and goals, they tend to share homogenous

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3 experiences, leading to shared beliefs within teams (Schneider *et al.*, 2002). However, these  
4 shared beliefs may vary from one team to another. By definition, the perceived management  
5 style should vary across teams, because each team is managed by a different team leader,  
6 which can account for additional variance.  
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11 Chan (1998) also proposes a typology of composition models for aggregating and  
12 interpreting the same constructs from lower to higher levels. Among the five composition  
13 models—additive, direct consensus, referent-shift consensus, dispersion, and process—the  
14 direct consensus model is the most widely used. It defines “the meaning of the group-level  
15 construct [as] the consensus among the lower level variables” (Schneider *et al.*, 2002, p. 220).  
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17 Although it is similar to the direct consensus model, the referent-shift consensus model  
18 moves the referent prior to the consensus assessment, and this new reference point represents  
19 the higher-level construct (Chan, 1998). These composition models provide a framework for  
20 aggregating lower-level responses gathered from frontline staff to indicate shared perceptions  
21 in a team. Specifically, the direct consensus model aggregates individual felt accountability to  
22 the team level, as a measure of shared felt accountability within the team, defined as the  
23 team’s perception that its members are accountable for their cross-selling tasks. The referent-  
24 shift consensus model then moves the reference point for bottom-line mentality to a team  
25 level, such that the individual responses aggregated to the team level represent the team’s  
26 shared perception of the supervisor’s bottom-line mentality.  
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44 This approach acknowledges that work units develop their own norms and standards of  
45 behaviour, reflecting the unique properties of each group (Mathieu and Kohler, 1990).  
46 Initiative taking should reflect shared processes within the work unit (Brav *et al.*, 2009).  
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48 Through interactions and communication, frontline employees examine and interpret issues  
49 from their co-workers’ viewpoints, which affect their interpretations of accountability and  
50 bottom-line mentality (Schneider and Reichers, 1983). Employees also intentionally employ  
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3 strategies to influence their co-workers' perceptions and drive socially acceptable outcomes  
4 (de Jong and de Ruyter, 2004). In- and out-group dynamics differentiate shared beliefs across  
5 teams. Distinct information gets shared within work groups, yielding differences in opinion  
6 across groups (Van Yperen and Snijders, 2000). The unique characteristics of each frontline  
7 service unit (e.g., size, location, history, customer diversity) mean that shared perceptions of  
8 accountability and bottom-line mentality likely vary across teams, whereas internally, teams  
9 have "collective expectations in which decisions and behaviors are subject to evaluation and  
10 justification by a salient organizational agent(s)" (Wallace *et al.*, 2011, p. 843).  
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20 Because these hypothesised relationships between felt accountability and bottom-line  
21 mentality at the individual level capture the main effect of individual-level antecedents,  
22 without addressing the influence of contextual similarities among the team members and  
23 differences across members in different teams, the current study uses a direct consensus  
24 model (Chan, 1998) to predict the team-level impacts of felt accountability and bottom-line  
25 mentality. This extension should offer additional predictive power related to felt  
26 accountability and bottom-line mentality, beyond what H<sub>1</sub> and H<sub>2</sub> can capture. That is, the  
27 perceptions of felt accountability and bottom-line mentality among frontline staff within a  
28 single service team should be homogeneous but also can produce unique variations in the  
29 cross-selling initiative climate, beyond individual-level assessments. At an aggregate level, a  
30 sense of accountability shared by employees suggests a collective process of sensemaking  
31 regarding how the workgroup will be held responsible for achieving cross-selling goals; their  
32 similar perceptions of their manager's bottom-line mentality reveal how this orientation  
33 might influence cross-selling initiative taking (Frink and Klimoski, 2004). Therefore:  
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50 H<sub>3</sub>: A team-level sense of accountability has a positive influence on the individual-level  
51 cross-selling initiative climate.  
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3 H<sub>4</sub>: A team-level view of bottom-line mentality has a negative influence on the  
4 individual-level cross-selling initiative climate.  
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#### 7 ***Team Service Climate as a Cross-Level Moderator*** 8

9 Performing cross-selling responsibilities during service delivery means that frontline  
10 service teams confront multiple goals. Although a sense of accountability and a bottom-line  
11 mentality likely shape cross-selling initiative climates, the cross-selling concepts themselves  
12 also may interact with prevalent beliefs in frontline workgroups, reflecting the existing  
13 service team climate. Group-level process variables can function as cross-level moderators in  
14 the relationship between employee perceptions and behaviours, because climate defines  
15 which behaviours are valued within the team. Liao and Chuang (2007) report a positive  
16 interaction between service climates and transformational leadership. In contrast, (seemingly)  
17 inconsistent goals have negative impacts on employee attitudes (Cropanzano *et al.*, 2001). As  
18 felt accountability and supervisor bottom-line mentality shape the cross-selling initiative  
19 climate, they also interact with the consensual service climate perceptions that guide  
20 employees' role behaviours (Zohar, 2008). Such cross-level interactions provide an  
21 opportunity for a conceptual and theoretical exploration of complementary team goal systems  
22 (Walumbwa *et al.*, 2010). For example, if employees focus on providing high quality service,  
23 their scripted and discretionary actions result in the prioritisation of service over any sense of  
24 accountability for cross-selling initiatives. This dominant focus also should diminish the  
25 impact of a bottom-line mentality by the team's supervisor, even if clear opportunities exist  
26 to take cross-selling initiatives. A high level of climate can substitute for leadership (Kerr and  
27 Jermier, 1978), so a climate for service might negate the impact of supervisor attitudes in the  
28 cross-selling initiative climate. If the focus on customer service overrides cross-selling facets,  
29 the effects on the cross-selling initiative climate should diverge. Therefore, the presence of a  
30 high-level service climate may attenuate the impacts of a sense of accountability and bottom-  
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3 line mentality on the cross-selling initiative climate, due to the competing, distinctive nature  
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5 of these two climate orientations. Formally,

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7 H<sub>5</sub>: The relationships of the individual-level (a) sense of accountability and (b) bottom-  
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9 line mentality with the individual-level cross-selling initiative climate are attenuated by  
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11 team-level service climate.  
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### 13 ***Consequences of the Cross-Selling Initiative Climate at the Team Level***

14  
15 Companies seek to allow and stimulate employees' cross-selling initiatives, which can  
16  
17 improve organizational, team, and individual effectiveness (Frese *et al.*, 2007). Personal  
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19 initiative is particularly important for service companies, because as Rust *et al.* (2000) report,  
20  
21 proactive changes lead to market share improvements. Service delivery operations are  
22  
23 characterised by relatively high levels of demand and performance heterogeneity, and firms  
24  
25 rely substantially on employees to take the initiative to improve service delivery processes  
26  
27 and be persistent in dealing with operational fluctuations. A cross-selling initiative climate  
28  
29 should trigger frontline employees to be proactive and persist in their efforts to seek creative  
30  
31 solutions that can meet cross-selling objectives. In contrast, employees who lack cross-selling  
32  
33 initiative have difficulty achieving selling task requirements, which often results in  
34  
35 performance failures (Jaramillo *et al.*, 2007). Although climate may have an indirect impact  
36  
37 on performance, through staff behaviour (Zohar *et al.*, 2015), empirical data also show that  
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39 climate could have direct impacts on related performance elements, such as the influence of a  
40  
41 safety climate on safety performance (Zohar, 2008). Therefore:  
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46 H<sub>6</sub>: A team-level cross-selling initiative climate has a positive influence on team-level  
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48 service–sales performance.  
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### 50 ***Service Climate as a Moderator***

51  
52 In a work environment in which service excellence is valued highly, employees focus on  
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54 meeting customers' service delivery expectations, which makes it less likely that cross-selling  
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3 initiatives translate into higher performance. For example, employees will not close a sale if it  
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5 conflicts with service standards or the customer's interest, resulting in an imbalance in their  
6  
7 service-sales performance (Evans *et al.*, 1999). Alternatively, a stronger emphasis on various  
8  
9 ways to achieve cross-selling performance might diminish the attention devoted to service  
10  
11 quality, which would lead to poorer service-sales performance overall. A cross-selling  
12  
13 initiative climate instead may produce good service-sales performance, because it satisfies  
14  
15 customers' needs by changing or expanding their product consumption portfolios (Jasmand *et*  
16  
17 *al.*, 2012). The team thus increases its sales volume, and the customers' needs are well met  
18  
19 with new products or services. If a strong emphasis on the service climate instead leads the  
20  
21 team to try to satisfy customers' needs with existing products, there will be no increase in  
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23 sales volume, and it will weaken the impact of the cross-selling initiative climate on service-  
24  
25 sales performance. Therefore,  
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29 H<sub>7</sub>: A service climate weakens the relationship between a cross-selling initiative climate  
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31 and service-sales performance at the team level.  
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### 33 **Methodology**

#### 34 ***Study Context and Sample***

35  
36 Cross-selling remains a challenge in different service contexts (Patterson *et al.*, 2014;  
37  
38 Schmitz *et al.*, 2014). Frontline staff must identify cross-selling opportunities by listening to  
39  
40 and observing customers, to determine which offerings might best meet their manifest or  
41  
42 latent needs. In the beauty and spa salon services sector, cross-selling is particularly  
43  
44 important (ManageMySpa Whitepaper, 2014; Shea, 2012). This industry, which involves  
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46 "places devoted to enhancing overall well-being through a variety of professional services  
47  
48 that encourage the renewal of mind, body, and spirit" (ISPA, 2012), exhibits impressive sales  
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50 growth in many markets (McNeil and Ragins, 2005), especially in Thailand, Australia, and  
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52 China. In 2012, the overall industry encompassed approximately 71,600 spas that generated  
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3 US\$73 billion in revenues (Ellis, 2012). Technological innovations support customer  
4 relationship management initiatives, seamless supplier integration, and the online  
5 personalisation of services. A myriad of cross-selling opportunities also have emerged. Core  
6 services such as massages and beauty treatments seek to enhance physical and mental well-  
7 being; they are personalised and delivered in aesthetically relaxing servicescapes, and the  
8 service delivery process is extensive. Service staff generally are encouraged to cross-sell  
9 other core services (e.g., facials, aromatherapies) or products (e.g., creams, oils, soaps,  
10 shampoos), as well as healthy cuisine, dietary consulting services, pedicure or manicure  
11 services, fitness clinics, or wedding services, making it an ideal context for the current study.  
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22 With the cooperation of a nation-wide beauty and spa salon services provider, the authors  
23 collected data from frontline employees in the salon network. The majority of customers and  
24 staff are women. The frontline employees are organized to work in teams.  
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### 29 ***Data Collection, Measures, and Analysis Strategy***

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31 Questionnaires were distributed to all 295 frontline staff in 45 branches of a national  
32 beauty salon and spa chain. The frontline staff in each branch constitute a team. The 196  
33 usable questionnaires received represent a 66% response rate. A comparison of the size of the  
34 staff and the response rate per team ensured sufficient sample sizes for each team (Lüdtke *et*  
35 *al.*, 2008); if less than half of a team responded, it was excluded from further analysis. The  
36 final sample thus consisted of 180 employees, representing 31 teams. The spa chain's senior  
37 management confirmed that the geography and size of these teams were representative of the  
38 national network. In terms of team and staff demographic characteristics, no significant  
39 differences emerged between responsive and nonresponsive teams.  
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50 The measurement scales came from previously validated measures in extant literature  
51 and used seven-point Likert scales. Three items captured the sense of *accountability*, taken  
52 from Hochwarter *et al.* (2005). The measures used "I" as the referent point for felt  
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3 accountability. At the individual level, it indicates the person's sense of accountability. With  
4 the reasonable sample size from each unit (i.e., at least 50%), aggregating these individual  
5 views on felt accountability can represent shared felt accountability at the team level. For  
6 *bottom-line mentality*, four items came from Greenbaum *et al.* (2012). Supervisor (team  
7 leader) ratings of their own bottom-line mentality might provide a more objective measure,  
8 but this study focuses on individual team members' perceptions of their supervisor, and how  
9 that perception influences their interpretation of the work unit climate. Thus, perceived  
10 bottom-line mentality (rated by the staff) is a more appropriate measure. The aggregated  
11 bottom-line mentality measures indicate perceived bottom-line mentality at the team level.

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22 The *team service climate* was measured with four items, on a scale developed by de Jong  
23 *et al.* (2004); it refers solely to the team-level service climate, obtained through the  
24 aggregation of the individual team members' perceptions. The *cross-selling initiative climate*  
25 involved 15 items, adapted from Raub and Liao (2012), who test both one- and four-factor  
26 models in their effort to develop a measure of an initiative climate. Their hypothesised four-  
27 factor model fit the data reasonably well, but the correlations were too high, suggesting  
28 multicollinearity issues, and the same concern arose for the current study data when  
29 investigating cross-selling initiative climate on four dimensions. In line with Raub and Liao's  
30 (2012) recommendation, the current study thus uses a one-factor model. Operationally, the  
31 referent for this type of climate is a property of the collective, but the measures involved  
32 individual perceptions of that property, to be able to approximate shared beliefs. If members  
33 of a work unit express agreement, their individual perceptions are shared and can be  
34 aggregated to characterise the work unit; still, these perceptions remain the property of each  
35 individual. The use of "we" in these measures also reflects an individual assessment of a  
36 collective sensemaking process (e.g., "the way we do things around here"). Individual  
37 members constitute teams, and the cross-selling initiative climate construct reflects the  
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3 perceptions of the compositional elements (employees) who represent the reference point for  
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5 the higher-order unit (team).  
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7 For *team service–sales performance*, two items were adapted from Demerouti *et al.*  
8  
9 (2005) to measure team leaders' perceptions of service and sales performance. In line with  
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11 current service–sales ambidexterity operationalisations, service and sales are interdependent  
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13 and nonsubstitutable (Gibson and Birkinshaw, 2004; Jasmand *et al.*, 2012). Therefore, the  
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15 interaction term reflects simultaneous service–sales performance (team sales performance ×  
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17 team service performance) and gauges the impact of employees' cross-selling initiatives  
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19 while serving customers. This approach is appropriate if the phenomenon being rated is  
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21 straightforward and clear, and the attribute is familiar and unambiguous to raters (as is the  
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23 case for sales and service performance evaluations by team leader). Rossiter (2002) refers to  
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25 these constructs as “doubly concrete,” to distinguish them from more complex “abstract”  
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27 constructs that may have multiple interpretations and therefore require multiple items to  
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29 represent them. Each team leader is in charge of a team, but regular meetings and information  
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31 sharing grant them a clear sense of how their team performs relative to other teams. In  
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33 addition, each team leader is in charge of closing sales and talking to customers after they  
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35 have consumed the service, so they are in a good position to comment on the service and  
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37 sales performance of the team, more so than the individual service–sales team members.  
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39 Therefore, team leaders assess team-level service–sales performance.  
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44 When necessary, the question items were adapted to suit the study context, as indicated  
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46 by a pilot test. The items, their factor loadings, composite reliability, and average variance  
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48 extracted (AVE) are in the Appendix. The sense of accountability, bottom-line mentality, and  
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50 team service climate were aggregated measures of the mean individual scores for each team.  
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52 This approach makes it possible to explore the group effects, because a measure can refer to  
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54 two constructs—for the team and for individual members (Kenny and La Voie, 1985).  
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3 Several other factors might influence both the cross-selling initiative climate and team  
4 service–sales performance. Therefore, this study controlled for heterogeneous characteristics  
5 among team members, including differences in their ages, gender, positions, teams, and  
6 industry, in multilevel analyses (Wallace *et al.*, 2011). This step ensured a more robust test of  
7 the hypotheses.  
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13 Studying the group and individual processes simultaneously required hierarchical linear  
14 modelling (HLM) (Hofmann, 1997; Liao and Chuang, 2004; Seibert *et al.*, 2004). By group  
15 mean-centring the individual-level variables and grand mean-centring the group-level  
16 variables, it is possible to distinguish within- from between-group variance (Bryk and  
17 Raudenbush, 1992). With HLM, the dependent variable needs to be at the lowest level  
18 (Raudenbush *et al.*, 2004), or the employee level for the current study. Because the test of  
19 team service–sales performance occurs at the team level, which is not the lowest level, it is  
20 technically not possible to use HLM to estimate the effect of a cross-selling initiative climate  
21 on team service–sales performance or the potential moderating effect of a team service  
22 climate (H<sub>6</sub> and H<sub>7</sub>). Instead, cross-selling initiative climate and team service climate were  
23 aggregated to the team level, using their mean values, and then partial least squares (PLS)  
24 served to test H<sub>6</sub> and H<sub>7</sub> (Ringle *et al.*, 2005).  
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### 39 ***Reliability and Validity Checks***

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41 To establish convergent and discriminant validity, a confirmatory factor analysis,  
42 performed with structural equation modelling software (AMOS), assessed the measurement  
43 properties of the items (Diessner *et al.*, 2008). The values for the chi-square/degrees of  
44 freedom (3.07), goodness-of-fit index (.72), adjusted goodness-of-fit index (.67), root mean  
45 square error of approximation (.11), standardised root mean square residual (.05), normed fit  
46 index (.82), and comparative fit index (.87) were acceptable (Byrne, 2001). The check for  
47 within-method convergent validity considered the significance and magnitude of item  
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3 loadings. The results (see the Appendix) revealed composite reliability values greater than .70  
4 (felt accountability .77; bottom-line mentality .94; team service climate .93; cross-selling  
5 initiative climate .97), in support of construct reliability (Nunnally and Bernstein, 1994). For  
6 within-method convergent validity, all items loaded significantly on their respective  
7 constructs (minimum  $t$ -value = 7.37) and had standardised loadings of at least .50 (felt  
8 accountability .63–.82; bottom-line mentality .83–.95; team service climate .80–.93; cross-  
9 selling initiative climate .80–.88).

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18 The check for discriminant validity followed Fornell and Larcker's (1981) recommended  
19 procedure. The AVE values for each construct were as follows: felt accountability .54 (square  
20 root = .73), bottom-line mentality .80 (square root = .89), team service climate .78 (square  
21 root = .88), and cross-selling initiative climate .70 (square root = .84). Thus, the square root  
22 of the AVE for each construct exceeded its shared variance (intercorrelations) with all other  
23 constructs, in support of discriminant validity. A pairwise comparison of all constructs (i.e.  
24 felt accountability, bottom-line mentality, team service climate, and cross-selling initiative  
25 climate) using individual-level data also emerged through a series of two-factor confirmatory  
26 measurement models. As the results in Table 1 show, the chi-square difference tests indicated  
27 statistically significant ( $p < .01$ ) differences between the constrained (correlation between two  
28 constructs constrained to unity) and unconstrained (free estimation of the correlations)  
29 models, which further supports discriminant validity (Anderson and Gerbing, 1988; Zhang *et*  
30 *al.*, 2016).

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Insert Table 1 About Here

### ***Aggregated Statistics***

The individual employees assessed their teams (Klein and Kozlowski, 2000). Several tests confirmed that their perceptions of the sense of accountability, bottom-line mentality, and team service climate were shared beliefs within teams but varied across individuals and

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3 teams. First, an interrater reliability coefficient (*Rwg*) that measured shared beliefs within  
4 each team helped reveal within-group agreement (Dixon and Cunningham, 2006; James *et*  
5 *al.*, 1993; Schneider *et al.*, 2003). The *Rwg* values all were above the .6 threshold for  
6 acceptable interrater agreement (felt accountability .93; bottom-line mentality .82; team  
7 service climate .83; cross-selling initiative climate .97). This high degree of interrater  
8 reliability implied that perceptions were shared within teams (Glick, 1985). Second, the  
9 calculated intraclass correlation coefficients, ICC(1) and ICC(2), supported the tests for  
10 convergence within a team (Liao and Chuang, 2004). The between-group and within-group  
11 mean square values came from a one-way analysis of variance (ANOVA) table, used to  
12 calculate ICC(2) according to the formula provided by Bliese (1998). The ICC(1) coefficients  
13 were all greater than or close to .12, with significant ANOVA test statistics (*F*) (felt  
14 accountability .08; bottom-line mentality .19; team service climate .12; and cross-selling  
15 initiative climate .17). The ICC(2) coefficients were as follows: felt accountability .35,  
16 bottom-line mentality .58, team service climate .43, and cross-selling initiative climate .55  
17 (Bliese, 1998; Kenny and La Voie, 1985). That is, the ICC(2) values for felt accountability  
18 and team service climate were low (de Jong *et al.*, 2005). However, when the *Rwg* value is  
19 high, group variance is significant, and aggregation is justified by the theory, a low ICC(2)  
20 value should not prevent the aggregation of the focal constructs (Liao and Chuang, 2007).  
21 Thus the aggregation of felt accountability, bottom-line mentality, service climate, and cross-  
22 selling initiative climate to the team level proceeded. Because cross-selling initiative climate  
23 is conceptualised as a psychological climate, with a focus on individual perceptions, it also  
24 was appropriate to assess it at the individual level (Glick, 1985).

### 50 ***Hypotheses Tests***

51  
52 The results obtained from the HLM software to test  $H_1$ – $H_5$  are in Table 2 (Raudenbush *et*  
53 *al.*, 2004). The null model included only cross-selling initiative climate, and its ICC(1) was  
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3 equal to .17, such that 17% of the variance in employees' perceptions of the cross-selling  
4 initiative climate resided between teams, and 83% resided within teams. This significant  
5 between-team variance suggests that the use of HLM is appropriate (Marrone *et al.*, 2007).  
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Insert Table 2 About Here

The results for H<sub>1</sub> and H<sub>2</sub>, pertaining to the influences of an individual-level sense of accountability and individual-level supervisor bottom-line mentality on the individual-level cross-selling initiative climate, are in Table 2. In Model 2 (M2), sense of accountability ( $\gamma = .31, p < .01$ ) and the perception of the manager's bottom-line mentality ( $\gamma = -.08, p < .05$ ) were significantly associated with cross-selling initiative climate, in support of H<sub>1</sub> and H<sub>2</sub>. With HLM, it is possible to estimate felt accountability simultaneously at individual (H<sub>1</sub>) and team (H<sub>3</sub>) levels (though at the team level, it is called "shared felt accountability," denoting the sense of accountability shared among members of the team; see Wallace *et al.*, 2011). That is, this study examines the impact of (shared) felt accountability on the formation of the cross-selling initiative climate at both levels. Also in Table 2, the results for H<sub>3</sub> and H<sub>4</sub> reveal that the team-level sense of accountability had a positive influence on the individual-level cross-selling initiative climate ( $\gamma = .57, p < .01$ ), and the team-level bottom-line mentality exerted a negative influence on the individual-level cross-selling initiative climate ( $\gamma = -.23, p < .01$ ), in support of H<sub>3</sub> and H<sub>4</sub>.

To test H<sub>5</sub>, which predicted that team-level service climate would attenuate the relationships of the individual-level (a) sense of accountability and (b) bottom-line mentality with the individual-level cross-selling initiative climate, two cross-level interaction terms entered Model 3 (M3). The results revealed a negative moderating effect of team service climate on the relationship between team members' felt accountability and cross-selling initiative climate, in support of H<sub>5a</sub> ( $\gamma = -.40, p < .01$ ) but not H<sub>5b</sub>. To facilitate interpretation of the significant moderating effect of team service climate, HLM generated Figure 2, which



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2  
3 illustrates the moderating effect of team service climate related to H<sub>5a</sub>. Low moderation is one  
4 standard deviation below the mean of the level-2 moderator; high moderation is one standard  
5 deviation above this mean (Raub and Liao, 2012). As illustrated in Figure 2, team service  
6 climate weakens the impact of felt accountability on cross-selling initiative climate. When  
7 team service climate is high, the relationship between felt accountability and cross-selling  
8 initiative climate is weaker.

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Insert Figure 2 About Here

To test for the predicted positive relationship between team-level cross-selling initiative  
climate and team-level service–sales performance (H<sub>6</sub>) and the moderating effect of team-  
level service climate that weakens this relationship (H<sub>7</sub>), employee-level perceptions of the  
cross-selling initiative climate and service climate were aggregated to the team level.  
Supervisor (team leader) ratings provided the measure of service–sales performance. Then  
the PLS path modelling included the same set of control variables. The relationships of cross-  
selling initiative climate, team service climate, and team service–sales performance all were  
estimated at the team level. As the results in Table 3 show, there is a significant positive  
relationship between cross-selling initiative climate and service–sales performance ( $\beta = .49, p$   
 $< .01$ ); this relationship is negatively moderated by service climate ( $\beta = -.41, p < .01$ ), in  
support of H<sub>6</sub> and H<sub>7</sub>. As illustrated in Figure 3, cross-selling initiative climate has a stronger  
impact on service–sales performance when team service climate is low than when it is high.

Insert Table 3 About Here/Insert Figure 3 About Here

### Discussion and Implications

The push for cross-selling during service delivery has the potential to boost firm  
revenues. However, implementing such a strategic imperative is neither easy nor  
straightforward. This study examines whether a cross-selling initiative climate might

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3 contribute to a more effective alignment of sales and service objectives; in turn, it contributes  
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5 to service–sales ambidexterity literature in several important ways.

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7 Conducting cross-selling during service delivery is common in various professional  
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9 service industries. Although each service industry possesses unique characteristics, some  
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11 commonalities exist among them (von Nordenflycht, 2010). The current study refers to a  
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13 beauty and spa salon context, but the findings should transfer to other service industries that  
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15 share similar characteristics and conduct cross-selling during service delivery. Beauty and spa  
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17 salons, as professional services, represent the fashion styling industry, in which firms provide  
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19 highly intense, personalised services, and interactions between customers and frontline staff  
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21 are frequent (Lu *et al.*, 2015; Wu *et al.*, 2014). Hair salons are part of this industry too;  
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23 tourism and hospitality, and even retail banking to a certain extent (Yu *et al.*, 2013), all  
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25 possess similar characteristics too. During face-to-face interactions with customers, service  
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27 staff in these sectors are required to perform cross-selling while also delivering service.  
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31 The empirical evidence supports the prediction that a cross-selling initiative climate  
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33 influences service–sales performance at the team level. When frontline staff undertake the  
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35 effort to do the right thing, without being directed, it is reflective of their ability to meet sales  
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37 performance demands (Frese *et al.*, 1997). These results are particularly encouraging; a cross-  
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39 selling initiative climate exerts a direct influence on team service–sales performance. Noting  
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41 the potential benefit of additional insights on the association between service and sales  
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43 performance, this study includes an interaction term (team service  $\times$  team sales performance).  
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45 That is, frontline service sales teams often have both service and sales targets, so exploring  
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47 service–sales performance, rather than service or sales performance separately, yields a more  
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49 accurate and context-specific picture of the impacts of both service and cross-selling initiative  
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51 climates. However, caution is required in interpreting these results, because the findings  
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3 regarding the impact of the cross-selling initiative climate on team service–sales performance  
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5 only reveal an overall picture.  
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7 Because the organization’s climate constitutes a specific attribute of an organizational  
8 environment, it can yield different implications and consequences. Initiative climates have  
9 been studied before, but this study is the first to focus on an initiative climate in a cross-  
10 selling context and explore its direct impact on performance. For example, Raub and Liao  
11 (2012) consider how staff take initiative in response to general work issues, but the current  
12 study focuses specifically on cross-selling–related initiative climates. In terms of the impacts  
13 of the initiative climate, Raub and Liao (2012) establish a link between initiative climate and  
14 proactive customer service performance, whereas this study establishes a direct link between  
15 a cross-selling initiative climate and service–sales performance. In this sense, the current  
16 study focuses on a specified climate and explores its impact more broadly (i.e., including  
17 sales performance in addition to service). In turn, it more precisely captures team attributes  
18 related to taking cross-selling initiatives and suggests how to build a specific initiative  
19 climate among a frontline service team to achieve service–sales performance. Furthermore,  
20 this study extends Raub and Liao’s (2012) work by distinguishing service and cross-selling as  
21 climates, to reflect the dual emphasis on service and cross-selling orientations in frontline  
22 service teams. The results are encouraging; they provide direct support for the link between  
23 cross-selling initiative climate and service–sales performance but also reveal how the service  
24 climate may moderate the impact of the cross-selling initiative climate on service–sales  
25 performance.  
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48 By examining the influence of a sense of accountability and a supervisor’s bottom-line  
49 mentality at both individual and team levels, this study also addresses a gap in prior literature.  
50 Felt accountability and bottom-line mentality have been examined solely at an individual  
51 level of analysis, despite calls for group-level conceptualisations and measures (e.g., Gelfand  
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3 *et al.*, 2004). The HLM approach can account for both individual and group variance in the  
4 formation of a cross-selling initiative climate, which is worthwhile because in multiple-outlet  
5 service organizations, heterogeneous or proximal work context beliefs can shape opinions  
6 and behaviours (Schneider and Reichers, 1983). Group-level measures of a sense of  
7 accountability and bottom-line mentality enhance explanations of a cross-selling initiative  
8 climate. That is, shared perceptions of felt accountability and bottom-line mentality are  
9 conducive to the creation of a climate related to cross-selling initiatives. The climate can be  
10 influenced or induced by supervisors, but climate literature also indicates that a psychological  
11 climate refers to the meaning that each individual member in a team attaches to his or her  
12 work context (Schneider and Reichers, 1983), which can be measured using individual  
13 perceptual measures and analysed at individual or aggregated levels (Glick, 1985). In the case  
14 of a cross-selling initiative climate, it indicates how members within the team perceive and  
15 make sense of cross-selling initiative practices in psychologically meaningful ways (Rentsch,  
16 1990). Staff members' sense of accountability for cross-selling influences their perceptions  
17 and interpretations of cross-selling initiative practices in their team, and thus the cross-selling  
18 initiative climate.

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Achieving both service and sales ultimately is an operational balancing act; service and sales objectives and beliefs often conflict in the pursuit of divergent goals but also can be complementary and interdependent (Jasmand *et al.*, 2012). The lack of any negative relationship between cross-selling initiative climate and team service performance is consistent with the notion that service and sales are interdependent and complementary (Yu *et al.*, 2013). The empirical data also suggest that the cross-selling initiative climate and the service climate are distinctive and yet closely related, again consistent with service–sales ambidexterity literature. Considering the co-existence of multiple climates helps reveal the interplay of a service climate and a cross-selling initiative climate. For individual employees,

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3 the impact of felt accountability on cross-selling initiative taking decreases when their work  
4 unit focuses primarily on the delivery of service excellence. This study adds nuance to the  
5 complex interplay of the core tasks of service delivery and the imperatives of cross-selling for  
6 shaping frontline employees' willingness to take a cross-selling initiative to reconcile  
7 seemingly conflicting operational demands. At the team level, the impact of the cross-selling  
8 initiative climate is influenced by the existing service climate.

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11 This study shares some similarities with work by Jasmand *et al.* (2012), Yu *et al.* (2013,  
12 2015), and Patterson *et al.* (2014), in that it examines how a unit works to achieve service and  
13 sales goals simultaneously. But those studies operationalise service and sales goals as  
14 service–sales ambidexterity, and they provide an overall picture of how service–sales  
15 ambidexterity forms and affects performance. They do not separate service and sales as  
16 distinctive phenomena or observe their interplay. By separating service and cross-selling as  
17 two distinctive climates, the current study reveals how their interplay might affect service–  
18 sales performance, rather than an overall impact, with more details about the interactive  
19 effect of service and sales orientations.

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22 Furthermore, this study goes beyond multiple climate studies that focus on the joint  
23 impact of dual climates on staff behaviours or performance (Jiang *et al.*, 2016; Walumbwa *et*  
24 *al.*, 2010). The deeper analysis explores the interplay of two closely related climates and  
25 reveals that they not only have impacts on each other's functions, but they even determine the  
26 formation process of the other climate. This point is clearly illustrated in the finding that the  
27 service climate influences the impact of the cross-selling initiative climate on service–sales  
28 performance, as well as the very formation of this cross-selling initiative climate.

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31 As an extension of traditional cross-selling literature, this study focuses on service staff  
32 who perform cross-selling during service delivery. For example, Schmitz (2013) investigates  
33 cross-selling by a group of professional industrial salespeople, whereas the current study  
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3 focuses on cross-selling performed by service staff who are predominately trained and hired  
4 to perform services. The unique characteristics of these service staff likely aids the  
5 identification of relevant antecedents for cross-selling. For example, a sense of accountability  
6 may not be relevant to a professional sales team, whose primary role is to sell. For service  
7 staff, it may be more crucial that they take the ownership of cross-selling, even if it is not  
8 their primary task. The research findings reveal a significant positive impact of felt  
9 accountability on cross-selling initiative climate at both individual and team levels. In  
10 addition, cross-selling is performed during service delivery, so the service climate is relevant  
11 as a boundary condition, yet it would be less relevant for professional industrial sales, which  
12 generally do not occur during service delivery. Schmitz (2013) also examines how cross-  
13 selling motivation influences cross-selling performance through salespeople's adoption  
14 behaviour at the individual level. The current study establishes a direct effect of the cross-  
15 selling initiative climate on performance, rather than its indirect impact through behaviours.  
16 Schmitz's (2013) model thus is relevant if salespeople work individually to meet their  
17 individual sales targets; for the current study of service staff who work as a team to serve the  
18 same group of customers, team performance is more relevant. Finally, Schmitz (2013)  
19 contributes mainly to professional cross-selling literature (e.g., Gurvich *et al.*, 2009; Johnson  
20 and Friend, 2015). This study may be relevant to cross-selling literature, but it mainly  
21 contributes to service–sales ambidexterity literature, which focuses on how frontline teams  
22 struggle to meet both service and sales goals.

### 23 ***Limitations and Further Research Directions***

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25 This article reveals the importance of the psychological climate, using an individual-level  
26 analysis of a cross-selling initiative climate; additional research could explore the influence  
27 of team-level cross-selling initiative climates and compare their impacts, to provide  
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3 complementary estimates (Glick, 1985). Such studies should account for objectively  
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5 verifiable team characteristics, such as functional diversity or membership consistency.  
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7       Research on personal and collective initiatives previously has focused on either context-  
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9 specific or more general initiatives, such as those dealing with unique, work-related (e.g.,  
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11 service) issues or more generic work concerns (e.g., general problems, organizational goals)  
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13 (Baer and Frese, 2003; Raub and Liao, 2012). It remains unclear which approach accounts  
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15 most effectively for cross-selling initiatives. Additional research could explore the impact of  
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17 various conceptualisations and operationalisations of the initiative climate on cross-selling by  
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19 service teams.  
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22       It also would be beneficial to address the impact of an established leadership style (e.g.,  
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24 transactional, transformational, paternalistic) on a cross-selling initiative climate (Chen *et al.*,  
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26 2014; Yammarino *et al.*, 2005). The current study focused on the influence of one aspect of  
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28 leadership mentality, as perceived by the staff. Continued research may build on this study to  
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30 explore the impact of different leadership styles and other aspects of this mentality on the  
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32 cross-selling initiative climate.  
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35       It also would be advisable to check whether the results generalise to different service  
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37 settings. The nature of the industry studied herein meant that most of the participants are  
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39 women. Further studies might explore the impact of a cross-selling initiative climate on the  
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41 performance of male participants in particular, to determine if gender has any impact on the  
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43 interplay of the distinct orientations. Furthermore, the sample size is not ideal, which limits  
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45 some insights (Green, 1991; Hox, 2002). These results should be interpreted with caution,  
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47 and further studies might replicate this study with bigger samples and in different  
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49 professional service sectors, to enhance the generalisability of the findings.  
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52       Researchers should acknowledge the potential negative effects of initiative taking too,  
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54 such as when employees take so much cross-selling initiative that their goal pursuit disrupts  
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3 individual or group productivity. Are there optimal cross-selling initiative climate levels,  
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5 marked by nonlinear relationships? For such research, it would be advisable to monitor the  
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7 effects of the cross-selling initiative climate on cross-selling and service performance over  
8  
9 time, using longitudinal designs. The impacts of a sense of accountability or bottom-line  
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11 mentality on the cross-selling initiative climate might not be constant or linear. Various  
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13 boundary conditions could cause heterogeneity in the effects on the cross-selling initiative  
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15 climate, such as fluctuations in customer demand or a delegation of authority to the employee  
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17 level. Furthermore, in exploring the relationship between cross-selling initiative climate and  
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19 overall service–sales performance, overall sales volume functions as a construct with a single  
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21 dimension. Many studies show that single-item measures tend to correlate with multiple-item  
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23 measures of the same concept (Cha *et al.*, 2015). Yet the relationship between cross-selling  
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25 initiative climate and cross-selling performance may be an important one. It might be  
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27 interesting to estimate cross-selling revenue, though overall sales volume shows how cross-  
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29 selling contributes to overall service–sales performance. A more defined consequence of  
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31 cross-selling climate (i.e., cross-selling volume) could be insightful, so further research might  
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33 explore the direct link between cross-selling initiative climate and cross-selling performance.  
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37 The cross-sectional design and small teams in this study restrict the findings. This study  
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39 provides a snapshot of the interplay of service and cross-selling initiative climates, but  
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41 climates are dynamic and change over time, so a longitudinal study would be beneficial for  
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43 capturing the dynamic interplay of multiple, shifting climates. Finally, objective performance  
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45 data are lacking, though Schneider and colleagues (1996) and Singh (2000) have accumulated  
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47 considerable empirical evidence that employee self-reports of their work performance and  
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49 practices have validity and correlate significantly with judgments by observers external to the  
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51 organization (e.g., customers). Churchill and colleagues (1985) similarly note that employee  
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53 self-reported performance measures are less restricted in their range and feature less error  
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3 than several purportedly objective performance measures. However, the use of objective sales  
4 and service data clearly would be preferable, and the very nature of performance-related  
5 variables in an ambidexterity context is a multifaceted and interesting avenue for further  
6 research. In particular, studies might explore the impact of a cross-selling initiative climate  
7 on distinct, objective service or sales performance measures.  
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### 13 ***Managerial Implications***

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15 The findings of this study offer some recommendations for professional service  
16 providers, specifically those that rely on frontline service teams to provide intensely personal  
17 services and require frequent interactions with customers (e.g., fashion styling, tourism,  
18 hospitality, retail banking). They are particularly relevant for frontline service team  
19 supervisors who are trying to improve service–sales performance by developing an  
20 appropriate cross-selling initiative climate. First, frontline staff in service teams have been  
21 hired and trained mainly to perform service duties, so if cross-selling is part of the job,  
22 supervisors should ensure the team members feel accountable for their cross-selling activities,  
23 perhaps by organizing activities and engaging in effective communication to build such  
24 senses of accountability. When frontline staff perceive a responsibility for cross-selling and  
25 believe that other team members will examine their activities, this sense of accountability to  
26 perform cross-selling activities facilitates the formation of a cross-selling initiative climate.  
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42 Second, a focus on short-term, bottom-line objectives may seem appealing for  
43 facilitating cross-selling initiatives, but a dominant operational focus on just the bottom line  
44 can hamper a frontline team's willingness to take cross-selling initiatives and thus hinder  
45 team service–sales performance. This study raises serious concerns about team leaders who  
46 appear to possess a totally bottom-line mentality. If team members see that the team leader  
47 only focuses on meeting short-term, bottom-line objectives, even at the expense of the team  
48 members' well-being, they likely adopt a short-term focus too, such that they are not willing  
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3 to find creative cross-selling ideas or cross-sell to fulfil customers' needs. Stimulating an  
4 open discussion may help team members identify ways to cope with a strong bottom-line  
5 focus among leaders. Top management should be aware of this effect and avoid focusing too  
6 strongly on the balance sheet, then communicate this risk to team leaders. Mediated  
7 discussions within the group also might help prevent such tunnel vision.  
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14 Third, the formation of a cross-selling initiative climate depends on the existing team  
15 service climate, to some extent. To establish a cross-selling initiative climate, team leaders  
16 need to be aware of how the service climate may influence a sense of accountability for  
17 cross-selling; in particular, the impact of felt accountability may be weaker if an influential  
18 team service climate already is in place. In such a climate, team members feel accountable for  
19 cross-selling activities, but the strong existing signal that tells them they should provide high  
20 quality service may cause them to focus more on providing this service, leaving little room to  
21 address cross-selling initiatives.  
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31 Fourth, though both a service climate and a cross-selling initiative climate have the  
32 potential to provide high service quality through different mechanisms, to achieve service-  
33 sales performance, a team leader should develop a cross-selling initiative climate, because it  
34 has strong and significant impacts on both service and sales performance.  
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Figure 1  
Multilevel Model of Cross-Selling Initiative Climate: Antecedents, Consequence, and Moderator

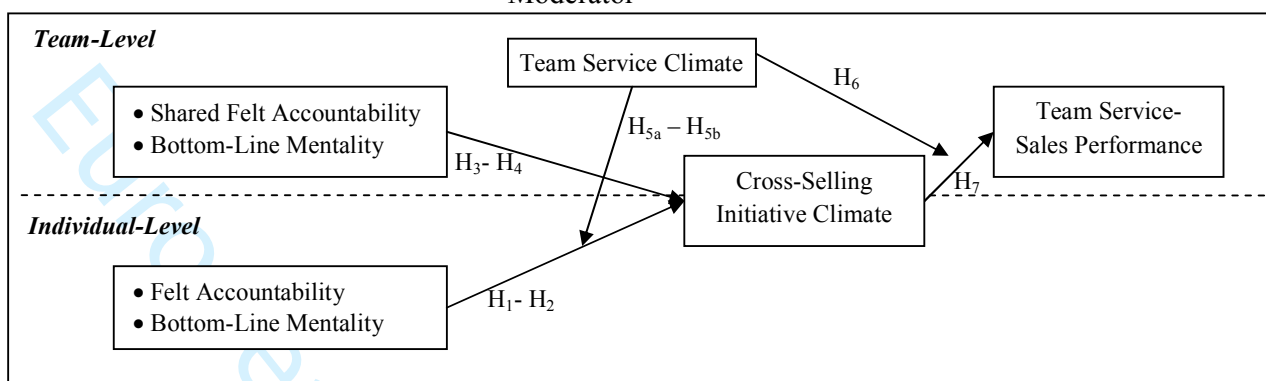
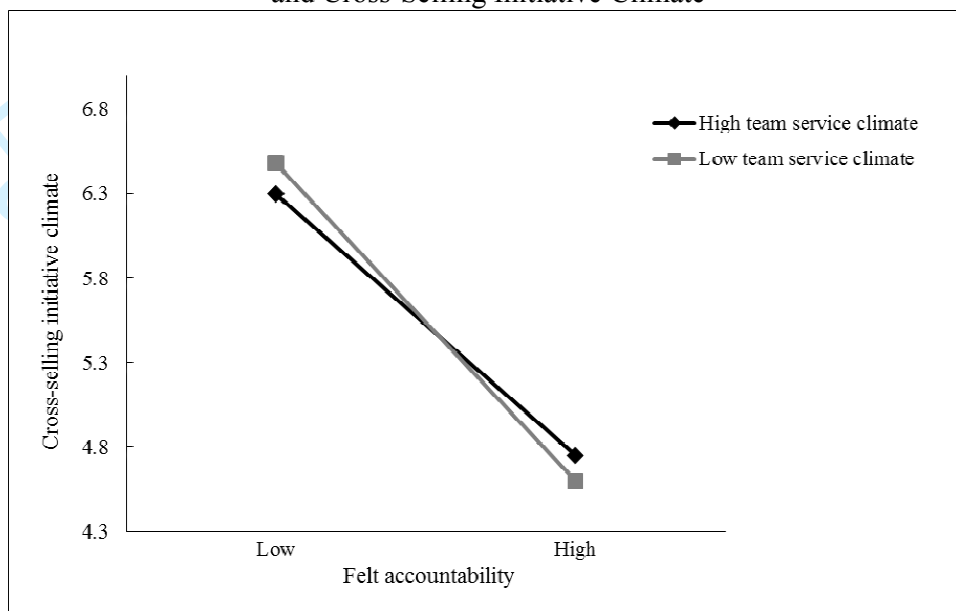


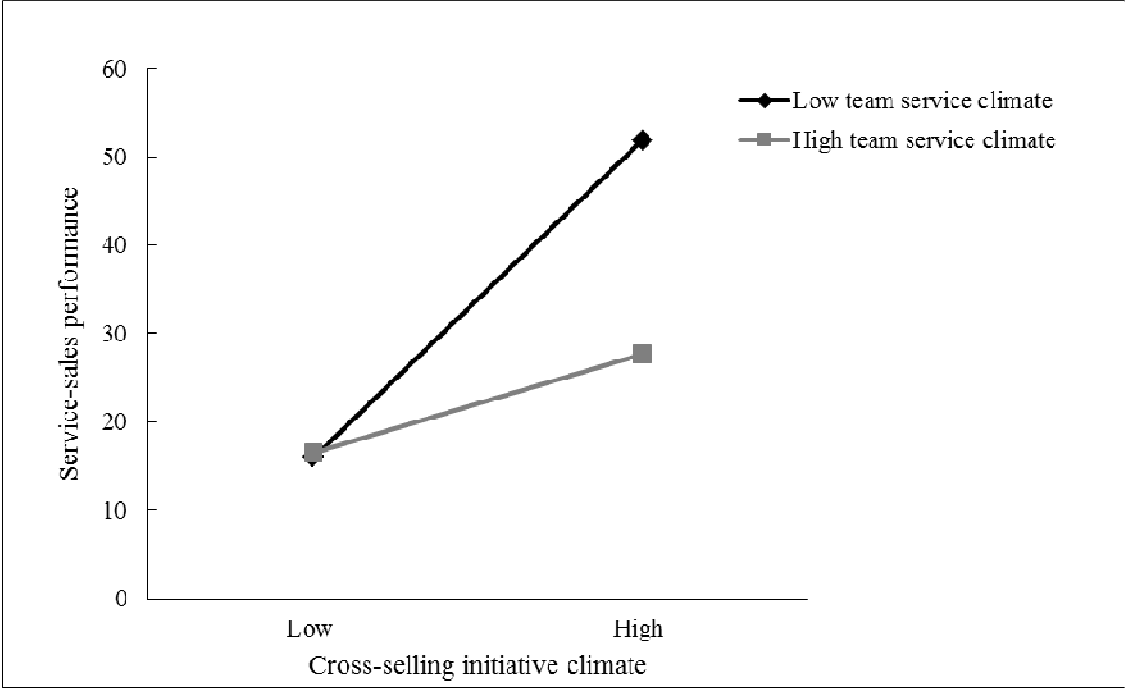
Figure 2  
 Moderating Effect of Team Service Climate on the Relationship between Felt Accountability and Cross-Selling Initiative Climate



Notes: Low (high) moderation refers to one standard deviation below (above) the mean of the level-2 moderator (Raub and Liao, 2012).



Figure 3  
Moderating Effect of Team Service Climate on the Relationship between Cross-selling Initiative Climate and Service-sales Performance



Notes: Low (high) moderation refers to one standard deviation below (above) the mean.

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Table 1  
Means, Standard Deviations, and Correlations

Variables	Employee		Team		1	2	3	4	5	6	7	8	9	10	11	12
	Mean	S.D.	Mean	S.D.												
1. Felt accountability	4.69	1.40	4.69	0.72		.14	.34	.61**	.26	.10	.34	.13	-.01	.22	.04	.34
2. Bottom-line mentality	3.72	1.89	3.65	1.13	.18*		-.39*	-.31	-.06	-.01	-.11	.41*	.01	.29	.08	.17
3. Team service climate	6.40	0.88	6.37	0.48	.26**	-.09		.44*	.11	-.01	.17	.09	-.05	.04	.02	.22
4. Cross-selling initiative climate	5.46	1.17	5.48	0.70	.42**	-.13	.31**		.53**	.40*	.59**	-.04	-.11	-.19	-.29	.13
5. Team service–sales performance	-	-	29.13	14.27	-	-	-	-		.89**	.96**	.05	.17	-.36*	-.26	-.13
6. Team service performance	-	-	5.39	1.45	-	-	-	-	-		.80**	.05	.10	-.21	-.14	-.11
7. Team sales performance	-	-	5.06	1.65	-	-	-	-	-	-		-.03	.22	-.39*	-.28	-.14
8. Age <sup>a</sup>	2.28	0.66	2.24	0.37	-.03	.12	.07	-.01	-	-	-	-	.01	.37*	.20	.64**
9. Gender <sup>b</sup>	1.99	0.11	1.99	0.04	-.02	.06	-.04	-.07	-	-	-	-.04	-	-.02	.15	-.14
10. Position experience <sup>c</sup>	45.98	36.46	46.72	18.37	.01	.11	.09	-.07	-	-	-	.28**	-.02		.81**	.63**
11. Team experience <sup>c</sup>	36.40	31.37	37.31	19.11	-.04	.04	.08	-.13	-	-	-	.23**	-.06	.74**		.45*
12. Industry experience <sup>c</sup>	56.34	42.00	57.05	22.62	.04	.10	.14*	.03	-	-	-	.48**	-.04	.72**	.61**	

Notes: Team-level correlations (n = 31) are above the diagonal; employee-level correlations (n = 180) are below the diagonal. Team-level correlations were computed by aggregating employee measures (i.e., means), except for team service–sales performance, team service performance, and team sales performance, which were rated by supervisors at the team level only. Team service–sales performance data are not available at the individual level.

<sup>a</sup>Age consists of five categories: 1 = below 20 years, 2 = 20–29 years, 3 = 30–39 years, 4 = 40–49 years, and 5 = 50 years and above.

<sup>b</sup>Gender is coded as 1 = male, 2 = female.

<sup>c</sup>Individual, team, and industry experience are calculated in months.

\*Correlation is significant at the .05 level (two-tailed).

\*\*Correlation is significant at the .01 level (two-tailed).

Table 2  
Hierarchical Linear Modelling Results<sup>a</sup>

Level and Variable	Null Model (M1)	Individual- and Team-Level Predictors (M2)	With Interaction Terms (M3)
Intercept	5.46**	5.47**	5.47**
<b>Team-Level Control Variables</b>			
Age heterogeneity among team members		0.35	0.35
Gender heterogeneity among team members		0.59	0.59
Position experience heterogeneity among team members		-0.01	-0.01
Team experience heterogeneity among team members		-0.01	-0.01
Industry experience heterogeneity among team members		0.01	0.01
<b>Individual-Level Antecedents</b>			
Felt accountability		0.31** (H <sub>1</sub> )	0.31**
Bottom-line mentality		-0.08* (H <sub>2</sub> )	-0.10*
<b>Team-Level Antecedents</b>			
Shared felt accountability		0.57** (H <sub>3</sub> )	0.57**
Bottom-line mentality		-0.23** (H <sub>4</sub> )	-0.23**
Team service climate		.06	.06
<b>Cross-level interactions</b>			
Individual level antecedents × team service climate			
Individual level felt accountability × team level service climate			-0.40** (H <sub>5a</sub> )
Individual level bottom-line mentality × team level service climate			0.11 (H <sub>5b</sub> )
n (Individual level)	180	180	180
n (Team level)	31	31	31
Model deviance <sup>b</sup>	559.45	546.05	543.16

\*  $p < .05$ .

\*\*  $p < .01$ .

<sup>a</sup>Dependent variable: Cross-selling initiative climate.

<sup>b</sup>Deviance offers a measure of model fit: The smaller the deviance, the better the model fits (Liao and Chuang 2007).

Table 3  
 Partial Least Squares Results for H<sub>6</sub> and H<sub>7</sub>

		Dependent Variable: Service-Sales Performance
	Cross-selling initiative climate	.49 (2.72)**
	Service climate	-.04 (.24)
	Cross-selling initiative climate × Service climate	-.41 (2.59)**
	Age heterogeneity among team members	-.03 (.37)
	Gender heterogeneity among team members	-.24 (2.48)*
	Position experience heterogeneity among team members	-.18 (1.46)
	Team experience heterogeneity among team members	.17 (1.52)
	Industry experience heterogeneity among team members	.19 (1.93)

Notes: All parameter estimates are standardised.

\*\* $p < .01$ .

\* $p < .05$ .

### Appendix: Measures and Measurement Criteria

Measures	Loadings	t-Value	CR	AVE
<b>Felt Accountability</b>			.77	.54
1. I am held accountable for cross-selling when serving customers.	.63	7.37		
2. To a great extent, the cross-selling success of my team rests on my shoulders.	.82	8.38		
3. My co-workers closely scrutinize my cross-selling efforts.	.73			
<b>Bottom-Line Mentality</b>			.94	.80
1. Our team leader is solely concerned with meeting short-term bottom-line objectives.	.90	15.61		
2. Our team leader cares more about short-term profits than customer satisfaction.	.95	16.90		
3. Our team leader treats achieving bottom-line results fast as more important than anything else.	.91	15.76		
4. Our team leader cares more about short-term bottom-line results than employee well-being.	.83			
<b>Team Service Climate</b>			.93	.78
1. Our team is continually working to improve the quality of service we provide to our customers.	.90	18.61		
2. Within our team, employees often go out of their way to monitor customer satisfaction.	.80	14.49		
3. In our team we put a lot of effort in fine-tuning what it takes to meet customer expectations.	.93	20.17		
4. No matter how we feel, our team continuously put ourselves out to provide quality service.	.91			
<b>Cross-Selling Initiative Climate</b>			.97	.70
1. In our team, we are keen to tackle cross-selling challenges without explicit guidance by our team leader.	.82	13.90		
2. In our team, we take the initiative to find appropriate ways of cross-selling that truly address customer needs.	.87	15.55		
3. In our team, we commend each other for seizing opportunities to solve issues related to cross-selling.	.85	14.76		
4. In our team, we like to emphasize the importance of self-starting actions in relation to cross-selling.	.83	14.14		
5. In our team, we continuously identify new opportunities for improving cross-selling that adds value for customers.	.86	15.06		
6. In our team, we challenge "tried and tested" ways of cross-selling in order to prevent automatic and mindless cross-selling tactics.	.80	13.33		
7. In our team, we appreciate the development of customer needs-based cross-selling.	.84	14.58		
8. In our team, we push each other to challenge the status quo and to improve cross-selling to add customer value.	.85	14.70		
9. In our team, we anticipate and prevent cross-selling related issues, rather than waiting passively until a problem "hits the surface."	.86	15.22		
10. In our team, when there is an issue with cross-selling, we take it upon ourselves to address its root cause in such a way that the problem does not re-occur.	.85	14.89		
11. In our team, we stimulate each other to anticipate and prevent cross-selling issues that negatively affect our customers.	.85	15.0		
12. In our team, we strongly believe in anticipating and addressing issues related to cross-selling before they backfire.	.81	13.55		
13. In our team, whenever there are issues with cross-	.84	14.41		

1					
2					
3	selling, we try to solve them in a persistent manner.				
4	14. In our team, we "follow through" in addressing cross-	.88	15.90		
5	selling related problems.				
6	15. In our team, we recognize the importance of dealing	.84			
7	with obstacles by persevering in addressing cross-selling				
8	related problems.				
9	<b>Team Service–Sales Performance</b>	<b>a</b>	<b>a</b>	<b>a</b>	<b>a</b>
10	<i>Sales performance</i>				
11	1. Compared to other teams, we sell more service				
12	products.				
13	<i>Service performance</i>				
14	2. Compared to other teams, we provided better quality				
15	of customer service.				

Notes: CR = composite reliability, and AVE = average variance extracted.

<sup>a</sup>Not applicable.