The effect of sales force control systems on cognitive and affective motivation of salespeople

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Abstract

Salesperson motivation is one of the key themes in sales research and practice.
This research examines the effect of the key salesperson steering mechanisms, sales force control systems, on motivation. Specifically, the study assesses the impact of formal and informal salesforce control systems on cognitive and affective orientations of intrinsic and extrinsic motivational orientations.
Data was collected from a cross-sectional sample of 196 professional salespeople.
Findings utilising multiple regression analysis highlight the importance of informal control systems (e.g. cultural control) in influencing salesperson motivation.
The study also offers vital managerial recommendations and proposes avenues for future research in salesforce control and motivation.

Key words: salesperson motivation, sales force control systems.

1. Introduction

Motivation is one of the most important areas of sales research. It has long been one of the most vigorous areas of research and one of the most important challenges for sales managers (Doyle & Shapiro, 1980; Jaramillo et al., 2005).
There are a number of reasons for this distinction. First, salespeople's performance has important bottom-line implications; the major part of their compensation is a variable pay, i.e. based on their performance (MacKenzie et al., 1998). Second, the sales force accounts for the largest part of the marketing budget and marketing personnel (Cravens et al., 1993). Third, salespeople play an important boundary spanning role in organisations connecting the needs of a company with its customers, as well as connecting various functions within the sales organisation (e.g., Burke, 2013; Marshall et al., 1999; Singh, 1998).
Salesforce control system is a set of organisational processes and procedures for monitoring, directing and influencing salesperson behaviours, as well as for evaluating and compensating salespeople (Anderson & Oliver, 1987).

2. Salesperson motivation

Motivation is defined as a psychological state that causes the arousal, direction, and persistence of behaviours conditioned by need satisfaction (Mitchell 1982). The two types of motivation which are commonly discussed in motivation literature are intrinsic motivation (IM) and extrinsic motivation (EM) (e.g. Mallin & Pullins, 2009; Tyagi, 1982; Weitz et al., 1986). IM is concerned with enjoyment of an activity itself without an obvious external reward (Teo et al., 1999; Warr et al., 1979; Weiner, 1995). The notion of IM is based on the idea of human nature being active, curious, and inquisitive (White, 1959). Contrary to this, EM drives behaviours in order to obtain an outcome (i.e. a reward) which differs from the activity itself (Davis et al., 1992; Ryan & Deci, 2000a; Teo et al., 1999).
A number of later studies on motivation (e.g. Miao & Evans, 2007; Miao, Lund, & Evans, 2009) subdivided IM and EM into cognitive and affective orientations. The cognitive orientation of IM is termed challenge seeking, while the affective orientation of IM is termed task enjoyment. In addition, the cognitive orientation of EM is termed compensation seeking, while the affective orientation of EM is termed recognition seeking.
Research has demonstrated the importance of studying motivation on the level of motivational orientations as opposed to a more global level of IM and EM (Amabile et al., 1994), and not considering such disaggregation may lead to inconsistent.

3. Sales force control systems

Sales force control systems have been shown to be an important influencer of salesperson work outcomes (e.g. Cravens et al., 1993; Hohenberg & Homburg, 2016; Miao & Evans, 2012; Miao et al., 2007).
Largely, the literature on sales force control systems is based on the theoretical work of Jaworski (1988) and Anderson and Oliver (1987), and as noted by Baldauf et al. (2005), these two theoretical approaches represent two alternative measures and philosophies of sales force control.
Anderson and Oliver (1987), and subsequently Oliver and Anderson (1994), suggested two types of control systems: outcome-based and behaviour-based.
Different to this, Jaworski (1988) suggested that sales force control systems can be broadly divided into formal and informal systems. Within the formal category, there is output and process. In the informal class, Jaworski distinguishes professional and cultural control system.

Jaworski et al. (1993) suggested that 'both formal and informal controls can be in place at the same time' (p.58).
Table 1. below presents a summary of the key literature on the topic of control systems and salesperson motivation.

Study	Research method	Sample	Relevant findings	Control system measure	Theoretical approach
Baldauf et al. (2001)	Cross-sectional survey with field sales managers.	174 (19.5%) – Austrian sample; 142 (25%) – UK sample.	Behaviour control has a significant positive impact on IM and recognition motivation.	Anderson and Oliver (1987) and Babakus, Cravens, Johnston, and Moncrief (1996)	Anderson and Oliver (1987)
Bande et al (2016)	Cross-sectional survey.	145 (96%)	Outcome-based control system strengthens the positive impact of servant leadership on IM.	Miao et al. (2007) based on Oliver and Anderson (1994)	Anderson and Oliver (1987)
Cravens et al. (1993)	Cross-sectional survey.	144	Field sales management control (a dimension of Anderson and Oliver's (1987) the sales force control) has an impact on IM and recognition motivation, but not the compensation control.	Based on Anderson and Oliver (1987).	Anderson and Oliver (1987)
Mallin and Pullins (2009)	Cross-sectional survey.	275	Behaviour activity control negatively moderates the relationship between the proportion of commission (in total compensation) and IM.	Piercy, Cravens, and Lane (2001)	Anderson and Oliver (1987)
Miao et al. (2007)	Cross-sectional survey.	175 (44.2%)	Activity control primarily impacts challenge seeking (the cognitive dimension of IM) and capability control mainly affects task enjoyment (the affective dimension of IM).	Kohli, Shervani, and Challagalla (1998)	Anderson and Oliver (1987)
Miao and Evans (2012)	Cross-sectional survey.	195 salesperson- sales manager dyads (16.3-19.2%)	The combination of capability and outcome-based control systems has a positive combined effect on IM and salesperson knowledge. The combination of outcome and activity based control systems decrease IM but increase role clarity. IM diminishes the negative effect of role ambiguity on performance.	Kohli et al. (1998)	Anderson and Oliver (1987)
Oliver and Anderson (1994)	Cross-sectional survey. Dyadic data from sales managers and salespeople.	347 (64%)	Control systems influence salespeople's affective and motivational states. Specifically, behaviour-based control is linked with greater IM, whereas outcome-based control is linked with EM.	Developed their own measures for control systems.	Anderson and Oliver (1987)
Piercy et al. (2001)	Cross-sectional survey.	214 (90%)	There are significant differences between male/female salespeople's levels of IM.	Cravens et al. (1993) and Babakus, Cravens, Grant, Ingram, and LaForge (1996)	Anderson and Oliver (1987)

Table 1. *Summary of the key studies that incorporate sales force control systems and salesperson motivation*

4. Theoretical model

The present study builds on the prior research on sales control and salesperson motivation and is positioned within the self-determination theory (SDT) (Deci, 1975; Deci & Ryan, 1980, 1985b).

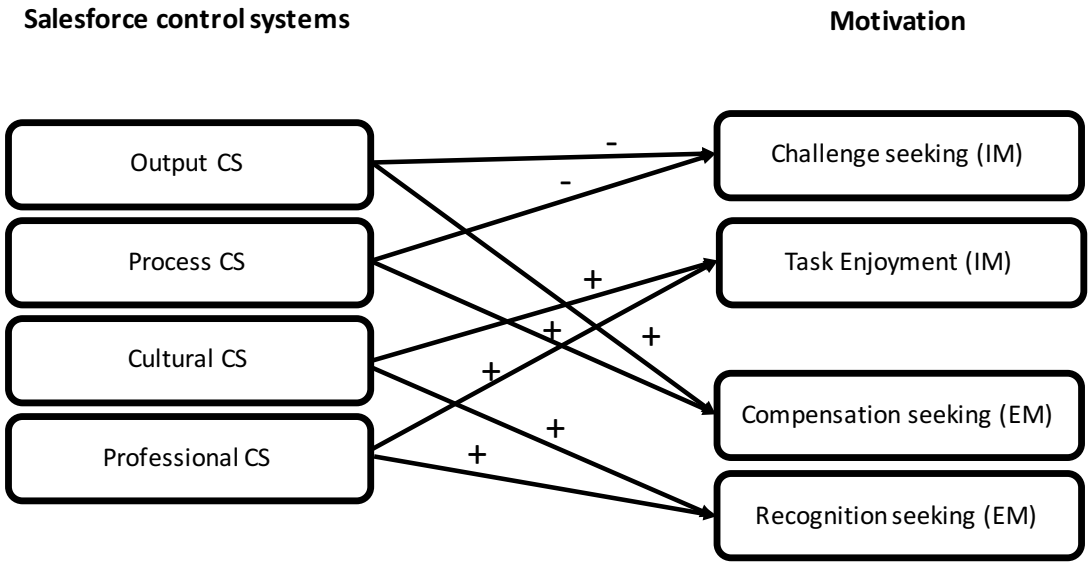

Figure 1. *Theoretical model.*

5. Hypothesis development

The use of an output control system was found to have a significant impact on salesperson motivation (Oliver and Anderson, 1994). Under output control, salespeople have little managerial direction and the risk for their performance outputs is moved on to a salesperson themselves (Oliver & Anderson, 1995). A variable compensation (i.e. commission and/or bonus) is a main source of income under an output control system, hence the monetary rewards are made highly salient (Anderson & Oliver, 1987) significantly tapping into the compensation seeking orientation. Salespeople in such a contexts are less likely to seek the challenges in their work that are necessary for mastery and developing their selling skills, as this will be seen as a high opportunity cost (Andersen, 1994).

Hence, the following is hypothesised.

H1a. The use of an output control system positively impacts salesperson compensation seeking (EM, cognitive).

H1b. The use of an output control system negatively impacts salesperson challenge seeking (IM, cognitive).

Under a process control system, salespeople are closely monitored on their selling procedures and strategies (Jaworski & MacInnis, 1989). However, salespeople who are carefully monitored for accomplishing set tasks, and are required to use set procedures, may feel diminished levels of challenge in their job (Miao et al., 2007), which is a vital and innate human psychological need (Ryan & Deci, 2000b). As a result, process control will eventually have a negative impact on their challenge seeking orientation and lowering levels of compensation seeking.

Hence, the following is hypothesised.

H2a. The use of a process control system will have a negative effect on challenge seeking (IM, cognitive).

H2b. The use of a process control system will have a negative effect on compensation seeking (EM, cognitive).

Cultural control system is a set of shared values and behavioural norms within an organisation as a whole. Supportive and positives working environments were found to have an important influence on salesperson's behaviours and motivations (Jaramillo & Mulki, 2008; Kemp et al., 2013; Tyagi, 1982, 1985a, 1985b). Working in such positive environments mean salespeople will feel supported in their work and free to enjoy their job and associated selling tasks (Jaramillo & Mulki, 2008) and will be eager to get their efforts recognised satisfying the feelings of relatedness and competence (Deci & Ryan, 2002).

Hence, the following is hypothesised:

H3a. The presence of a cultural control system positively impacts task enjoyment (IM, affective).

H3b. The presence of a cultural control system positively impacts recognition seeking (EM, affective).

Under a professional control system, there exist established norms and behavioural rules in the sales department, such as encouraging cooperation and job-related discussions between salespeople. This creates an environment of mutual respect (Jaworski et al., 1993). Such informal conditions will lead to a more positive working environment for salespeople that are free to enjoy their selling job, and an environment where everyone is familiar with each other's productivity to the point that colleagues are able to offer accurate evaluations of each other's accomplishments (Jaworski et al., 1993) reducing the need for recognition seeking.

Hence, the following is hypothesised.

H4a. The presence of a professional control system positively impacts task enjoyment (IM, affective).

H4b. The presence of a professional control system negatively impacts recognition seeking (EM, affective).

6. Methodology

In order to test the proposed hypotheses, a cross-sectional survey with professional salespeople was used.

Data collection was administered over 3 weeks which resulted in a total of 196 fully completed usable salesperson questionnaires.

The questionnaire for this study was based on existing validated scales from the recent management and sales literature.

Confirmatory factor analysis (CFA) was conducted to assess the constructs' psychometric properties.

Descriptive statistics for the study data, including composite reliability and AVE is presented in Table 2 below.

		M	SD	CR	AVE	1	2	3	4	5	6	7	8
1	Challenge seeking	6.003	0.836	0.84	0.58	1.00	0.250**	0.017	0.158*	0.064	0.090	0.195**	0.128
2	Task Enjoyment	5.397	1.063	0.75	0.51	0.250**	1.00	0.019	0.238**	0.098	0.214**	0.149*	0.176*
3	Compensation seeking	5.393	1.104	0.74	0.51	0.017	0.019	1.00	0.255**	0.093	0.177*	0.256**	0.232**
4	Recognition seeking	5.169	1.330	0.88	0.72	0.158*	0.238**	0.255**	1.00	0.164*	0.355**	0.176*	0.151*
5	Professional control	5.086	1.251	0.89	0.62	0.064	0.098	0.093	0.164*	1.00	0.716**	0.308**	0.258**
6	Cultural control	5.194	1.406	0.87	0.77	0.090	0.214**	0.177*	0.355**	0.716**	1.00	0.428**	0.355**
7	Output control	5.357	1.269	0.80	0.51	0.196**	0.149*	0.256**	0.151*	0.308**	0.428**	1.00	0.665**
8	Process control	4.654	1.358	0.86	0.61	0.128	0.176*	0.232**	0.176*	0.258**	0.355**	0.665**	1.00

* Correlation is significant at the 0.01 level (2-tailed).

** Correlation is significant at the 0.05 level (2-tailed).

Table 2. *Statistics and correlations*

In order to test the proposed hypotheses a multiple regression analysis was carried out.

7. Results

Table 3 (below) presents the overall results of the multiple regression analysis.

Hypothesis	**Results**
H1 posits that the use of an output control system positively impacts salesperson (a) compensation seeking and (b) challenge seeking.	H1a (β = 0.155, α = 0.076) is not supported. H1b (β = 0.117, α = 0.084) is not supported.
H2 states that the use of a process control system will have a negative effect on (a) challenge seeking and (b) compensation seeking.	H2a (β = 0.016, α = 0.793) is not supported H2b (β = 0.016, α = 0.793) is not supported.
H3 suggests the presence of a cultural control system positively impacts (a) task enjoyment and (b) recognition seeking.	H3a (β = 0.193, α = 0.011) is supported. H3b (β = 0.554, α = 0.000) is supported.
H4 which states that the presence of a professional control system positively impacts (a) task enjoyment and (b) recognition seeking.	H4a (β = -0.111, α = 0.165) is not supported. H4b (β = -0.280, α = 0.011) is supported.

Table 3. Hypothesis results summary

8. Discussion

The present study expands prior research on sales control and salesperson motivation by empirically examining how salesforce control systems drive salesperson motivational orientations using SDT as a guiding theoretical rationale.

In short, the lack of support for H1 and H2 suggests that fostering salesperson motivational orientations doesn't appear to be due to the more traditional and formal output and process control systems but more a matter of softer, informal control systems (see the significant effects related to H3 and H4). An explanation may be that the salespersons in this study operate in sale settings in which the role of intrinsic motivation is quite relevant. The prevalence of this type of motivation seems to benefit more from softer, informal control systems than from formal ones.

The findings on the H3 are in line with the key premises of SDT. Specifically, Cognitive evaluation theory as part of SDT suggests that there is an active interaction between external events (e.g., rewards) and people's task enjoyment / interest (Deci, 1975). Cultural control refers to a set of behavioural norms within an organisation. It creates such external conditions under which salespeople feel a sense of pride in what they do and a sense of being part of the team (Jaworski et al., 1993). Such set of shared values and behavioural norms contribute to shaping salesperson's behaviours (Buchanan, 1974) and creating positive working environments which is positively associated with customer orientation and negatively associated with emotional exhaustion (Kemp et al., 2013). Therefore, salespeople under the cultural control system feel the enhanced task enjoyment in their sales job and will be happily searching for peer recognition (i.e. recognition seeking).

Finally, results are not supportive of H4a that the presence of a professional control system positively impacts task enjoyment, but they support H4b, which states that the presence of a professional control system negatively impacts recognition seeking.

Professional control system as an informal system refers to the sales department's established unwritten norms of behaviour and includes the notion of salesperson cooperation and high level of familiarity with other's productivity (Jaworski et al., 1993). This doesn't appear to be vital in impacting task enjoyment. However, it will have a negative impact on recognition seeking, as per SDT.

The present study has a number of vital managerial implications. First, the study confirms the importance of cultural control in sales departments. Second, it appears to be important to find the right balance between cultural and professional controls, i.e. between salespeople's cooperation which has a positive influence on motivation and salespeople being too familiar with each other's work accomplishments which undermines it.

9. Conclusion and future work

Future research can further investigate the combined effect of formal and informal control systems on motivational orientations of salespeople. Such research effort could also investigate the effect of additional contextual and individual level variables (e.g. relationship to supervisor and personality traits). Finally, further research may consider investigating the effect of sales control system on motivational orientations of salespeople in different cultures.

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