Behaviour Based Salesforce Control System for Most Effective Sales Organizations: A Review Based Article

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ABSTRACT

Selling being the only activity of the organisation for generating sales revenue has its impact on the effectiveness of the organisation. Salesforce play a dominant role in enhancing the sales revenue and has a direct link with the effectiveness of the organisation. Most effective organizations are distinguished from less effective organizations on the basis of salesforce characteristics and salesforce performance. A salesforce control system which is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees has been found to have an impact on these variables of salesforce characteristics and salesforce performance which ultimately impacts on the effectiveness of the organization. Based on the previous research studies, this study attempts to find the direct as well as indirect relationship between the use of a particular salesforce control system and the sales organization effectiveness. The study takes into consideration the research studies from the period 1987-2014.

Key words: Salesforce control system, sales organization effectiveness, salesforce characteristics, salesforce performance

INTRODUCTION

A salesforce control system is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees (Anderson and Oliver, 1987). It influences employee behavior in such a way that it enhances the welfare of both the firm and the employee. Salesforce control system are broadly classified into two categories, behavior based and outcome based salesforce control system. Anderson and Oliver (1987) have described and discussed the two major salesforce control system and they have also assessed the effects of these systems on salesperson’s motivation, cognitions and behavior.

The objective of this study is to extend the existing knowledge of the role of salesforce control system in sales organization effectiveness and to highlight the direct and the indirect impact of behaviour based salesforce control system on sales organization effectiveness. This study first defines behaviour based and outcome based salesforce control system. Second, it describes the sales organization effectiveness. Third, it reviews important studies highlighting the direct as well as indirect impact of behaviour based salesforce control system on the effectiveness of the organization. Lastly, the study concludes with research implications.

It is characterized by less monitoring of salespeople by management, less managerial direction or effort to direct salespeople and use of objective measures of outcomes to evaluate and compensate the salesforce. In outcome-based control system, salespeople are left alone to achieve results in their own way using their own strategies. Salespeople are held accountable for their results and not how they achieve the results. Invisible hand of the marketplace pressures
salespeople to perform and guide their actions. In this system, salesperson is responsible for his performance but he is free to select the method of achievement.

It is characterized by more monitoring of salespeople by management, more managerial direction or effort to direct salespeople and use of subjective and more complex methods based on salesperson’s aptitude and product knowledge, number of calls, their sales strategies to evaluate and compensate the salesforce. In behavior based control system, active managers vigorously monitor and direct salespeople. Managers know what they want salespeople to do. So, they monitor their work in order to ensure that the salesforce behaves accordingly. Under this system, the firm pays salespeople a fixed amount of salary. The firm bears the risk. The rewards and performance evaluation of salesperson is based on complex and subjective measures of what they do rather than what they achieve. In this system, the invisible hand of management is substituted for the invisible hand of the market forces. Salespeople in this system are evaluated not on the basis of their achievement but on the number of factors that may result in performance. The number of calls, number of accounts, closing ability, presentation quality and product knowledge are some of the factors that are taken into account while evaluating the salesperson.

It is defined as a summary evaluation of overall organizational outcomes (Churchill et al., 1993). Total sales volume is the most often used measure of the sales organization effectiveness. It has been found through empirical studies that sales organization effectiveness can be affected by environmental, organizational as well as salesperson factors. Of these factors, the impact of salesforce control system is most important. This is because the salesforce control system not only have a direct but also an indirect impact on sales organization effectiveness through salesforce characteristics, sales territory design and salesforce performance.

FRAMEWORK FOR ORGANIZING THE STUDY

Taking into account the variables of salesforce control system, salesforce characteristics, salesforce performance and sales organization effectiveness, leading management, marketing and sales journals for the years 1987 (the year when the Anderson and Oliver control research was published) through 2014 have been included for the detailed and critical review.

REVIEW OF STUDIES

Sales organization effectiveness: Research studies are discussed below to enhance the understanding of the relationship between behaviour based salesforce control system and sales organization effectiveness.

Cravens et al. (1992a) measured sales organization performance in comparison to company’s major competitor and sales organization’s objectives on dimensions of profitability, sales volume, sales growth and satisfaction of customer. Examining the impact of salesforce management system on sales organization effectiveness on 99 sales organization in Australia, they found that sales management has an important role in creating high performance selling situations while contrary to expectations, the field sales management activities of monitoring, directing, evaluating and rewarding were not found to be the major distinguishing features between high and low performing sales organizations.

Cravens et al. (1992b) in their study on 99 Australian and 107 American salesforces found that chief sales executives in high effectiveness U.S. sales organization consider it more important that their field sales managers discuss performance evaluations with their salespeople, spent time in the field with them and observe their performance compared to Australian firms. These findings suggest the importance of monitoring and directing activities of sales managers in influencing sales organization effectiveness.
Cravens et al. (1993) in their study on 144 sales organizations studied the impact of two dimensions of control: (1) The extent of monitoring and amount of direction by field sales managers, termed Field Sales Management Control (FSMC) and (2) Salesforce compensation, termed Compensation Control (CC) on sales organization effectiveness which was evaluated using dimensions of sales volume and growth, profitability and customer satisfaction measures. The findings of the study show direct effect of FSMC on customer satisfaction effectiveness, the indirect effect of CC on customer satisfaction effectiveness and the indirect effects of FSMC and CC on financial effectiveness. These findings indicate no significant direct effects between the salesforce control system dimensions and the financial dimension of sales organization effectiveness, suggesting a very complex relationship between the two constructs of control system and sales organization effectiveness.

Analyzing relationship between salesforce control system and sales organization effectiveness, Babakus et al. (1996) in their study on 58 chief sales executives and 146 sales managers in Australia found that salesforce control system has a positive impact on sales organization effectiveness. These results suggest that behaviour based salesforce control system is more positively associated with sales organization effectiveness because the fixed salary of firms in the sample was 90% of the total compensation which is more representative of behaviour based control system.

Piercy et al. (1997) measured effectiveness of the sales organization in comparison with each company’s major competitor and sales unit’s objectives using dimensions of sales volume, market share, profitability and customer satisfaction. According to their study, the important characteristics of the most effective organizations are as follows: (1) Salesforce compensation; the most effective sales organizations pay fixed salaries in the range of 75-95 percent of total compensation. A higher proportion of fixed compensation is associated with behaviour based control system (Anderson and Oliver, 1987). (2) Role of sales manager; in the effective sales organizations, managers not only spend time with salespeople but also observe their sales performance, review call reports and watch their everyday activities. As far as directing activities are concerned, they place more importance to coaching and training. These findings suggest that in the more effective sales organizations are associated with behaviour-based control system.

Baldauf and Cravens (1999) found that behavior based salesforce control system especially in terms of directing activities are positively associated with higher levels of sales organization effectiveness. They found that sales managers encouraged salespeople to increase the sales and helped them develop their potential. They also actively participated in training and coaching salespeople.

Grant and Cravens (1999) have investigated the effect of salesforce control system, sales territory design, customer relationship strategy and organizational commitment on sales organization effectiveness. Measuring effectiveness in terms of profitability, sales volume, market share and customer satisfaction and using sample of 146 field sales managers in 58 Australian sales organizations, they found that sales unit effectiveness is positively related to behaviour based salesforce control system. The strongest positive correlation was found between behaviour based control and profitability and customer satisfaction dimensions of sales organization effectiveness.

Barker (2001) developed a model of organization effectiveness taking into account salespeople characteristics and the activities of sales managers. Using data of 102 field sales managers in Canada and measuring effectiveness on dimensions of sales volume, profitability, market share and customer satisfaction, he found that in high performing firms, sales managers are more involved with training salespeople and encouraging them to increase their sales. Moreover, more effective
sales organizations were also found to have a higher salary ratio. These findings suggest a positive relationship between behaviour based control system and sales organization effectiveness.

Examining the impact of salesforce control system on sales organization effectiveness and analyzing data of chief sales executives in Austria and U.K., Baldauf et al. (2001a) reported a positive effect of behaviour based control system on sales organization effectiveness.

Evaluating sales organization effectiveness on the dimensions of sales and market share, profitability and customer satisfaction, Baldauf et al. (2001b) examined the effect of salesforce control system on sales organization effectiveness. Using a judgement sampling approach and collecting data from 159 field sales managers from Austria and 142 field sales managers from U.K, the findings of the study showed that behaviour based salesforce control system is positively and significantly related with sales organization effectiveness and satisfaction with salespeople.

Piercy et al. (2002) examined the impact of sales manager gender, salesforce control system, salesforce organizational citizenship behaviour on sales unit effectiveness. Measuring effectiveness on the dimensions of sales volume, conversion rate, profitability and customer satisfaction and analyzing data of 214 salespeople and 35 sales managers, they found that female sales managers using behaviour based control and organization citizenship behaviour would achieve higher levels of sales organization effectiveness.

Exploring the impact of behavior based salesforce control on salesforce characteristics, salesforce performance and sales organization effectiveness, Baldauf et al. (2002) in their study on 174 field sales manager in Austria and Australia found that behaviour based salesforce control system is an important determinant of sales organization effectiveness.

Behavior based control system, incentive pay and sales territory design had a positive impact on sales organization effectiveness in the Greece sample of the study conducted by Piercy et al. (2004a) on field sales manager of companies in Greece, India and Malaysia. Incentive pay also had a significant relationship with sales unit effectiveness in India and Greece.

In the study on 1000 field sales managers in 8 countries of U.K., Austria, Greece, Nigeria, Bahrain, Saudi Arabia, India, Israel and Malaysia, Cravens et al. (2006) found that behavior based salesforce control system is positively related with organization effectiveness in all the countries except India, Bahrain and Saudi Arabia where salesforce control system has no significant impact.

Examining the relationship between the salesforce control system and organizational performance, Verano-Tacoronte and Melian-Gonzalez (2008) in their study on 108 sales and human resource managers in Spanish firms found that the higher the level of behavior-based control is positively related with high organizational performance.

Measuring effectiveness on the dimensions of salesforce efficacy and manager satisfaction, Kuster and Canales (2008) in their study on 108 field sales managers in SMEs in Spain found that behaviour based control as well as salespeople outcome performance are related with higher salesforce effectiveness.

Most of the studies examining the relationship between salesforce control system and sales organization effectiveness have measured sales organization effectiveness relative to sales organization’s objectives and company’s major competitor on the dimensions of profitability, sales volume, sales growth and customer satisfaction. The findings of the studies indicate that behaviour based salesforce control system is positively related to sales organization effectiveness.

**Performance:** Research studies are discussed to enhance the understanding of the relationship between behaviour based salesforce control system and sales organization effectiveness by focusing on the effect of behaviour based salesforce control system on sales organization effectiveness through its effect on salesforce performance.
Cravens et al. (1992a) found that high performance salesforces were found to have a better customer focus, able to get more results per call than other salesforces and pursued customer focused activities that generate high performance results.

Babakus et al. (1996) in their study on 58 chief sales executives and 146 sales managers in Australia found that behaviour salesforce control system has a positive effect on sales organization effectiveness via its impact on salesforce behaviour performance, salesforce outcome performance and sales organization design.

Barker (1999) found that high performing and low performing salesforces did not differ much in terms of the outcome performance and selling performance (selling capability and technical knowledge). They differed in terms of their non-selling behaviour. Effective salesforces were found to be high in adaptive selling, better handling of customer complaints, providing customer support and after sales service, building stronger relationships with others and planning each call. These findings indicate that the higher-performing salesforces have such characteristics which are more related with behaviour based salesforce control system rather than outcome based salesforce control system.

In their study on 159 field sales managers in Austria, Baldauf and Cravens (1999) found that salesforce control system, behaviour performance and outcome performance have a positive impact on sales organization effectiveness.

Examining the indirect effects, the findings by Baldauf et al. (2001a) suggest that behavior-based control as well as outcome performance, behavioural performance and territory design have impact on sales organization effectiveness in Austria as well as United Kingdom.

In their study on 159 field sales managers from Austria and 142 field sales managers from U.K, Baldauf et al. (2001b) found that several components of behaviour performance such as technical knowledge, sales planning, adaptive selling, teamwork, sales presentations and sales support have a positive relationship with behaviour based salesforce control system.

In their study on 174 field sales manager in Austria and Australia, Baldauf et al. (2002) found indirect impact of behavior-based control on sales organization effectiveness through its impact on salesforce characteristics and salesforce performance.

In their study in three countries of Greece, India and Malaysia, Piercy et al. (2004b) found that behavior control has a significant impact on sales organization effectiveness through its impact on salesforce performance.

Investigating the effect of behavior-based control system on the performance of export sales managers, Theodosiou and Katsikea (2007) in their study on 210 U.K. exporters found that behavior-based salesforce control has a positive effect on behavioral performance of export sales manager, suggesting an indirect relationship between behaviour control and sales organization effectiveness.

Saldanha et al. (2013) proposed a model including a combination of formal and informal controls to improve driver’s operational performance. Collecting data from driver managers and using LISREL 8.8 to perform a confirmatory factor analysis to determine construct validity, they found positive impact of activity control on the operational performance.

The review of the findings show that behaviour based salesforce control system is indirectly related to sales organization effectiveness through its impact on behaviour as well as outcome performance of salespeople.

**Characteristics:** Research studies are discussed to enhance the understanding of the relationship between behaviour based salesforce control system and sales organization
effectiveness by focusing on the effect of behaviour based salesforce control system on sales organization effectiveness through its effect on salesforce characteristics.

Collecting data from 347 salespeople in the electronic components industry, Oliver and Anderson (1994) empirically tested the propositions about how control system perceptions influence salespeople. The findings of the study show that the behaviour control philosophies are related to satisfaction, commitment, adherence to company policy, acceptance of authority, teamwork and review, a lack of extrinsic motivation, a greater interest in serving the agency, participative decision making, less use of pay as a control mechanism and an innovative and supportive culture.

Piercy et al. (1997) found most effective sales organizations have salespeople with high levels of motivation, customer orientation, team orientation and sales support orientation. They also feel loyal to the company. These findings suggest that in the most effective organizations, behaviour based control system plays an important role in the effectiveness of the organization.

Investigating the effect of salesforce control system, sales territory design, sales territory design, customer relationship strategy and organizational commitment on sales organization effectiveness, Grant and Cravens (1999) found that intrinsic motivation, recognition motivation, planning orientation, customer orientation and sales support orientation have an impact on sales organization effectiveness. These findings suggest the indirect role that behaviour control plays in influencing sales unit effectiveness.

Barker (1999) found that high performing salespeople have high motivation, innovativeness and creativeness. They are more loyal to the firm, get a greater sense of challenge from their work, more willing to take risks and are more satisfied with their jobs. These findings are indicative of the fact that the higher-performing salesforces have such characteristics which are more related with behaviour control rather than outcome control.

Baldauf and Cravens (1999) found that salesforce control system especially in terms of directing activities, sales support orientation, customer orientation, intrinsic motivation and recognition motivation of salespeople has a positive impact on sales organization effectiveness, suggesting an indirect impact of salesforce control system on the sales organization effectiveness.

Barker (2001) found important differences in more and less effective sales organizations in terms of salesforce characteristics. In effective sales organizations, salespeople have high motivation, customer orientation, team orientation, sales support orientation, creativity and imagination. They are willing to accept direction and authority from their supervisors. They are more satisfied and have a feeling of loyalty for the firm. These findings indicate the indirect role of behaviour based control on the sales organization effectiveness via salesforce characteristics.

Piercy et al. (2009) examined the impact of behaviour control level and competencies on salesforce performance and sales unit effectiveness. In their study on 300 sales managers in U.K., they found that market orientation is positively related with behavior control level. They also found that the critical sales skills have a positive impact on behavior control level. These findings indicate that in the market oriented company, behavior-based salesforce control has an influence on selling as well as non-selling salesperson skills, suggesting the importance of behaviour based control system for sales organization effectiveness.

Matsuo (2009) investigated the impact of salesforce control on the innovativeness of the sales departments. Collecting data from 199 sales managers in Japanese sales departments and using Confirmatory Factor Analysis (CFA) to test the proposed research model, they found that both behavior-based control were positively related to sales innovativeness, indicating that a sales department controlled by salespeople’s behavior tends to be innovative while outcome-based control were found to have apparently no significant relationship with sales innovativeness. This indicates
that sales departments can be innovative when salespeople are evaluated and rewarded for their behavior rather than for their sales performance. Behavior-based control systems require salespeople to think over their selling activities and come up with new ways of problem solving for customers. The systems also allow salespeople and managers to spend their time on planning and gathering information regarding customers (Anderson and Oliver, 1987).

**Motivation:** Baldauf et al. (2001b) found behaviour based control system to be positively related to affects and attitudes (cooperating as a sales team, accepting direction and authority) and intrinsic and recognition motivation.

Various studies have disaggregated behaviour based control into activity and capability control. In one such study on 293 AMA and non AMA members, Miao et al. (2007) reported that activity control has an impact on challenge seeking (the cognitive dimension of intrinsic motivation) while capability control has an impact on task enjoyment (the affective dimension of intrinsic motivation). This finding points to the fact that behaviour based control system (activity and capability control) influence intrinsic motivation of salespeople which ultimately influence their performance and the effectiveness of the organization.

Miao and Evans (2014) investigated the interactive effects of salesforce control system on affective and cognitive dimensions of intrinsic and extrinsic motivation and subsequently salesforce performance their job satisfaction. Collecting data from 223 industrial salespeople and using confirmatory factor analysis and EQS 6.1 to assess the psychometric properties of the multi-item constructs, they found that outcome control and capability control interact positively to affect task enjoyment and recognition seeking. While, outcome control and activity control interact positively to affect compensation seeking but have a negative effect on task enjoyment. These finding indicate that behaviour based control system is more positively related to intrinsic motivation of salespeople resulting in higher sales performance.

**Ethical behaviour:** Robertson and Anderson (1993) have examined the effects of the firm’s control system and aspects of the work task environment on the ethical choices that the individual employee makes. Data was collected from 446 industrial field salespeople who were asked in a fashion designed to maximize self-projection, to recommend to a colleague whether to undertake an action suggested in 14 scenarios identifying common sales force ethical dilemmas. The results of the study indicate that the firm’s salesforce control system does have an impact on the ethical reaction patterns of its salespeople. Salespeople subject to a control system that is very structured, i.e., characterized by intense monitoring and supervision and subjective evaluation, are less likely to recommend a decision that involves violating societal norms than are salespeople operating in a more independent, outcome-driven system.

The analysis of data of 210 U.K. exporters by Theodosiou and Katsikea (2007) using confirmatory factor analysis revealed that behavior-based salesforce control has a positive effect on motivation and attitudes and behavioral performance of export sales managers. These findings indicate that behavior-based salesforce control system has many favorable consequences.

The review of the findings show that behaviour based salesforce control system is indirectly related to sales organization effectiveness through its impact on salesforce characteristics of commitment, teamwork, acceptance of authority, innovation, customer orientation, sales support orientation, motivation and ethical behaviour.

Table 1 summarizes the research studies examining the relationship between sales organization effectiveness and behaviour based salesforce control system. The table includes the sample size, variables along with key findings of the studies.
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<th>Studies</th>
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<td>Cravens et al. (1992a)</td>
<td>Data collected from 99 sales organization in Australia</td>
<td>Salesforce organization, sales organization effectiveness</td>
<td>Salesforce expense control, sales presentation and sales results performance have a positive impact on sales organization effectiveness</td>
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<td>Cravens et al. (1992b)</td>
<td>Data collected from 99 Australian and 107 American salesforces</td>
<td>Sales organization effectiveness, salesforce control system</td>
<td>Monitoring and directing activities of sales managers influence sales organization effectiveness</td>
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<td>Cravens et al. (1993)</td>
<td>Data collected from 144 sales organization</td>
<td>Salesforce characteristic, salesforce performance, sales force organization effectiveness</td>
<td>Behaviour based control has a positive impact on the financial effectiveness of the firm</td>
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<td>Robertson and Anderson (1993)</td>
<td>Data collected from 446 industrial field salespeople</td>
<td>Unethical behavior, control system, task environment</td>
<td>Salespeople subject to a control system that is very structured are less likely to engage in unethical behaviour</td>
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<tr>
<td>Oliver and Anderson (1994)</td>
<td>Data collected from 347 salespeople in the electronic components industry</td>
<td>Cognitions and capabilities, job affects and attitudes, motivation, behaviour, performance, salesforce control system</td>
<td>Behaviour control philosophies are related to commitment, acceptance of authority, teamwork and review, a lack of extrinsic motivation, a greater interest in serving the agency, participative decision making, less use of pay as a control mechanism and an innovative and supportive culture</td>
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<tr>
<td>Babakus et al. (1996)</td>
<td>Data collected from 58 chief sales executives and 146 sales managers in Australia</td>
<td>Sales territory design, salesforce performance, sales organization effectiveness</td>
<td>When behaviour based sales management control is used, sales managers are more satisfied with their field unit designs and performance of salespeople</td>
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<td>Percy et al. (1997)</td>
<td>Data collected from 144 field sales managers in UK</td>
<td>Sales organization effectiveness, behaviour based salesforce control system, salesforce characteristic, salesforce performance, salesforce organization design</td>
<td>More effective organizations have salespeople with important success characteristics, high salesperson performance, more active behaviour-based sales management control</td>
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<td>Grant and Cravens (1999)</td>
<td>Data collected from 146 field sales managers in 58 sales organizations in Australia</td>
<td>Salesforce performance, territory design, salesforce control system, customer relationship strategy and organizational commitment</td>
<td>Sales unit effectiveness is positively related to the use of behaviour based control system</td>
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<td>Baldauf and Cravens (1999)</td>
<td>Data collected from 159 field sales managers from Austria</td>
<td>Sales organization effectiveness, salesforce performance, salesforce characteristics, territory design, salesforce control system</td>
<td>Behavior-based sales management control strategies result in higher levels of sales unit effectiveness</td>
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<tr>
<td>Barker (1999)</td>
<td>Data collected from 250 firms in Canada</td>
<td>Outcome performance, selling behaviour, non selling behaviour</td>
<td>Higher-performing salesforces possess characteristics that are associated with behaviour orientation rather than outcome orientation</td>
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<td>Barker (2001)</td>
<td>Data collected from 102 first-level field sales managers in Canada</td>
<td>Salesforce characteristics, territory design, salesforce control system</td>
<td>More effective organizations have a higher salary ratio</td>
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<td>Baldauf et al. (2001a)</td>
<td>Data collected from chief sales executives in Austria and United Kingdom</td>
<td>Salespeople performance, sales organization effectiveness</td>
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<td>Baldauf et al. (2001b)</td>
<td>Data collected from 159 Austrian field sales managers and 142 respondents from UK</td>
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<td>Both sales unit effectiveness and satisfaction with salespeople are positively and significantly correlated with behaviour based sales management control strategy</td>
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<td>Percy et al. (2002)</td>
<td>Data collected from 214 salespeople and 35 managers</td>
<td>Sales organization effectiveness, organization citizenship behavior, salesforce control system</td>
<td>Level of behaviour control is positively associated with the level of OCB</td>
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<tr>
<td>Baldauf et al. (2002)</td>
<td>Data collected from 174 field sales manager in Austria and Australia</td>
<td>Salesperson characteristics, performance, organization effectiveness</td>
<td>There is positive relationship between behavior-based sales management control and intrinsic motivation</td>
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<td>Data collected from field sales manager of companies in Greece, India and Malaysia</td>
<td>Salesforce performance, sales organization effectiveness, salesforce control system, sales territory design, incentive pay</td>
<td>Management control is a relevant predictor of performance and effectiveness, Incentive pay has no effect on salesperson performance</td>
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<tr>
<td>Piercy et al. (2004b)</td>
<td>Data collected from Greece, India and Malaysia</td>
<td>Behavior performance, outcome performance, sales organization effectiveness, sales territory design, salesforce control system</td>
<td>Performance increases at high levels of both behavior control and compensation control</td>
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<td>Cravens et al. (2006)</td>
<td>Data collected from 1000 field sales managers in 8 countries (Austria, Greece, Bahrain and Saudi Arabia, India, Israel, Malaysia, Nigeria and UK)</td>
<td>Salesforce control system, country differences</td>
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<td>Evans et al. (2007)</td>
<td>Data collected from 293 AMA and non AMA members</td>
<td>Organizational customer orientation, sales supportiveness, sales innovativeness, salesforce control system</td>
<td>Activity control affects challenge seeking (the cognitive dimension of intrinsic motivation) and capability control affects task enjoyment (the affective dimension of intrinsic motivation)</td>
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<td>Theodosiou and Katsikea (2007)</td>
<td>Data collected from 210 exporters in UK</td>
<td>Salesperson performance, motivation attitudes, salesforce control system</td>
<td>Behavior-based sales management control has a positive effect on export sales manager’s motivation and attitudes as well as on export sales manager’s behavioral performance</td>
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<td>Verano-Tacoronte and Melian-Gonzalez (2008)</td>
<td>Data was collected from sales and human resource managers of 108 Spanish firms</td>
<td>Uncertainty, risk preferences, salesforce performance, firm performance, salesforce control system</td>
<td>If the uncertainty is high and so is the risk aversion of the salesforce, better outcomes will be achieved if the control system is behavior-based rather than outcome-based</td>
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<tr>
<td>Kuster and Canales (2008)</td>
<td>Data was collected from 108 field sales managers in SMEs in Spain</td>
<td>Salesforce control system, behaviour performance, outcome performance, sales organization effectiveness</td>
<td>Salespeople behaviour based control and their outcome performance are associated with higher salesforce effectiveness</td>
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<tr>
<td>Piercy et al. (2009)</td>
<td>Data collected from 300 sales managers in UK</td>
<td>Salesforce control system, market orientation, sales manager control competencies, salesforce behaviour performance, salesforce outcome performance, sales organization effectiveness</td>
<td>There is a positive relationship between market orientation and sales manager behavior-based control level</td>
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<tr>
<td>Matsuo (2009)</td>
<td>Data collected from 199 sales managers in Japanese sales departments</td>
<td>Salesforce control system, innovativeness of sales department, salesforce performance</td>
<td>Sales departments tend to be innovative when salespeople are evaluated based on their behavior and knowledge rather than on outcome performance</td>
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<tr>
<td>Saldanh et al. (2013)</td>
<td>Data collected from driver managers</td>
<td>Activity control, output control, professional control, market performance, operational performance, perceived organizational support</td>
<td>Activity control only affects operational performance</td>
</tr>
<tr>
<td>Miao and Evans (2014)</td>
<td>Data collected from 223 industrial salespeople, confirmatory factor analysis using EQS 6.1 was performed to assess the psychometric properties of the multi-item constructs</td>
<td>Salesperson motivation, sales performance, job satisfaction, salesforce control system, hybrid control</td>
<td>Sales control systems have interactive effects on intrinsic/extrinsic motivation which affect sales performance and job satisfaction</td>
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</table>
CONCLUSION

The review of the studies reveal that behaviour based salesforce control system has a positive effect on ethical behaviour, innovativeness, motivation, behavioural and outcome performance of salespeople which ultimately has an impact on sales organization effectiveness. Organizations employing behaviour based salesforce control system are found to be more effective than organizations employing outcome based salesforce control system. Taking into account these findings, a relational study can be proposed taking into account the salesforce control system (behaviour based and outcome based) and the sales organization effectiveness. The study may be conducted in pharmaceuticals, book publishing and industrial products marketing etc.

IMPLICATIONS

This research will have important implications for sales managers as they can increase the effectiveness of their organizations based on the kind of salesforce control system they employ which can in turn influence the salesforce characteristics, salesforce performance and ultimately sales organization effectiveness.

REFERENCES


