Abstract
The sales force is an important asset for the organization as it helps in earning revenue. In order to make them effective, sales people are subjected to a particular kind of sales force control system. A sales force control system is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees (Anderson and Oliver, 1987). There are two kinds of sales force control systems: Behaviour based and Outcome based sales force control systems. These systems have been found to have an impact on customer orientation of sales people. Based on the review of previous research studies, this paper attempts to find the direct as well as indirect relationship between the use of a particular sales force control system and the customer orientation of sales people. The paper takes into consideration research studies from the period 1981 to 2014. Based on the findings of the review, research implications are stated.

Keywords: Behaviour-based sales force control system, Outcome-based sales force control system, Sales force customer orientation
Introduction

More and more organizations these days are focusing on customer service and customer satisfaction. Sales people are being trained to pursue the customer relationship objectives of the organization, which will help the organization to maintain a good rapport with its customers and will contribute to its revenue. As a result of increasing competition, sales organizations are trying to distinguish themselves from their competitors. Since organizations cannot make dramatic changes in their products and services, they are trying to make their sales forces take on the challenge of customer acquisition and satisfaction. 

Weitz (1981) gave propositions to improve effectiveness in sales interactions. He proposed that the use of closed as opposed to open influence techniques is more effective when the sales person is more powerful than his/her customers, the level of conflict between the customers and the sales person is high and the sales person does not anticipate future interactions with the customer. This indicates the importance of customer oriented selling for building long term relationships with the customers. According to Anderson (1996), “No matter how difficult it is to meet the challenge, meeting customer expectations profitably is the only game in town. Companies that fail to star in this game risk their futures.”

If a firm has to be successful, it must understand what customers expect from sales people and make sure that their employees meet or exceed those expectations. According to Goff, Boles, Bellenger and Stojack (1997), billions of dollars spent on product development and promotion can be negated by the poor performance of sales people, while on the other hand, initial satisfaction with the sales person helps a consumer overlook shortcomings in the areas of service or product difficulties, providing these problems are satisfactorily resolved.

In such a scenario, it is important to investigate the effect of the sales force control system on customer orientation of sales people. A sales force control system is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees (Anderson and Oliver, 1987). It influences behaviour of sales people in such a way that it is beneficial for them as well as the sales organization.

Ever since the study by Anderson and Oliver (1987) has been conducted in which they gave propositions on the effect of sales force control system on cognitions and capabilities, affects and attitudes, motivation, behavioural strategies and performance of sales people, various studies have investigated the effects of sales force control system on customer orientation. The objective of this paper is to extend the existing knowledge of the role of sales force control system in influencing the customer orientation of sales people and to highlight the direct and indirect impact of behaviour based and outcome based sales force control system on customer orientation of sales people. This paper first defines the two types of sales force control system - behaviour based and outcome based sales force control system. Second, it describes customer orientation of sales people. Third, it provides a framework for organizing the study. Fourth, it reviews important studies highlighting the direct as well as indirect impact of behaviour based and outcome based sales force control system on the customer orientation of sales people. Lastly, the paper concludes with research implications.

According to Anderson and Oliver (1987), there are two broad categories of sales force control system: Behaviour based and Outcome based sales force control system.

Behaviour based and outcome based sales force control system: Behaviour based control system is characterized by more monitoring of sales people by
the management, more managerial direction to direct sales people and use of subjective and more complex methods based on sales persons’ aptitude and product knowledge, number of calls, their sales strategies, etc. to evaluate and compensate the sales force (Anderson and Oliver, 1987). Sales people are given a fixed amount of salary. As against this, an outcome-based sales force control system is characterized by less monitoring of sales people by the management, less managerial direction to direct sales people and use of objective measures of outcomes to evaluate and compensate the sales force (Anderson and Oliver, 1987). Incentives are given to sales people based on the sales target they achieve.

Customer orientation
Customer orientation can be explained in the words of Saxe and Weitz (1982):

“Customer-oriented selling is a way of doing business on the part of sales people. The term refers to the degree to which sales people practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs. Highly customer-oriented sales people engage in behaviours aimed at increasing long-term customer satisfaction. In addition, they avoid behaviours which might result in customer dissatisfaction. Thus highly customer-oriented sales people avoid actions which sacrifice customer interest to increase the probability of making an immediate sale.” (Page 344)

Sales force customer orientation has important consequences for sales organizations. Sharma (1997) concluded that sales people need to create realistic expectations and try to be responsive to their customers to enhance customer satisfaction. In their study on 210 sales people and 630 customers, Román and Iacobucci (2010) found that a firm’s customer orientation is positively related to adaptive selling confidence and intrinsic motivation, and negatively related to role ambiguity. The study by Schwepker and Good (2004b) showed that sales force customer orientation is positively related to annual quota achievement. Katsikea and Skarmeas (2003) investigated the profile characteristics of highly effective export sales organisations and how they are differentiated from other export units with respect to key sales management aspects. In their study of 234 exporting firms, they found that an export manager’s characteristics such as customer orientation and professional competence differentiate the effectiveness of high and low export sales units.

Analyzing the relationship between adaptive selling and customer orientation, Román and Iacobucci (2010) in their study involving 210 sales people and 630 customers showed that a firm’s customer orientation is positively related to adaptive selling confidence, intrinsic motivation and customer-qualification skills, and negatively related to role ambiguity. Goff, Boles, Bellenger and Stojack (1997) examined the effect of one non-product-related construct on consumer satisfaction with a major retail purchase - an automobile. The analysis of 522 purchasers of new vehicles showed that a sales person’s use of a customer oriented sales approach will lead to increased customer satisfaction with the sales person and dealer, while a sales person’s use of a selling oriented sales approach will lead to decreased customer satisfaction with the sales person. Goff, Boles, Bellenger and Stojack (1997) stated that customer orientation may generate more favourable word-of-mouth promotion. Howe, Hoffman and Hardigree (1994) examined the relationship between the ethical behaviour and customer orientation of insurance sales agents engaged in the selling of complex services, e.g. health, life, auto, and property insurance. The study on insurance sales agents showed that customer-oriented agents are less likely to participate in unethical activity and they also
perceive less unethical behaviour on the part of their fellow agents.

**Anderson and Oliver’s (1987) perspective of customer orientation**

Anderson and Oliver (1987) proposed that sales people in a behaviour based control system are more likely to use customer oriented strategies than sales people in an outcome based control system.

**Framework for organizing the study**


**Review of literature**

Research studies are discussed below to enhance the understanding of the relationship between sales force control system and customer orientation of sales people.

Barton Weitz (1981) gave propositions regarding the effectiveness in sales interactions considering the moderating effect of the sales person’s resources, the customer’s buying task, and the customer-sales person relationship. According to the proposition, the use of closed against the use of open influence techniques is more effective under the following customer-sales person relationships - a). The sales person typically does not anticipate future interactions with the customer. Developing a framework that included antecedents and consequences of a market orientation, Kohli and Jaworski (1990) proposed that greater market orientation will result in greater customer satisfaction and greater repeat business from customers. Measuring sales force control system on two dimensions: (1) the extent of monitoring and amount of direction by field sales managers called as FMSC (Field Sales Management Control), (2) Sales force compensation, called as CC (Compensation Control), Cravens, Ingram, LaForge and Young (1993) in their study on 144 chief sales executives found that FMSC and CC are related to customer orientation, indicating a positive relationship between behaviour based sales force control system and sales force customer orientation.

According to Smyth (1968), incentive pay should increase as a percent of total compensation when “Providing customer service is a small consideration relative to selling to new accounts or other volume-oriented activities.” Lal, Outland and Staelin (1994) tested the guidelines provided by Smyth. In their analysis of sales managers from computer manufacturers, they found that managers increase the proportion of salary in the total compensation package when they perceive an increase in the importance of team selling and customer service.

Measuring job satisfaction, customer orientation, ethics and ethical training of 160 sales people in Taiwan and 91 sales people in U.S., Honeycutt, Siguaw and Hunt (1995) found that ethical behaviour was marginally related to customer orientation for the Taiwanese sales people. Investigating the relationship between different bases of sales people’s incentives and customer service response behaviour, Sharma and Sarel (1995), in their study on 53 graduate students, found that incentive systems based on customer satisfaction increase sales people’s customer service.
response more than the incentive systems based on sales volume. Mixed incentives (based on a combination of sales volume and customer satisfaction) were found to reduce the customer service response of sales people. Examining the relationship between customer service response behaviour and training, their study on 43 graduate students revealed that training has a positive impact on sales people's customer service behaviour for all incentive plans.

Lee and Potter (1996) investigated the impact of competitive intensity and customer profile on outcome-based incentive plans supporting a customer-focused service strategy. Their analysis of qualitative data of 34 outlets revealed that the implementation of outcome-based incentive plans in stores located in upscale markets resulted in larger gains in customer satisfaction. Investigating the elements of the efficiency of incentive plans, Sharma (1997) concluded that mixed incentive systems (combination of sales and customer satisfaction commissions) may reduce sales force customer service activities. The study also revealed that training sales people on the factors that influence customer satisfaction enhances sales people's customer service behaviour. Flaherty, Dahlstrom and Skinner (1999) examined the effects of organizational values and role stress on customer oriented selling performance. Conducting a study on 402 sales people, they found both perceived customer value orientation as well as financial orientation to be related to customer oriented selling performance. Their findings further indicated an inverse relationship between customer-oriented selling performance and role conflict as well as role ambiguity.

Joshi and Randall (2001) developed a conceptual model indicating indirect effects of organizational controls on a sales person's performance and on a sales person's customer orientation through task clarity and affective commitment of sales people. Analyzing data of 152 sales people using confirmatory factor analysis, they found that organizational controls affect both a sales person's task clarity and the sales person's affective commitment to the organization. In turn, task clarity affects a sales person's performance but it has no effect on customer orientation while affective commitment has a significant impact on both a sales person's performance and customer orientation. Mengue and Barker (2003) investigated the impact of an incentive plan on three dimensions of organizational performance (sales volume, profitability and customer satisfaction), taking customers' purchase decisions, sales volatility and monitoring as moderating variables. Their study on 102 Canadian sales organizations using exploratory analysis found that when the level of complexity of customers' purchase decisions is high, the level of performance-contingent incentives is positively significantly related to sales volume and customer satisfaction. As against this, when the level of behavioural monitoring is high, the level of performance-contingent incentives is negatively and significantly related to profitability, but not to customer satisfaction or to sales volume. It was also found that total compensation is negatively and significantly related to customer satisfaction.

Schwepker Jr. and Good (2004a) examined the influence of sales managers' quotas on their response to sales people's unethical behaviour and its resulting effect on the customer orientation of the sales force. Analyzing data of 240 sales managers using multiple regression analysis, they found that there was a positive relationship between sales managers' perceived quota difficulty and the probability of them allowing sales people to act unethically. Sales force customer orientation was found to be negatively related to sales managers' probability of allowing sales people to act unethically and positively related to ethical climate. These findings indicate that sales
quota, which is a component of outcome based sales force control system, can have a negative impact on sales force customer orientation. Schweper Jr. and Good (2004b) explored the relationship among sales managers’ ethical attitudes, customer orientation, coaching and quota achievement. Analyzing data of 240 sales managers using multiple regression analysis, they found that sales managers’ ethical attitudes are positively related to coaching for ethical situations. Their findings further revealed a positive relationship between coaching for ethical situations and sales force customer orientation. These findings indicate that the sales force will be more customer oriented when coaching is provided to them and the provision of coaching is more likely to be associated with behaviour based sales force control system than with outcome based sales force control system.

Investigating the effect of sales force control system on sales-related outcomes by taking into account the mediating effects of three important organizational sales-related psychological climate perceptions (OSPCP) – the organization’s customer orientation, sales innovativeness and sales supportiveness - Evans, Landry, Li and Zou (2007) found that process and capability controls have a positive and significant effect on the OSPCP of organizational customer orientation while the effect of output controls on the OSPCP of organizational customer orientation was not significant. Developing and empirically testing a conceptual model as to how an organization can use sales force control systems to improve new product success, Ahearne, Rapp, Hughes and Jindal (2010) in their study on 226 sales representatives of a pharmaceutical company and 428 physicians found that a behaviour-based control system hindered the relationship between a sales person's effort and customer product perceptions. This suggests that under an outcome-based system, sales representatives have more control over the necessary number of sales calls to conduct and can have a greater influence on customer product perceptions than in situations in which a behaviour-based system is in place.

Darmon and Martin (2011) proposed a new conceptual framework of sales force control system taking into consideration the effects of sales force control system on sales people's transactional and customer relationship-building performance. According to their proposition, “If a sales organization is customer relationship oriented and decentralized, its control mix relies more heavily on control tools designed to influence the sales persons’ qualitative level of their long-run oriented activities, compared with other types of control tools.” They also proposed a positive relationship between the amount of qualitative level of long-term-oriented activity control exerted by management and a sales person’s customer relationship development performance. These propositions indicate a positive relationship between behaviour based sales force control system and customer relationship development because in behaviour based sales force control system, long-term-oriented activities are given more importance as compared to outcome based sales force control system. Wang, Dou, and Zhou (2012) investigated the interactive effects of output, activity, and capability control on sales people’s behaviours and customer outcomes. The analysis of 301 buyer–seller dyads in China revealed that output and capability controls interact positively to affect problem solving while output and activity control interact negatively to affect opportunism. In turn, problem solving has a positive effect on customer relationship satisfaction while opportunism has a negative effect on customer relationship satisfaction.

Ahearne, Haumann, Krausand Wieseke (2013) explored interpersonal identification in the sales manager–sales person dyad and showed how it is related to important marketing outcomes. Analyzing
data of 285 sales managers and 1,528 sales people using multilevel polynomial regression approach, they found that at high levels of interpersonal identification congruence, outcome-based control is beneficial for both customer satisfaction and sales performance. **Baldauf, Guenzi and Onyemah** analysed the relationship among process control, cultural control, customer oriented selling and sales unit effectiveness. Analyzing data of 201 field sales managers in Italy using regression analysis, they found that cultural control has a positive impact on customer oriented selling while process control does not affect customer oriented selling. Sales unit effectiveness was found to be positively influenced by customer oriented selling.

Table 1 summarizes the research studies examining the relationship between sales force control system and customer orientation of sales people. The table includes the sample size and variables along with key findings of the studies.

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Variables studies</th>
<th>Key findings</th>
</tr>
</thead>
<tbody>
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<td>Lal, Outland and Staelin (1994)</td>
<td>Sales managers of two major computer manufacturers</td>
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<td>Honeycutt, Siguaw and Hunt (1995)</td>
<td>160 sales people in Taiwan and 91 sales people in U.S.</td>
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<td>Ethical behaviour was marginally related to customer orientation for the Taiwanese sales people, but not for U.S. sales people.</td>
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<tr>
<td>Sharma and Sarel (1995)</td>
<td>Study 1 – 53 graduate students, Study 2 – 43 graduate students</td>
<td>• Incentive systems</td>
<td>Incentive systems based on customer satisfaction increase sales people's customer service response.</td>
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<td>Lee and Potter (1996)</td>
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<td>Sharma (1997)</td>
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<td>1. Mixed incentive systems&lt;br&gt;2. Customer service behaviour&lt;br&gt;3. Training</td>
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<td>Joshi and Randall (2001)</td>
<td>152 sales people</td>
<td>1. Organizational control&lt;br&gt;2. Customer orientation&lt;br&gt;3. Task clarity&lt;br&gt;4. Affective commitment</td>
<td>Organizational controls affect affective commitment which has a significant impact on both sales person performance and customer orientation</td>
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<td>Mengue and Barker (2003)</td>
<td>102 Canadian sales organizations</td>
<td>1. Customer satisfaction&lt;br&gt;2. Performance-contingent incentives&lt;br&gt;3. Customers’ purchase decisions&lt;br&gt;4. Behavioural monitoring</td>
<td>When the level of complexity of customers’ purchase decisions is high, the level of performance-contingent incentives is positively significantly related to customer satisfaction</td>
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<td>1. Sales managers’ quotas&lt;br&gt;2. Ethical climate&lt;br&gt;3. Customer orientation</td>
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<td>1. Sales manager ethical attitudes&lt;br&gt;2. Customer orientation&lt;br&gt;3. Coaching&lt;br&gt;4. Quota achievement</td>
<td>A positive relationship was found between coaching for ethical situations and sales force customer orientation</td>
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<tr>
<td>Evans, Landry, Li &amp; Zou (2007)</td>
<td>293 AMA and non AMA members</td>
<td>1. Sales force control system&lt;br&gt;2. Customer orientation</td>
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<td>Process control, Cultural control, Customer oriented selling, Sales unit effectiveness</td>
<td>Cultural control has a positive impact on customer oriented selling</td>
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**Conclusion**

The review of studies revealed that (1) the use of closed influence techniques are more effective when the level of conflict between the customers and the sales person is high and the sales person does not anticipate future interactions with the customer, (2) The proportion of salary in the total compensation package increases when there is an increase in the importance of customer service, (3) When a sales organization is customer relationship oriented, its control mix relies more heavily on long-run oriented activities of sales people. These findings emphasized the importance of behaviour based sales force control system in affecting customer orientation as the focus...
of such control system is on building a long term relationship with the customer and paying sales people a fixed amount of salary for their efforts.

As far as the impact of outcome based sales force control system on customer orientation is concerned, the following findings are worth mentioning: (1) Outcome-based incentive plans are positively related to customer satisfaction when the stores are located in upscale markets and when the level of complexity of customers' purchase decisions is high, (2) In an outcome-based system, sales representatives have more control over the necessary number of sales calls to conduct and can have a greater influence on customer product perceptions, (3) Outcome-based control is positively related with customer satisfaction at high levels of interpersonal identification congruence, (4) Incentive systems based on customer satisfaction increase sales people's customer service response more than the incentive systems based on sales volume. These findings reveal that outcome based sales force control system can have a positive effect on customer orientation only when some other moderating factors are taken into account.

The other factors that were found to have an effect on customer orientation were ethical behaviour, ethics training, ethical climate and sales quota.

So based on the findings of the review, it can be concluded that behaviour based sales force control system, ethical behaviour, ethics training and ethical climate have a positive effect on customer orientation while sales quota has a negative effect on customer orientation. The review also showed that sales force control system not only has a direct effect on customer orientation but also an indirect effect on customer orientation through affective commitment, problem solving and opportunism. Figure 1 shows the important determinants of customer orientation of sales people.

Managerial Implications
The study holds important implications for sales organizations. They can increase the customer orientation of their sales force by employing behaviour based sales force control system, giving ethics training and providing an ethical climate to them. Moreover, sales force control system was found to have a direct as well as indirect impact on customer orientation of sales people.

Directions for future research
The study focused on analysing the impact of sales force control system on customer orientation of sales people. As the sales force control system is comprised of monitoring, direction, evaluation and compensation, research in future should focus on investigating the impact of different components of sales force control system separately on customer orientation of sales people. This will help in better understanding of the impact of sales force control system on sales force customer orientation.
References


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Changes in cities of India, and thereby street

### Table 23: The Results of Mann-Whitney U Test for DOWJONES Index Daily Returns

** p < .01

+ Reliability coefficient