Effect of Salesforce Control System and Supervisory Behaviour on Job Satisfaction of Salespeople: A Review of Studies

Zoha Fatima  
Department of Business Administration, Aligarh Muslim University, U. P., India

Khalid Azam  
Department of Business Administration, Aligarh Muslim University, U. P., India

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Recommended Citation
DOI: https://doi.org/10.57198/2583-4932.1065  
Available at: https://managementdynamics.researchcommons.org/journal/vol16/iss2/1

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EFFECT OF SALESFORCE CONTROL SYSTEM AND SUPERVISORY BEHAVIOUR ON JOB SATISFACTION OF SALESPEOPLE: A REVIEW OF STUDIES

Ms Zoha Fatima*
Dr. M. Khalid Azam**

ABSTRACT

A salesforce control system is an organization’s process to monitor, direct, evaluate and reward salespeople (Anderson and Oliver, 1987). It has an impact on salesforce job satisfaction, job performance as well as on the results achieved by the organization. Due to its importance in affecting salespeople and organizational variables, sales organizations are making efforts to choose the right kind of salesforce control system (either behaviour based or outcome based or hybrid salesforce control system). Moreover, the other factor that is closely related to salesforce control system and which has important influence on salesforce characteristics like job satisfaction is supervisory behaviour of sales managers. This paper contributes by making an attempt to analyze the effect of salesforce control system as well as sales manager supervisory behaviour on job satisfaction of salespeople. The analysis is based on the review of studies taken from the period 1976 to 2014. Based on the findings of the review, research implications are stated.

Keywords: Salesforce control system, Job satisfaction, Supervisory behaviour

* Research Scholar, Department of Business Administration, Faculty of Management Studies and Research, Aligarh Muslim University, U. P., E-mail ID is zoha_fatima22@yahoo.com

** Professor, Department of Business Administration, Faculty of Management Studies and Research, Aligarh Muslim University, U. P., India. Mail ID - mkhalidazam@rediffmail.com
INTRODUCTION

Job satisfaction is important for salespeople. But it is all the more important for the firm that employs salespeople because of its interrelationship with other salesforce variables like their job performance, their commitment to the organization and their overall contribution to the success of the firm. There are several determinants of salesforce job satisfaction: salesforce intrinsic motivation, salesforce performance, role ambiguity, role conflict etc. Out of these factors, importance of salesforce control system and supervisory behavior in influencing salesforce job satisfaction is undeniable.

The objective of this paper is to extend the existing knowledge of the role of salesforce control system and supervisory behaviour in affecting salesforce job satisfaction. This paper first defines salesforce control system and its two broad types: behaviour based and outcome based salesforce control system. Second, it describes supervisory behaviour. Third, it describes the framework for organizing the study. Fourth, it provides a review of important studies highlighting the impact of salesforce control system and supervisory behaviour on salesforce job satisfaction. Lastly, the paper concludes with a model and research implications.

Salesforce control system: A salesforce control system is an organization's process to monitor, direct, evaluate and reward salespeople (Anderson and Oliver, 1987). Selection of an appropriate salesforce control system is important because it has an influence on the functioning of the organization. Anderson and Oliver (1987) proposed that salesforce control system will have an influence on salesforce characteristics (affects, attitudes, cognitions and behaviour) and their performance. There are two broad categories of salesforce control system: Behaviour based and outcome based salesforce control system. As their name suggest, the focus of behaviour based control is on the behaviour of salespeople while that of outcome based control is on the outcomes achieved by the salespeople.

Behavior based and Outcome based salesforce control system: Behavior based salesforce control systems are characterized by more monitoring of salespeople by management, more managerial direction 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 (Anderson and Oliver, 1987). Salespeople are given a fixed amount of salary. While outcome based salesforce control system are characterized by less monitoring of salespeople by management, less managerial direction to direct salespeople and use of objective measures of outcomes to evaluate the salesforce (Anderson and Oliver, 1987). 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. Salespeople are given incentives based on the amount of sales targets they achieve.

Supervisory behavior: Supervisory behavior of the sales managers plays an important role in affecting salesforce variables like salesforce performance, job satisfaction etc. A study by Walker, Churchill and Ford (1975) analyzed the effect of two aspects of supervisory behavior - closeness of supervision and frequency of communication with the supervisor on salesperson’s role conflict and role ambiguity. Several other studies have analysed the effect of different aspects of supervisory behaviour on important salesforce and organizational variables.

Antecedents of job satisfaction: Many studies have analyzed the antecedents of job satisfaction. Some of the studies which have explored the antecedents of job satisfaction are discussed below.

Using structural equation methodology Bagozzi (1980) in their study on 122 industrial salespeople revealed that motivation has a positive effect on job satisfaction. Analyzing data of two samples (472
sales and marketing executives and 216 marketing and customer service personnel of Fortune 500 firm), Singh (1993) found that job tension has a significant negative effect on job satisfaction. Russ and McNeilly (1995) examined the moderating impact of experience and performance on the relationships among job satisfaction, organizational commitment and turnover intentions. Their study on 150 sales representatives revealed that experience and performance moderates the links between job satisfaction and organizational commitment. Netemeyer, Boles, McKee and McMurrian (1997) found leadership support and reward allocation to be a predictors of job satisfaction. MacKenzie, Podsakoff and Ahearne (1998) examined the relationship of in-role and extra-role performance with job satisfaction. Their analysis of 672 insurance sales personnel revealed that in-role performance leads to job satisfaction.

**Consequences of job satisfaction:** The consequences of job satisfaction are many. Some of the important consequences that have been considered by previous studies are discussed below.

Singh (1993) found that satisfaction with the job has a negative influence on their intentions to leave the firm. Determining the predictors of organization citizenship behaviour, Organ and Ryan (1995) in their meta-analysis of 55 studies found that job satisfaction has a positive impact on organization citizenship behaviour. Investigating the influence of job satisfaction on propensity to leave, Jones, Kantak, Futrell and Johnston (1996) found that job satisfaction has a negative impact on propensity to leave the organization. Netemeyer, Boles, McKee and McMurrian (1997) examined the relationship between organization citizenship behaviour and job satisfaction. Analyzing data of two diverse samples (91 salespeople from a cellular phone company and 184 real estate salespeople), they found that job satisfaction is a predictor of organization citizenship behaviour. MacKenzie, Podsakoff and Ahearne (1998) found that job satisfaction leads to extra-role performance. They also found job satisfaction to be related directly to turnover. Brashear, Boles, Bellenger and Brooks (2003) found that job satisfaction is positively related to commitment. In their study on 160 UK exporters, Katsikea, Theodosiou, Perdikis and Kehagias (2011) found that export sales managers’ job satisfaction has a positive impact on organizational commitment.

**FRAMEWORK FOR ORGANIZING THE STUDY**


**REVIEW OF STUDIES**

Research studies are discussed below to enhance the understanding of the impact of salesforce control system and supervisory behaviour on job satisfaction of salespeople.

Churchill, Ford and Walker (1976) investigated the impact of several organizational climate variables on the job satisfaction of salespeople. Analyzing data of 265 industrial salespeople from seven different industries using a stepwise multiple regression analysis, they found that the closeness of
supervision and the salesman's influence in determining the standards by which his performance is supervised, has a significant positive relationship to his overall job satisfaction (satisfaction with job, supervision, company policies and support, and promotion and advancement) while innovativeness required of him and the ambiguity and conflict he experiences are negatively related to his job satisfaction. These findings seem to support the idea that salespeople are happier with their job and their supervisor when they feel their performance is being watched and directed closely.

Consideration is the extent to which supervisors develop a work climate characterized by mutual trust, support, helpfulness and friendliness (Gibson, Ivancevich, and Donnelly, 1973). While participation is the extent to which the salespeople can influence decisions relating to their job. Teas (1983) investigated the relationship among sales supervisory behaviour (leader consideration, initiation of structure, participation and feedback) and salesforce job satisfaction. The analysis of data of 116 salespeople revealed that out of the four supervisory behaviour, consideration and participation have a positive effect on salesperson's job satisfaction.

Kim (1984) investigated the effect of behaviour plus outcome goal setting and feedback on employee satisfaction as compared to behaviour or outcome alone. In a field experiment involving 101 salespeople, he found out that the effect of behaviour plus outcome goal setting and feedback on satisfaction was not superior to behaviour or outcome alone.

Exploring the relationship between organizational commitment and job satisfaction, Hunt, Chonko and Wood (1985) in their study on 916 marketing professionals revealed that commitment is a consistent predictor of satisfaction. Committed marketers were found to be more satisfied with their pay, job security and jobs in general.

Kohli (1985) investigated the influence of four unexplored supervisory behaviours: arbitrary and punitive behavior, contingent approving behavior, upward-influencing behaviour and achievement-oriented behaviour on salespeople's job satisfaction. Their study on 114 salespeople revealed that contingent approving behavior and arbitrary and punitive behavior is related positively to salespeople's job satisfaction while upward-influencing behaviour is not related to salespeople's job satisfaction. In Contingent approving supervisory behavior, supervisors give recognition and approval to salespeople that is contingent upon the effort they put and the performance they give (Fulk and Wendler 1982). While Arbitrary and punitive supervisors are autocratic and they try to increase the production through punishment (Schriesheim, House, and Kerr 1976).

Curry, Wakefield, Price and Mueller (1986) examined the effects of commitment on satisfaction. Analyzing data of nursing employees, they found that commitment is not a determinant of satisfaction. As far as the antecedents of job satisfaction are concerned, they found routinization and role overload to be negatively associated with job satisfaction while fairness of rewards and integration to be positively associated with job satisfaction.

In their study on 319 workers from human service organizations, Glisson and Durick (1988) investigated the role of job, organizational and worker characteristics as the predictors of job satisfaction. The study revealed that important predictors of job satisfaction are commitment, role ambiguity, task identity, task significance, organization age, leadership and skill variety, with role ambiguity having a negative effect on job satisfaction while skill variety having a strong positive effect on job satisfaction.

Kohli (1989) investigated the effects of supervisory initiation of structure and consideration on salespeople’s job satisfaction who differ in their specific self-esteem, need for clarity, sales experience, and self-perceived performance. The study on 114 industrial salespeople indicated that specific self-
esteem, experience and self-perceived performance moderate the effects of supervisory behaviours on salespeople’s job satisfaction.

Johnston, Parasuraman, Futrell and Black (1990) examined the influence of leadership behavior, role stress on job satisfaction. Analyzing data of consumer goods company's salesforce, they found that leadership role clarification and role conflict affected job satisfaction.

Jaworski, Statthakopoulos and Krishnan (1993) examined the impact of salesforce control system on job satisfaction of salespeople. In their study of 379 marketing executives, they found a positive relationship between job satisfaction and output and cultural controls while there was no effect of process control on job satisfaction.

Oliver and Anderson (1994) empirically tested the propositions about how control system perceptions influence salespeople. The analysis of 347 salespeople in the electronic components industry revealed that behaviour based salesforce control system is positively related to job satisfaction.

Dubinsky, Yammarino, Jolson and Spangler (1995) examined the effect of leadership styles on job satisfaction. Using correlational and hierarchical regression to analyse data of 174 sales staff-sales manager dyad, they found that transactional as well as transformational leadership are positively associated with job satisfaction.

Investigating the influence of supervisors' behaviors (leadership consideration and leadership role clarity) on the salesforce’s role perceptions, job anxiety, job satisfaction, propensities to leave and actual turnover, Jones, Kantak, Futrell and Johnston (1996) in their study on 109 salespeople found that leadership role clarity has a positive effect on job satisfaction while role conflict has a negative impact on job satisfaction. The study did not reveal any significant impact of role ambiguity or job anxiety on job satisfaction.

Gregory Rich (1997) developed a conceptual framework that linked role modelling behaviour of sales managers to job satisfaction of salespeople. Analyzing data of 183 salesperson-manager dyad in 10 different US companies and using LISREL to test the hypothesized model, he found that role modelling had a significant effect on trust in manager and trust has direct effect on job satisfaction of salespeople. This finding indicates that role modelling has indirect effect on job satisfaction through trust in managers.

Shoemaker (1999) investigated the leadership practices of sales managers and their impact on job satisfaction of salespeople. Multiple regression analysis of 158 industrial field salespeople in U.S. found that leadership practices have a significant association with job satisfaction of salespeople.

Challagalla, Shervani and Huber (2000) investigated the moderating effect of salesperson location on the relationship between supervisory orientations of output, activity, and capability and salesperson satisfaction with supervisor. Analyzing data of 239 salespeople from five industrial product divisions of two Fortune 500 companies, they found that activity orientation has a positive effect on the satisfaction of remote located salespeople while it has a negative effect on the satisfaction of co-located salespeople. They also found that end-results orientation is positively related to the satisfaction of colocated salespeople but not of remote located salespeople.

Schwepker (2001) examined ethical climate’s relationship to job satisfaction, organizational commitment and turnover intention among salespeople. Using regression analysis to analyse the data of 152 business-to-business salespeople in United States, he found a positive relationship between salespeople’s perception of their organization’s ethical climate and their job satisfaction. The findings of the study also revealed greater job satisfaction to be associated with stronger organizational commitment.
Low, Cravens, Grant and Moncrief (2001) examined the antecedents and consequences of burnout and job satisfaction. Analyzing data of 148 field salespeople from 27 companies in Australia, they found that burnout, role conflict and role ambiguity have a negative effect on salesperson’s job satisfaction while intrinsic motivation has a positive impact on salesperson’s job satisfaction.

Developing a career stage framework Cron (1984) suggested that individuals experience four career stages: (1) exploration, (2) establishment, (3) maintenance and (4) disengagement. Employees in the exploration stage have lower levels of personal commitment to the occupation. Building on career stage theory and contingency theory, Flaherty and Pappas (2002) suggested how managers can find a fit between compensation mix and job satisfaction of salespeople. Analyzing data of 214 salespeople using multivariate analysis of variance (MANOVA), they found that salespeople in exploration stage of their career experience higher satisfaction when they are given a fixed salary while salespeople in establishment stage experience higher satisfaction when they are given incentives.

Investigating the effect of high, bureaucratic, clan and low control combinations on job satisfaction, Cravens, Lassk, Low, Marshall and Moncrief (2004) in their study on 1042 salespeople from a broad range of industries and companies, found that salespeople job satisfaction is highest when salespeople are working under a high management control system.

Coudounaris (2011) developed a model based on export managerial psychology theory, which investigated the effect of export managers’ rewards on export performance. Analyzing the data of export managers and using partial least squares (PLS) analysis to determine positive or negative relationships among the constructs and their variables, he found that manager’s financial and nonfinancial rewards have a weak negative impact on manager’s job satisfaction.

Analyzing the effect of job characteristics on export sales managers’ job satisfaction, Katsikea, Theodosiou, Perdikis and Kehagias (2011) in their study on 160 UK exporters found that higher levels of job autonomy, job variety and job feedback have a positive impact while role conflict and role ambiguity have a negative effect on job satisfaction of export sales managers.

The meta-analysis by Crosno and Brown (2014) showed that both output and process control are positively related to satisfaction.

Miao and Evans (2014) examined the interactive effects of salesforce control system on industrial salespeople’s motivation and job satisfaction. Analyzing data of 223 industrial salespeople and using moderated regressions to test the hypotheses, they found that at a high percentage of new customers, recognition seeking has a stronger positive effect on job satisfaction, while compensation seeking and percentage of new customers were found to have a negative interactive effect on job satisfaction. These findings suggest that intrinsic and extrinsic motivation of salespeople affects job satisfaction.

Table 1 summarizes research studies examining the relationship between job satisfaction of salespeople and salesforce control system. The table includes the sample size, variables along with key findings of the studies.
### Table 1: Salesforce control system and job satisfaction

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Variables studies</th>
<th>Key findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churchill, Ford and Walker (1976)</td>
<td>265 industrial salespeople</td>
<td>Job satisfaction, Supervision</td>
<td>Closeness of supervision and the salesman’s influence in determining the standards by which his performance is supervised and evaluated has a significant positive relationship to his overall job satisfaction</td>
</tr>
<tr>
<td>Teas (1983)</td>
<td>116 salespeople</td>
<td>Job satisfaction, Supervisory behaviour (leader consideration, initiation of structure, participation and feedback)</td>
<td>Supervisory behaviour of consideration and participation have a positive effect on salesperson’s job satisfaction</td>
</tr>
<tr>
<td>Kim (1984)</td>
<td>101 salespeople</td>
<td>Salesforce satisfaction, Behavior plus Outcome Goal Setting and Feedback</td>
<td>The effect of behaviour plus outcome goal setting and feedback on satisfaction was not superior to behaviour or outcome alone</td>
</tr>
<tr>
<td>Kohli (1985)</td>
<td>114 salespeople</td>
<td>Job satisfaction, Supervisory behaviours (arbitrary and punitive behavior, contingent approving behavior, upward-influencing behaviour and achievement-oriented behaviour)</td>
<td>Contingent approving behavior and arbitrary and punitive behavior is related positively to salespeople’s job satisfaction</td>
</tr>
<tr>
<td>Hunt, Chonko and</td>
<td>916 marketing professionals</td>
<td>Job satisfaction, Commitment sworn</td>
<td>Commitment is a consistent</td>
</tr>
<tr>
<td>Wood (1985)</td>
<td>professionals nurses employees</td>
<td>Organizational commitment predictor of satisfaction</td>
<td>Fairness of rewards and integration to be positively associated with job satisfaction</td>
</tr>
<tr>
<td>Curry, Wakefield, Price and Mueller (1986)</td>
<td>319 workers from human service organizations</td>
<td>Job satisfaction, Commitment, Routinization, Role overload Fairness of rewards, Integration</td>
<td>Important predictors of job satisfaction are commitment, role ambiguity, task identity, task significance, organization age, leadership and skill variety</td>
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<tr>
<td>Glisson and Durick (1988)</td>
<td>114 industrial salespeople</td>
<td>Salespeople job satisfaction, Supervisory initiation of structure and consideration</td>
<td>Specific self-esteem, experience and self-perceived performance moderate the effects of supervisory behaviours on salespeople’s job satisfaction</td>
</tr>
<tr>
<td>Kohli (1990)</td>
<td>Consumer goods company’s salesforce</td>
<td>Job satisfaction, Leadership Role clarification, Role conflict</td>
<td>Leadership role clarification and role conflict affected job satisfaction</td>
</tr>
<tr>
<td>Johnston, Parasuraman, Futrell and Black (1993)</td>
<td>379 marketing executives</td>
<td>Job satisfaction, Hybrid salesforce control system</td>
<td>There is a positive relationship between job satisfaction and output and cultural controls</td>
</tr>
<tr>
<td>Jaworski, Stathakopoulos and Krishnan (1993)</td>
<td>347 salespeople</td>
<td>Job satisfaction, Salesforce control system</td>
<td>Behaviour based salesforce control system is positively related to job satisfaction</td>
</tr>
<tr>
<td>Oliver and Anderson (1994)</td>
<td>174 sales staff-sales manager dyad</td>
<td>Job satisfaction, Transactional and transformational leadership styles</td>
<td>Transactional as well as transformational leadership are positively associated with job satisfaction</td>
</tr>
<tr>
<td>Authors</td>
<td>Sample Size</td>
<td>Summary of Findings</td>
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<td>--------------------------------</td>
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<td>-------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Jones, Kantak, Futrell and Johnston (1996)</td>
<td>109 salespeople</td>
<td>Job satisfaction, Supervisors' behaviors (leadership consideration and leadership role clarity) Leadership role clarity has a positive effect on job satisfaction while role conflict has a negative impact on job satisfaction.</td>
<td></td>
</tr>
<tr>
<td>Gregory Rich (1997)</td>
<td>183 salesperson-manager dyad</td>
<td>Job satisfaction, Role modelling                                                   Role modelling had a significant effect on trust in manager and trust has direct effect on job satisfaction of salespeople.</td>
<td></td>
</tr>
<tr>
<td>Shoemaker (1999)</td>
<td>158 industrial field salespeople in U.S.</td>
<td>Job satisfaction, Leadership practices of sales managers Leadership practices have a significant association with job satisfaction of salespeople.</td>
<td></td>
</tr>
<tr>
<td>Chellagalla, Shervani and Huber (2000)</td>
<td>239 salespeople</td>
<td>Salesforce satisfaction Activity orientation has a positive effect on the satisfaction of remote located salespeople.</td>
<td></td>
</tr>
<tr>
<td>Schweiker (2001)</td>
<td>152 business-to-business salespeople in United States</td>
<td>Job satisfaction, Organizational commitment, Salespeople’s perception of their organization’s ethical climate Greater job satisfaction is associated with stronger organizational commitment.</td>
<td></td>
</tr>
<tr>
<td>Low, Cravens, Grant and Moncrief (2001)</td>
<td>148 field salespeople from 27 companies in Australia</td>
<td>Job satisfaction, Organizational commitment, Burnout, Role conflict, Role ambiguity Burnout, role conflict and role ambiguity have a negative effect on salesperson’s job satisfaction while intrinsic motivation has a positive impact on salesperson’s job satisfaction.</td>
<td></td>
</tr>
<tr>
<td>Flaherty and Pappas (2002)</td>
<td>214 salespeople</td>
<td>Compensation mix, Job satisfaction Salespeople in exploration stage of their career experience higher satisfaction when they are given a fixed salary.</td>
<td></td>
</tr>
<tr>
<td>Cravens, Lassk, Low, Marshall and Moncrief (2004)</td>
<td>1042 salespeople</td>
<td>Job satisfaction, Hybrid control Salespeople job satisfaction is highest when salespeople are working under a high management control system.</td>
<td></td>
</tr>
<tr>
<td>Coudounaris (2011)</td>
<td>Few export managers</td>
<td>Job satisfaction, Reward system Manager’s financial and nonfinancial rewards have a weak negative impact on manager’s job satisfaction.</td>
<td></td>
</tr>
<tr>
<td>Katsikas, Theodosiou, Perdikis and Kehagias (2011)</td>
<td>160 UK exporters</td>
<td>Job satisfaction, Job autonomy, Job variety, Job feedback, Role conflict, Role ambiguity Higher levels of job autonomy, job variety and job feedback have a positive impact on job satisfaction of export sales managers.</td>
<td></td>
</tr>
<tr>
<td>Crosno and Brown (2014)</td>
<td>Meta-analysis</td>
<td>Satisfaction, Salesforce control system Both output and process control are positively related to satisfaction.</td>
<td></td>
</tr>
<tr>
<td>Miao and Evans (2014)</td>
<td>223 industrial salespeople</td>
<td>Job satisfaction, Salesforce control system Salesforce control systems have effects on intrinsic and extrinsic motivation of salespeople which ultimately affect job satisfaction.</td>
<td></td>
</tr>
</tbody>
</table>
CONCLUSION

The review of studies revealed important factors that have a positive influence on job satisfaction of salespeople. These factors can be categorized under four broad heads: (1) Direct effect of salesforce control system such as behaviour based, outcome based and cultural control, (2) Indirect effect of salesforce control system through intrinsic and extrinsic motivation, (3) Supervisory behaviour such as closeness of supervision, salesman's influence in determining the standards by which his performance is supervised, contingent approving behavior, arbitrary and punitive behavior, supervisory behaviour with activity and end results orientation, consideration and participation, and (4) Indirect effect of role modelling through its effect on trust in manager. Figure 1 shows the important determinants of job satisfaction.

**Figure 1**: Determinants of job satisfaction

IMPLICATIONS

The study holds implications for sales managers. They need to take due care in choosing the right kind of salesforce control system and supervisory behaviour as it will have impact on job satisfaction which is the most important factor in affecting salesforce performance, their commitment to the firm and ultimately the sales organization effectiveness.

DIRECTIONS FOR FUTURE RESEARCH

This study analyzed the impact of salesforce control system and supervisory behaviour on job satisfaction. The research in future should take into consideration the impact of salesforce characteristics on job satisfaction. The salesforce characteristics which can be taken into consideration could be risk aversion, ethical behaviour, sales support orientation, customer orientation, intrinsic and extrinsic motivation.
REFERENCES


