

The effect of sales force control systems and sales experience on salesperson performance

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Aamer Chaichee
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Aalto University
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Abstract

The implications of the effect of sales force control systems on salesperson output performance has not been consistently established. The purpose of this research is to measure how sales force control systems affect the salesperson's output performance while investigating how the role of sales experience influences the proposed consequence. Both total sales experience and the sales experience in the current organization are taken into account.

Survey data (n=177) collected from salespeople working in Finnish consultative sales organizations is analyzed using hierarchical regression analysis. The data is analyzed with both confirmatory factor analysis and exploratory factor analysis.

The findings of the research state that sales experience gathered while working in the organization has a positive effect on salesperson output performance, when independently measured. The results provide insight for understanding that sales force control should be treated as a more hybrid than unidimensional phenomenon in the context of this research. Also, this research finds that a hybrid combination of process and capability control has a significant, yet negative effect on salesperson performance.

The results implicate that sales management is complex area of research and involves many different aspects of the relationship between the sales manager and the salesperson. Even though the existing literature supports the notion of the traditional output vs process vs capability control systems, this thesis demonstrates a prevalence of a more hybrid form of sales force control.

Keywords sales force control system, hybrid sales force control system, sales performance, sales experience

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Tiivistelmä

Myynnin ohjausjärjestelmien vaikutuksen ymmärtämistä suhteessa myyjän myyntityön suoritukseen ei ole saatu selkeää vastausta tutkijayhteisöltä. Tämän tutkimuksen tavoitteena on mitata miten myynnin ohjausjärjestelmät vaikuttavat myyjän myyntityön suoritukseen, samalla selvittäen mikä rooli myynnin kokemuksella on tässä yhteydessä. Tässä tutkimuksessa tutkitaan niin myyjän kokonaiskokemusta myynnistä kuin myyjän kokemusta nykyisestä myyntiorganisaatiosta.

Tutkimuksen tiedonkeruun lähteenä suoritettiin kysely (n=177), joka kerättiin suomalaisissa konsultatiivisissa myyntiorganisaatioissa työskenteleviltä myyjiltä. Data tutkittiin hyödyntäen hierarkista regressioanalyysiä ja datalle tehtiin konfirmatorisen faktorianalyysin lisäksi eksploratiivinen faktorianalyysi.

Tutkimuksen tulokset osoittavat, että myyjän kokemuksella nykyisessä myyntiorganisaatiossa on myönteistä vaikutusta myyjän myyntityön suoritukseen kun kokemusta mitataan itsenäisesti. Tutkimuksen tulokset myös tuovat ymmärrystä hybrideistä myynnin ohjausjärjestelmistä ja tulokset osoittivat hybridien myynnin ohjausjärjestelmien paremman sopivuuden tämän tutkimuksen aineistoon. Tämä tutkimus myös tunnistaa hybridimallin, jossa yhdistyi prosessin ja osaamisen ohjaaminen, joka tuotti negatiivisen vaikutuksen myyjän tulokseen.

Tulokset osoittavat, että myynnin johtaminen on monimutkainen tutkimusalue, joka kattaa lukuisia osa-alueita myyjän ja myynnin esimiehen välisestä suhteesta. Tämän tutkimus osoittaa, että perinteinen myynnin ohjausjärjestelmien tutkimus, jossa tulos-, prosessi- ja osaamisohjausta mitataan itsenäisinä muuttujina, ei ole oikea tapa tutkia aineistoa, joka esiintyy tässä tutkimuksessa. Lisäksi todetaan, että perinteisten muuttujien sijaan myynnin ohjausjärjestelmiä tulisi tutkia hybrideinä malleina.

Avainsanat myynnin ohjausjärjestelmä, hybridi myynnin ohjausjärjestelmä, myyntityön suoritus, myyjän kokemus

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1 INTRODUCTION

Background

Companies need to generate adequate amounts of revenue to sustain the organization-specific processes. As well, revenue is needed for the organization to have the proper resources for developing and innovating new products, services and offerings in general. But how does an organization generate revenue? The sales function in the organization is commonly held responsible for the acquisition of sales revenue. Thus, companies generate revenue through their sales function. The sales function typically consists of salespeople working in a sales organization. Superiors, who are commonly addressed as sales managers or sales directors, manage these sales organizations. This combination of salespeople and sales managers is therefore the core of an organization's survival. Thus it is the interest of this research to show how sales managers can manage and affect salespeople in a way that yields the highest performance from the sales organization and ultimately, the entire organization.

The relationship between sales management and performance can be studied from many different angles. This research narrows down on the concept and introduces the theory of sales force control systems (Anderson and Oliver 1987). Sales force control systems have gained a growing interest in the world of academics in the last few years (Baldauf et al. 2005; Renfors 2013). However, even though the topic has gained attention, there is yet to be a fully established, unified view of sales force control systems (Baldauf et al. 2005; Renfors 2013).

Most of the research can be recognized to stem from two views. The first one recognizes that there are two main forms of control, behavior vs. output orientation.

This was the consequence of a 1987 study by Anderson and Oliver (Anderson and Oliver 1987). The second view was established in 1988 by Jaworski, which recognized control as being formal vs. informal (Jaworski 1988). Later on, however, Oliver and Anderson continued their work to study sales force control systems as hybrid systems (Oliver and Anderson 1995), rather than the traditional dichotomist view of previous research. These are the most popular conceptions of sales force control systems, and as there are multiple views of the types and forms of control (as explained in more detail in the theoretical background section of this research), there is room for supplementary and expanded research.

Sales force control systems have different conceptualizations. Further on, when the relationship between sales force control systems and salesperson performance is evaluated, the distinction of how control affects performance becomes even more complex. There have been extensive studies about sales force control systems, ranging from managerial perspectives to salesperson perspective, different settings and methodologies. The subject has been researched extensively (Anderson and Oliver 1987; Jaworski 1988; Cravens et al. 1993; Oliver and Anderson 1994; Babakus et al. 1996; Challagalla and Shervani 1996; Kohli et al. 1998; Piercy et al. 1999; Baldauf et al. 2005; Theodosioua and Katsikea 2007; Evans et al. 2007; Piercy et al. 2012; Miao and Evans 2012a; Flaherty et al. 2014). However, there have been varying results when the effect on output performance has been measured as the further elaboration in the theoretical background section of this thesis demonstrates.

Research problem and objectives

As the previous section shows, the background of the research of this thesis is strongly grounded on existing literature. The research problem and the objectives aim to bridge some of the gap between the understanding of sales force control systems and sales performance.

Bridging this gap begins by acknowledging that the effects of sales force control systems on output performance is still not quite clear (Challagalla and Shervani 1996; Baldauf et al. 2005). Thus there is room for further research. The different outcomes of previous research create the need for further research to help clarify the effect of sales force control systems on salesperson performance. The aim of this research is to fill the research gap and further analyze the relationship.

In order to continue the research of sales force control systems, this research also takes into account the varying experience levels of salespeople. Not only will the amount of selling experience within the organization be accounted for, but also the total experience that the salesperson has accumulated in sales jobs. Prior research has shown that past selling experience does have an effect on how the salesperson responds to sales management in general, whether it would be positive or negative (Kohli 1989, Kohli et al. 1998). This research aims to investigate how the moderating effect of both levels of experience influence the way sales force control systems affect the performance of the salesperson.

As previously stated, the objective of this research is to shed light on the topic of sales force control systems. The main research problem is to investigate how sales force control systems affect the output performance of the salesperson, while measuring how the experience of the salesperson influences the link between sales management and salesperson output performance. The relationship between control systems and performance is not necessarily as unidimensional as the traditional research shows, and the evidence of hybrid sales force control systems is a key factor in the implications of this research (Onyemah and Anderson 2009). Thus this research provides understanding and value about the topic for the academic community and provides additional insight that carries the academic research further.

Understanding how sales performance can be influenced is extremely important for sales organizations. A sales organization must be able to have control over the end-results of their activities as the effectiveness of the sales function influences the whole organization's balance sheet. Sales management is in a pivotal role when it comes to the wellbeing of the whole organization. This research therefore provides value to managerial needs as well, especially to sales management.

Scope, structure and limitations

The target audience, being the audience that would find this research most relevant is primarily consisting of sales managers. However, anyone who is directly or indirectly involved in sustaining and developing the sales function of the organization is also a part of the target audience of this research. Also, the research concerns salespeople who are eager to develop and understand the influencing forces that affect sales management and salesperson performance.

The structure of this research is as follows. This first introduction chapter elaborates on the rationale and value of the research and how it addresses the research gap. In chapter 2 the thesis will go through the academic discussion on topic. The theory and background of sales force control systems, sales performance and sales experience will be elaborated on. Chapter 3 will describe the research methods that are used in this research. This includes the presentation of the data collection methods as well as the data analysis methods. The statistical analysis results will also be presented, along with the exploratory factor analysis, confirmatory factor analysis and hierarchical regression analysis.

Chapter 4 is the final part of this research, in which the results will be presented and the final discussion will sum up the implications and limitations of the research on both academic and managerial perspectives.

As a final note, it is not the aim of this research to make any generalizations about the relationship between sales force control systems, sales experience and sales performance. The goal of the research is to validate the data that has been collected and test the research model in an empirical setting. The scope of the study and findings are thus limited to the context of this thesis and are not universal.

2 THEORETICAL BACKGROUND

Sales force control systems

Control systems are organizational procedures that influence the activities of the employee to generate a benefit for the organization and ultimately increase the prosperity of the organization. In other words, the goal is to manage the employee in a way that creates value for the organization. The theory stems from broader system framework research where organizations are seen to be work sharing as well as risk sharing entities. This is due to the uncertain future of organizations. Different types of control systems bare different ratios of risk between the agent (employee) and the organization, depending on how much of the output performance responsibilities are endowed to the agent (employee) (Eisenhardt 1985).

In marketing research, sales force control systems are of particular interest in academic sales management literature (Renfors 2013). Sales force control systems consist of actions, which an organization can use to monitor, direct, evaluate, and compensate the employees. The original framework was hypothesized by Anderson and Oliver (1987), who classified sales force control systems into two managerial strategies, output and behavior control.

The fundamental difference between the two is that output-based control requires quite low managerial involvement. Output-based control focuses on objective and measurable results, such as amount of sales. Output-based control in a sense endows more of the risk of the output performance on the salesperson. Organizations that embrace more of an output control orientation are likely to be organizations that endow the risk of reaching end-results performance goals on the salespeople, and the salespeople has more freedom to accomplish the performance goals by using their own sales processes and tactics (Anderson and Oliver 1987).

Behavior-based control however, is quite different. The risk for achieving end-result performance goals is much lower for the salesperson than in output-based control. Behavior-based control involves a high level of supervisory monitoring, direction, and intervention in activities. The focus is therefore in activities, not end-results. Also, more subjective performance evaluations are utilized, usually concerning the salesperson's job inputs (e.g. activities, personal qualities, and sales strategies) (Anderson and Oliver 1987).

Jaworski (1988) represents another framework and argues that the traditional view of management control systems is more output oriented. Jaworski (1988) expands the theory by suggesting that controls should be divided into formal and informal forms of managerial control. The first one, informal control is a worker-initiated mechanism. It consists of controls that the workers themselves bring to the job; these are such as social, cultural, and self-controls. The second one, formal control, consists of output control and process control. Formal control in this way resembles the dichotomy of Anderson and Oliver (1987) by separating the end-results oriented output control and the behavior oriented process control.

To clarify the role of process control, it is practiced when an organization actively attempts to influence the means or ways of selling. Unlike in output control, the focus is on the behavior of the salesperson. The sales manager focuses on how the employee follows the sales process and does not hold the salesperson accountable for the output, i.e. sales revenue (Jaworski 1988). Organizations that utilize process control carefully evaluate, reward and punish the salespeople on the basis of how they have accomplished the organizations set goals on the standards of the sales process (e.g. sales activities) (Jaworski 1988). This is also follows what Eisenhardt (1985) concludes about endowing the output risk between the employee and the organization. In that way process control can be seen as similar to behavior-based control (Baldauf et al. 2005).

In the 90's, the sales force control systems studies started also incorporating other types of frameworks. One of the more noteworthy being the Challagalla and Shervani (1996) research, where they introduce another behavior-based form of sales force control, capability control. Capability control focuses on improving the skills of the salesperson by suggesting which changes are needed in the capabilities of the salesperson (Miao and Evans 2012b). In essence, this means that the sales manager is more interested in developing and training the salesperson. This can include training ranging from product knowledge to sales skills and understanding the customer needs (Challagalla and Shervani 1996).

An organization that focuses capability-based control emphasizes training and focuses on helping the salesperson to learn new skills and improve old skills. Capability-based organizations have set goals for the required skills that salespeople need to have and provide rewards and punishments on the basis of how well the skill level of the salesperson has improved. The ultimate focus is on continuously providing the means to develop and facilitate skills to become a better salesperson (Challagalla and Shervani 1996).

When a salesperson's skills are improved, it leads to a higher intrinsic motivation and has a positive effect on job related outputs (Challagalla and Shervani 1996; Baldauf et al. 2005; Evans et al. 2007). In essence, capability control can be seen as a dissected part of behavior control (Challagalla and Shervani 1996). Therefore it can be stated that process and capability controls have a close relationship, since process control can be seen to be similar to behavior control (Baldauf et al. 2005).

However, most sales organizations do not employ a pure output, process or capability control system (Onyemah and Anderson 2009). Prior research has also been conducted on more hybrid models of sales force control systems, which are called hybrid sales force control systems.

Hybrid sales force control systems

As previously stated, a unified view of sales force control has not been established (Baldauf et al. 2005; Renfors 2013). It has nevertheless been concluded that the research of Anderson and Oliver (1987) and Jaworski (1988) are seen as the two primary conceptualizations (Baldauf et al. 2005). Challagalla and Shervani (1996) also provide further depth to the subject by introducing capability control as a dissected part of behavior control.

However, in reality, not many sales organizations are purely behavior-based or output-based. Most sales organizations focus on one of them and have elements of the other (Cravens et al. 1993). For example, sales management might primarily utilize behavioral control. The salespeople would be managed by monitoring their activities (e.g. sales meetings and offers sent to customers) and employing a high level of direction and involvement from the sales superiors. Compensation would depend partly on evaluating the salesperson's sales strategies and the amount of activities that the salesperson achieves. There would also be a form of output control, where the management would add an output-based compensation system (e.g. a sales bonus for achieving X amount of sales) alongside the behavior-based compensation system. This hybrid system could also include a capability-control component, where the management would arrange regular sales trainings and reward or even punish salespeople for attaining or not attaining certain learning related goals (Anderson and Oliver 1987; Challagalla and Shervani 1996).

Onyemah and Anderson (2009) conclude that organizations with pure output or behavior control systems are unusual extreme cases. The findings of Jaworski et al. (1993) suggest the value of researching a combination of sales force controls. This leads to the research of hybrid sales force control systems. Also, there might be reason for questioning the traditional sales force control system framework. Should control system research focus more on hybrid forms of control?

There is evidence that hybrid sales force control systems (Oliver and Anderson 1995; Miao and Evans 2014), which combine elements of both output and behavior controls are in some cases more suitable depending on the characteristics and goals of the organization. Companies that utilize hybrid control systems implement both output and behavior control. The main reason for this is the possibility that salespeople might adapt and change their preferences during their career path thus influencing how the control system affects the salesperson. Organizational circumstances can also drive a need for finding a balance between the traditional systems of output versus behavior control. Optimizing the control system and finding the right mixture of control dimensions can be more essential than placing a fixed, chosen form of a control system (Oliver and Anderson 1995; Miao and Evans 2012a; Flaherty et al. 2014).

Experience

Path-goal theory suggests that the effect of supervisors on their employees depends on what types of characteristics the employee has (House and Dessler 1974; Kohli et al. 1998). Employees have personal factors that can depend on their background, past experience and other underlying factors. In the interest of this research, past experience and its effects on the relationship between the salesperson and the sales manager is selected as a research area.

Past sales experience affects the various components of the performance of a salesperson (Adkins 1979; Kimberly and Evanisko 1981; Bartkus et al. 1989). There is support for the proposition that more experienced salespeople might be less responsive to supervisory involvement when compared to inexperienced salespeople (Kohli 1989; Kohli et al. 1998). This would require management to manage their salespeople in different ways according to their experience (Kohli 1989; Kohli et al. 1998). This in turn could have an effect on how sales force control systems affect the performance of salespeople with varying experience.

Performance

Performance is a crucial measure of the function of the sales department in an organization. Sales performance is one of the more widely researched outputs in sales force control system research. Research shows that there is an important and established relationship between sales force control systems and performance (Anderson and Oliver 1987; Kohli et al. 1989; Cravens et al. 1993; Oliver and Anderson 1994; Babakus et al. 1996; Challagalla and Shervani 1996; Piercy et al. 1999; Theodosioua and Katsikea 2007; Evans et al. 2007; Piercy et al. 2012; Miao and Evans 2012a; Flaherty et al. 2014). As an organization establishes the goals it wants to achieve, naturally sales management must manage the sales personnel accordingly. This way an organization is able to control the performance of the sales personnel and ultimately is able to control the performance of the organization.

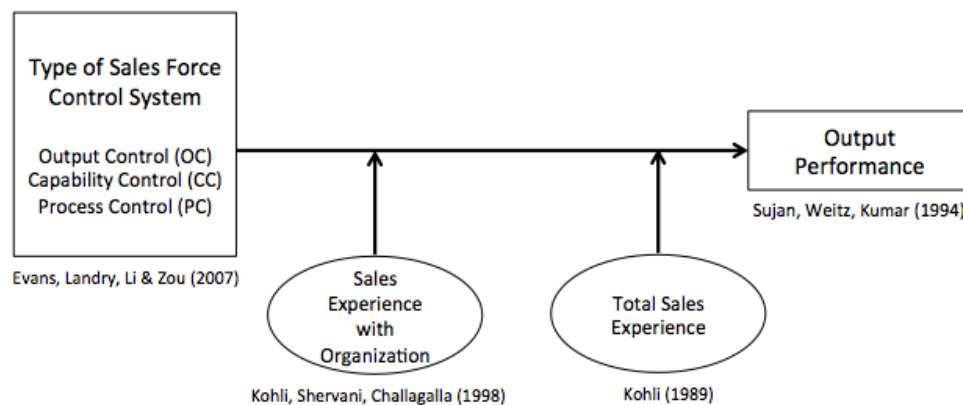
The performance of a salesperson is comprised of assessing the behavior of the salesperson in achieving the organization's goals (Churchill et al. 1985; Baldauf et al. 2001). A salesperson's performance can be thought of as a two-dimensional construct. First, the behavioral activities (behavioral performance) carried out, including sales calls, offers made and customer meetings. Second, the actual amount of sales achieved (output performance) (Baldauf et al. 2001). Here, output performance is measured by the monetary amount of sales that the salesperson produces. It is the interest of this research to investigate the effect on salesperson output performance, i.e. to the degree in which the salesperson meets the monetary goals and desires that are set by the organization (Anderson and Oliver 1987; Cravens et al. 1993; Sujan et al. 1994; Evans et al. 2007). Therefore, behavioral performance measures are not included.

Initial research model

The previous section summed up the relevant theoretical background and the studies linking sales force control systems, sales experience and output performance within the context of this study. This thesis will now identify and present the relevant factors and the theoretical and empirical linkages that affect salesperson output performance on the basis of the scope of this research.

The proposed model of the effect of sales force control systems represents the relationship between sales force control systems, salesperson experience and salesperson output performance. The conceptual model of the effect of sales force control system is presented in Figure 1.

Figure 1. Conceptual model of sales force control systems, experience, and output performance.



This research continues the sales force control system framework presented by Evans et al. (2007) for two reasons. First, while Evans et al. (2007) researched the effect of sales force control systems on output performance, they did not take the experience of the salesperson into account. Second, in Evans et al. (2007) the scales used for performance evaluations were not based on evaluating whether the salesperson performs better or worse compared to colleagues, but on how well the salesperson meets the requirements set by the organization (Behrman and Perreault 1982).

Therefore the Sujan et al. (1994) construct for measuring output performance (compared to colleagues) is added, Kohli (1989) for measuring total sales experience moderator, and Kohli et al. (1998) for measuring the sales experience in the organization moderator.

The effect of sales force control systems on output performance has not been consistently established (Lusch and Jaworski 1991; Challagalla and Shervani 1996; Baldauf et al. 2005; Fang et al. 2005). There are studies where control systems do not have an effect on performance (Lusch and Jaworski 1991; Jaworski et al. 1993). Other studies show a significant effect between sales force control systems and output performance (Baldauf et al. 2001; Baldauf et al. 2003; Cravens et al. 2004). While examining different control combinations, Jaworski et al. (1993) were not able to discover a difference in the performance of salespeople between control systems. It is also critical to note that most of this research has been conducted at the sales management level, not at the salesperson level (Baldauf et al. 2005)

Behavior control, the term that is similar to the concept of process control, e.g. Baldauf et al. (2005) and Challagalla and Shervani (1996), has been proposed to lower output performance in the original Anderson and Oliver (1987) study. This is due to behavior control eliminating the urgent pressure for selling. Behavior control focuses on a low-pressure style of selling and emphasizes at creating a long-term relationship with the customer that includes recurring sales from the customer. Behavior control might even affect short-term sales in negative way, but provide more sales in the long-term. Thus behavior control should only positively affect behavioral performance, not output performance (Anderson and Oliver 1987).

In a more recent study, Oliver and Anderson (1994) yet again confirm the finding that behavior control has no significant effect on output performance. Other researchers however state that behavioral control increases output performance (Cravens et al. 1993; Piercy et al. 1999; Baldauf et al. 2001).

Cravens et al. 1993 stated that sales force control systems are a more complex topic than Anderson and Oliver (1987) proposes. They continue to conclude that behavior-based control can have a positive impact on output performance due to the combination of the characteristics of the sales team and behavior control affecting behavioral performance. Behavioral performance thus would ultimately affect output performance.

Babakus et al. (1996) also suggests that behavior control has the ability to indirectly increase output performance through behavioral performance. The researchers conclude that behavior control can produce also short-term output performance results, when performed well, but that depends on the selling situation. Different products and services in different industries are sold at a different pace.

Piercy et al. (2004) provide further support for behavior control causing significant positive changes in the output performance of the salesperson. They however, noted that in their Malaysian sample the impact was much less than in the Greek or Indian sample. They conclude that a high power distance associated with the Malaysian sample is the cause of this effect. This finding also shows that the effect of behavior control can change depending on the relationship between the salesperson and the sales manager.

Capability control has shown to have a significant role in sales management (Challagalla and Shervani 1996). Research shows that there is an indirect positive effect that capability control has on output performance. However, this effect has been shown to be significant only when it is mediated through supervisor role ambiguity (Challagalla and Shervani 1996; Challagalla and

Shervani 1997). Also, Challagalla and Shervani (1996) conclude that sales managers that use capability control increase the intrinsic motivation of their sales personnel and this is the path that leads to the lowered supervisor role ambiguity and as previously stated, higher output performance. Evans et al. (2007) however, conclude that while capability control has positive effect on many sales-related outcomes (e.g. customer orientation, sales support, and sales innovativeness) it does not influence output performance.

Output control has been shown to increase output performance (Jaworski et al. 1993; Challagalla and Shervani 1996; Baldauf and Cravens 2003; Evans et al. 2004). Oliver and Anderson (1994) report no relationship between output control and output performance. In the Challagalla and Shervani (1996) study, output control was divided into three parts: output information, output rewards and output punishments. The findings suggested that output control lowers salesperson output performance; although this effect is only significant when output rewards, such as sales bonuses are considered.

Evans et al. (2007) conclude that output controls increase output performance and also have impact on other areas such as sales innovation. This could be explained by the proposition that output controls would be usually utilized in organizations that have circumstances where the behavioral monitoring of the sales personnel would not be possible to accomplish effectively. Thus salespeople who are “lone wolves” would be employed by organizations with an output control emphasis.

It is typical for organizations to employ salespeople, who have varying amounts of sales experience. Whether it would be experience within the organization or past sales experience. Kohli et al. (1998) researched the effect of sales force control systems on performance, while measuring the interaction effect of the salesperson’s experience in terms of the selling experience with the current organization. Their results show that the group with more experienced salespeople (experience in

the current organization) have a positive effect between activity orientation (process control) and output performance. They also find that capability orientation (capability control) was unrelated to output performance Kohli et al. (1998).

Kohli (1989) researched the effect of supervisory behavior on the salesperson's job satisfaction and role clarity, while measuring the interaction effect of total sales job experience of the salesperson. In the interest of this research, the moderating effect of both the experience the salesperson has in the organization that salesperson is currently working in as well as the total experience in sales jobs will be evaluated in terms of sales force control systems (Kohli 1989; Kohli et al. 1998). This provides the possibility to investigate whether the two levels of experience provide any differing results on output performance.

3 METHODOLOGY

This chapter will cover the research methodology of this research. First the setting of the research will be established. Second, the data collection will be elaborated on. Third, the data will be validated using confirmatory and exploratory factor analysis. Finally, an analysis of the results of the hierarchical regression analysis will be presented. It is important to note that due to encounters of multicollinearity and theoretical evidence, the research spawned a new set of variables through a carefully conducted exploratory factor analysis. The analysis will be fully presented in this chapter.

Setting

The setting of this research is in the consultative sales industry (Westbrook and Peterson 1998; Liu and Leach 2001; Pelham 2006). Consultative salespeople are close to the customer's key business issues. The selling style differs much from for example transactional selling, where the customer usually knows what they want. Consultative selling is most suited for more complex products, which might require modification of the product or service to better suit the needs and wants of the customer. It is not necessarily useful for bulk products or services (Rackham and DeVincentis 1999).

The industry was selected for a number of reasons. First, large firms are reducing the number of suppliers they conduct business with at the same time electronic commerce has brought an increase in potential suppliers. A competitive environment is then created where buyers are demanding value-added services from salespeople. This promotes the importance of consultative selling as salespeople are aiming at developing long-term relationships with their buyers (Liu and Leach 2001). Second, consultative salespeople strive to add value to the relationship between the buyer and the salesperson. The ultimate goal would be to increase the buyer's dependence on the offering of the organization or on the salesperson (Pelham 2006).

Data collection

The data was collected from Finnish business-to-business sales personnel operating in consultative sales in six industries: recruitment, ICT, marketing services, management consulting, software, and finance. All of the respondents were actively involved in selling and were not in a sales management position, as the focus of this research is within the salesperson perspective.

A web-based survey was used and distributed to relevant sales-related LinkedIn groups and a number of companies that engage in consultative selling. Also the survey was distributed and targeted towards B2B salespeople in Facebook, LinkedIn and Twitter. The amount of time that the survey was active was three weeks.

The questionnaire was targeted to Finnish salespeople, therefore the questionnaire was in Finnish and there were no versions in other languages. The sample is a non-probability sample due to it being distributed through the social network of the researcher. It is valid for testing the proposed research model, however this research does not aim to make generalizations about the entire consultative B2B selling industry in Finland i.e. target population. The survey yielded a total of 177 sufficiently completed responses.

The respondents were mostly male (80%), and had a higher education degree (89%). 50% of the respondents were from larger companies, with yearly revenues over 10 million euros. The average size of a sale was 16 000 euros. On average, the respondents had two years of experience in the current company and eight years of total experience in sales jobs.

The survey questionnaire was pretested by eight individuals, who had experience in consultative sales and sales management. Also, seven individuals who were either thesis students or had experience in sales management reviewed the questionnaire.

This was done to ensure that the structure of the questionnaire was logical and understandable. Minor changes were made to the questionnaire based on the review and pretests. The survey questionnaire can be viewed in Appendix A.

Measurement

Multiple items drawn from previous research measured all of the constructs in this research. The measures for sales force control systems were from Evans et al. (2007) using a five-point Likert-type scale. Measures for output performance were from Sujan et al. (1994) using a scale from "Much Worse"(-5) to "Average"(0) to "Much Better"(+5). These output performance measures are self-reporting measures. It has been established in previous research that these types of self-reporting measures do not demonstrate any specific bias (Churchill et al. 1985; Spiro and Weitz 1990).

For the sales experience with the organization moderator, a single adapted item from Kohli et al. (1998) was used. The item measured the number months of selling experience the salesperson had in the organization. For the total experience in sales jobs moderator, a single item from Kohli (1989) was used. The item measured the salesperson's total experience in years in sales jobs.

For controlling the research, several control variables were added to the questionnaire. The first two controls were the size of the firm (counted in employees) and the revenue of the firm. These controls were added to control among the difference between company sizes. The third control was the number of customer meetings per month. This control was added to control the differences in the activity of the sales personnel in the organization.

Finally, the average (monetary) size of a closed sale (if longer term contracts were sold, the respondents were asked to indicate the one year value of the sale) was added. This was used to

control the differences between the values of the sales contracts the respondents had accomplished. A more specific listing of the measures can be seen in Appendix A.

Initial confirmatory factor analysis

A confirmatory factor analysis was conducted with Amos 22.0 to measure the data consisting of 177 respondents. First, the item loadings were examined for possible issues with convergent validity. In fact, some items were found that had a loading of under 0.60, which was under the recommendation by Fornell and Larcker (1981) and were removed.

Next, the fit of the research model was measured using multiple measures. First it was measured by the comparative fit index (CFI). The CFI had a value of 0.988, which was above the recommended 0.900 threshold (Hair et al. 2010). The Tucker-Lewis index (TLI) was 0.983, which is close to 1.000 and a sign of a good fit (Hair et al. 2010). Finally, the normed fit index (NFI) was 0.929, which is over the threshold of 0.900 and shows an acceptable fit (Hu and Bentler 1999).

Although the model seemed to fit as the measures above demonstrate, the discriminant validity of the model did not meet the requirements of Fornell and Larcker (1981). These requirements demand that the square root of the given construct's average variance extracted (AVE) must be above the absolute value of the standardized correlations of the given construct against any other construct in the model. This caused the need for reassessing which of the constructs is causing the issues of discriminant validity. The measurement results for the confirmatory factor analysis can be seen in Table 1.

Table 1. Measurement results from the initial confirmatory factor analysis

Construct	CR	AVE	Loadings	Error	Items
Output Control	0.820	0.604	0.780	0.498	If my quantitative performance goals were not met, I would be required to explain why
			0.850	0.322	The extent to which I attain my quantitative performance goals is critically evaluated
			0.741	0.413	Specific quantitative performance goals are established for my job
Process Control	0.715	0.457	0.814	0.533	Feedback on how I accomplish my performance goals is frequently communicated to me
			0.711	0.706	My immediate boss modifies my work procedures when desired results are not obtained
			0.723	0.771	The extent to which I follow established sales procedures is critically monitored
Capability Control	0.793	0.565	0.646	0.882	My supervisor assists me by suggesting why using a particular sales approach may be useful
			0.892	0.296	My supervisor periodically evaluates the selling skills I use to accomplish a task
			0.885	0.359	My supervisor evaluates how I make sales presentations and communicate with customers
Performance	0.648	0.318	0.805	1.338	Selling high profit-margin products.
			0.913	0.767	Identifying major accounts in your territory and selling to them
			0.673	2.092	Exceeding sales targets
			0.757	1.184	Assisting your sales supervisor meet his or her goals
Correlations	Output Control	Process Control	Capability Control	Performance	
Output Control	0.777*				
Process Control	0.742	0.676*			
Capability Control	0.407	0.737	0.752*		
Performance	0.069	0.125	-0.069	0.564*	
				*√(AVE)	

As Table 1 shows, the process control factor correlated highly with both output control and capability control. This finding required the need for conducting deeper analysis to find out which factors actually cause the issue.

In order to further assess the discriminant validity of the model, a three-stage chi-square test was conducted to determine the problematic factors. First, the factor variances of two problematic factors were fixed to 1. This process was iterated in a manner up to the point where all the combinations of factors of two had their factor variances fixed to 1. All the possible factor combinations were analyzed and the results show that the discriminant validity issues are stem from the process and output control factors. Together these factors caused the discriminant validity issues with the model. This also indicated that the model did not pass the requirements for discriminant validity (Duhachek 2005). The results of the chi-square test can be seen in Table 2.

Table 2. Measurement results from chi-square test

Model 1	Chi-square =	102.796		
	Degrees of freedom =	59		
	Probability level =	0.000		
Unconstrained model.				
<hr/>				
Model 2	Chi-square =	108.306		
	Degrees of freedom =	61		
	Probability level =	0.000		
Constrained Capability and Process variances to 1.				
<hr/>				
	Overall Model	Chi-square	df	p-val
	Unconstrained	102.796	59	
	Fully constrained	108.306	61	
	Number of groups		2	
	Difference	5.51	2	0.064*
<hr/>				
Model 3	Chi-square =	105.445		
	Degrees of freedom =	61		
	Probability level =	0.000		
Constrained Output and Process variances to 1.				
<hr/>				
	Overall Model	Chi-square	df	p-val
	Unconstrained	102.796	59	
	Fully constrained	105.445	61	
	Number of groups		2	
	Difference	2.649	2	0.266
<hr/>				
Model 4	Chi-square =	109.543		
	Degrees of freedom =	61		
	Probability level =	0.000		
Constrained Capability and Output variances to 1.				
<hr/>				
	Overall Model	Chi-square	df	p-val
	Unconstrained	102.796	59	
	Fully constrained	109.543	61	
	Number of groups		2	
	Difference	6.747	2	0.034**
<hr/>				

* p < 0.1; ** p < 0.05.

Exploratory factor analysis

Initially, this research included three independent variables: output, process and capability control. As a result of the evidence of multicollinearity in the confirmatory factor analysis, the model and the items were brought back for reassessment. However, for example Miao and Evans (2012b) also had issues with multicollinearity, since the effects of output control and process control had significant interactions with each other as well as capability control. This in turn was not addressed by the research, other than in the discussion section. Nevertheless, this research will focus on building an exploratory factor model instead to find out how the factors should be formed.

As stated in the theoretical background section, the hybrid sales force control systems theory finds that control systems can be viewed as a mixture of control dimensions. Most sales organizations emphasize different dimensions of control rather than a pure behavior or output control (Jaworski et al. 1993; Oliver and Anderson 1995; Onyemah and Anderson 2009; Miao and Evans 2012a; Flaherty et al. 2014; Miao and Evans 2014).

Therefore there was empirical and theoretical support for conducting an exploratory study on the gathered data and items. An exploratory factor analysis was conducted using SPSS 22.0. The goal of the exploratory factor analysis was to create factors from the items by inquiring the data that has been gathered. The exploratory factor analysis was conducted in multiple stages. In the first stage, the model fit was tested. In the second stage, the adequate number of factors were extracted.

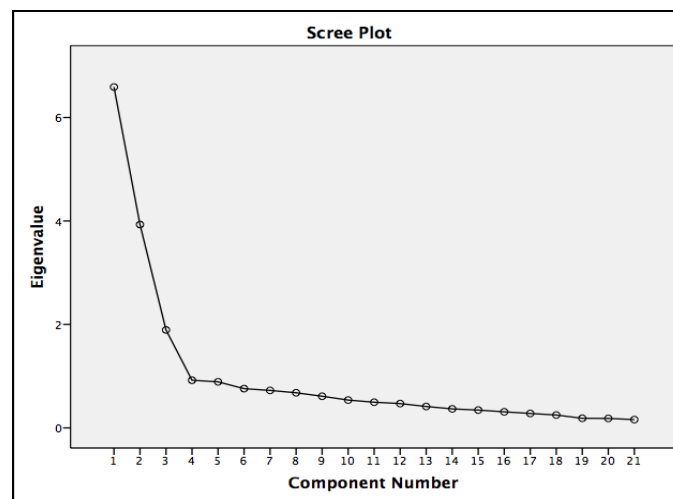
Stage 1

In stage 1, all of the original items were explored to find out the correct amount of factors within the sales force control system construct. The exploratory factor model was assessed by Bartlett's sphericity test and the KMO index (Kaiser-Meyer-Olkin). The KMO index value was 0.867, which is above the recommended 0.600 threshold and shows that the sample is adequate (Dziuban and

Shirkey 1974). A significant fit ($p < 0.001$) was also established in the Bartlett's test of sphericity (Dziuban and Shirkey 1974; Jackson 1993).

A scree plot was drawn based on the variables to conclude how many factors the model should have (Cattell 1966). The cutoff point of in the eigenvalue of one in the scree plot clearly indicated that the model should have three factors. The scree plot can be seen in Figure 2.

Figure 2. Scree plot



Stage 2

In Stage 2, after determining the correct amount factors based on the scree plot, a principal axis factoring extraction was conducted with promax rotation (Abdi 2003). Promax rotation was used because the factors were not orthogonal, but oblique (Tabachnick and Fidell 2007). The extraction was conducted with a fixed number of factors as according to the scree plot (Cattell 1966). Items with small coefficients (<0.4) were suppressed from the analysis. The extracted pattern matrix shows that the items should be organized in the three factors as can be seen in Table 3.

Table 3. Pattern matrix

	Factor		
	1	2	3
oc1	0.838		
oc2	0.874		
oc3	0.736		
oc4	0.682		
oc5			
pc1	0.652		
pc2	0.623		
pc3		0.433	
pc4		0.487	
cc1		0.425	
cc2		0.842	
cc3		0.849	
cc4		0.820	
cc5		0.835	
p1			0.819
p2			0.679
p3			0.851
p4			0.632
p5			0.594
p6			0.788
p7			0.439

Therefore it can be concluded that items oc1-oc4 (output control) and pc1-pc2 (process control) can be treated as one factor, which combines the output control and process control items. Items pc3-pc4 and cc1-cc5 (capability control) can be treated as one factor, which combines the process control and capability control items. All of the performance variable items (p1-p7) loaded on the factor that they are intended to (Sujan et al. 1994).

In light of the results of the exploratory factor analysis and the theoretical background confirming a possibility to treat control systems as hybrid, not unidimensional, this research focuses on investigating the impact of these two new independent factors (output-process control and capability-process control) on salesperson output performance.

Final confirmatory factor analysis

As the exploratory factor analysis provided the new factors, a final confirmatory factor analysis was conducted to assess the convergent validity and discriminant validity of the model. This analysis was conducted with Amos 22.0 for the data consisting of 177 respondents.

The convergent validity of the model was examined by assessing the item loadings of the factors. Low-loading items with lowest loading values (Fornell and Larcker 1981) were removed from the model. To assess the fit of the model, several measures were analyzed. The comparative fit index (CFI) had a value of 0.956, which was above the threshold of 0.900 (Hair et al. 2010). The Tucker-Lewis index (TLI) was 0.942, which is near 1.000 and shows a sign of a good fit (Hair et al. 2010). The normed fit index (NFI) was 0.901, which is over the threshold of 0.900 (Hu and Bentler 1999) and demonstrates an acceptable fit.

Most of the composite reliability (CR) measures exceeded the recommended value of .70 (Fornell & Larcker 1981). The average variance extracted (AVE) measures did not quite meet the recommended value of .50 (Fornell & Larcker 1981). This implicates that the convergent validity of the variables cause a limitation to the study. It must be noted that these variables were formed by an exploratory factor analysis, which utilizes new scales. This is the first time that these scales are utilized and tested, apart from the performance items that loaded on the intended dependent variable. In this sense the AVE values below 0.50 are seen as a consequence of the exploratory nature of this study (Ping 2009). Also, as Table 5 shows, this research demonstrates discriminant validity even though the AVE values are below 0.50 (Ping 2009). The results of the CR and AVE calculations can be seen in Table 4.

This final confirmatory factor analysis proved the discriminant validity of the model by calculating the square root of each factor's AVE and comparing it to the standardized correlation value between the factor and equivalent factor in the model (Fornell and Larcker 1981). The correlation table can be seen in Table 5.

Some evidence of common method bias was found during the confirmatory factor analysis. Therefore a common latent factor was installed in the model to correct for the common method bias, as recommended by MacKenzie and Podsakoff (2012). Thus, the variables are common method bias adjusted variables.

Table 4. Measurement results from the final confirmatory factor analysis

Construct	CR	AVE	Loadings	Error	
Output-Process Control	0.822	0.437	0.714	0.726	Feedback concerning the extent to which I achieve the assigned goals is provided to me on a regular basis
			0.691	0.666	If my quantitative performance goals were not met, I would be required to explain why
			0.790	0.435	The extent to which I attain my quantitative performance goals is critically evaluated
			0.780	0.358	Specific quantitative performance goals are established for my job
			0.556	1.053	The procedures used to accomplish a given selling task are explicitly regulated
			0.742	0.725	The extent to which I follow established sales procedures is critically monitored
Capability-Process Control	0.838	0.427	0.799	0.549	My supervisor assists me by suggesting why using a particular sales approach may be useful
			0.720	0.697	My supervisor periodically evaluates the selling skills I use to accomplish a task
			0.716	0.808	My supervisor evaluates how I make sales presentations and communicate with customers
			0.850	0.449	My supervisor provides guidance on ways to improve my selling skills and abilities
			0.656	0.730	My supervisor has standards by which my selling skills are evaluated
			0.687	0.832	Feedback on how I accomplish my performance goals is frequently communicated to me
			0.622	0.873	My immediate boss modifies my work procedures when desired results are not obtained
Performance	0.637	0.229	0.770	1.546	Selling high profit-margin products.
			0.589	2.459	Generating a high level of dollar sales.
			0.614	2.620	Quickly generating sales of new company products.
			0.836	1.385	Identifying major accounts in your territory and selling to them
			0.731	1.782	Exceeding sales targets
			0.808	0.964	Assisting your sales supervisor meet his or her goals

Table 5. Correlation table for the final confirmatory factor analysis

$\sqrt{(AVE)} > CORR$	Output- Process Control	Capability- Process Control	Performance
Output-Process Control	0.661*		
Capability-Process Control	0.586	0.654*	
Performance	0.013	-0.079	0.479*

$*\sqrt{(AVE)}$

Results

The final factors were analyzed through regression analysis in SPSS 22.0. The R-Square of the model is 13%, which indicated that the model explains 13% of the variance. The ANOVA test showed that the model is significant at $p < 0.01$.

The scatterplot showed that the model had constant variance and demonstrated good homoscedasticity (Cook and Weisberg 1983). Error term normality showed signs of only minimal residuals and the model reflected a normally distributed histogram. The error term normality charts are listed in Figure 3. The scatterplot is listed in Figure 4.

Figure 3. Error term normality

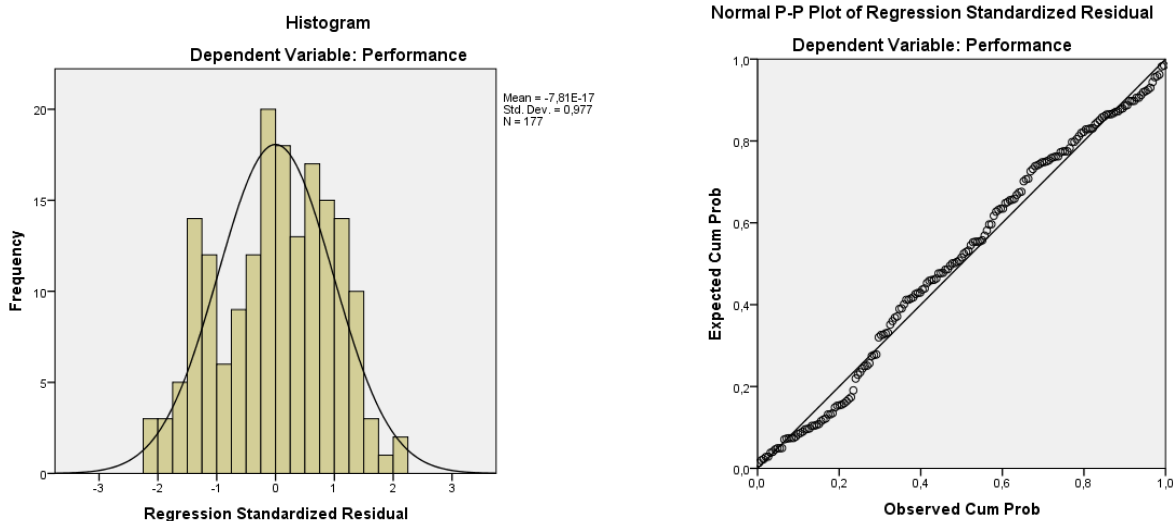
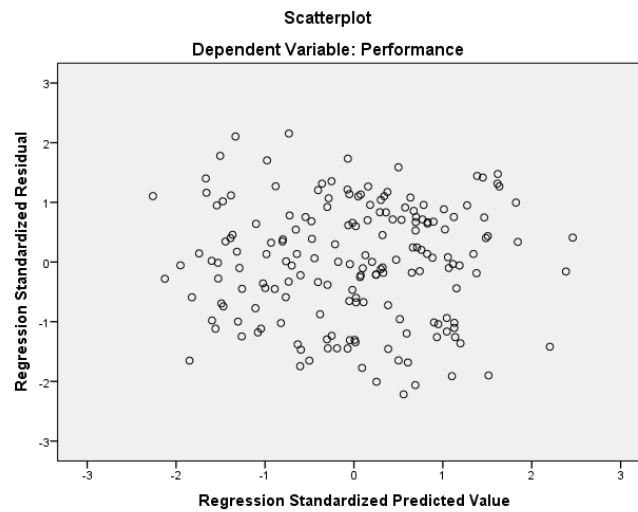


Figure 4. Scatterplot



The variance inflation factor (VIF) values for most of the factors were under 1.300, which demonstrated that multicollinearity was not an issue (Allison 1999). The only factors with higher VIFs were two of the control variables (amount of employees in the company and company revenue), and their VIF values are under 3.900. The summary statistics of the model and correlations matrix are summarized in Table 6.

Table 6. Correlations matrix

Variable name	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. Outcome performance	1.000								
2. Capability-process control	-0.194***	1.000							
3. Output-process control	-0.041	0.012	1.000						
4. Amount of employees in company	-0.030	-0.093	0.067	1.000					
5. Company revenue	-0.036	-0.101*	0.160**	0.843***	1.000				
6. Amount of customer meetings	0.135**	0.019	0.111*	0.196***	0.165**	1.000			
7. Value of average sale	0.092	-0.116*	-0.118*	0.345***	0.299***	0.005	1.000		
8. Sales experience in the company	0.202***	-0.064	0.151**	0.221***	0.333***	0.221***	0.198***	1.000	
9. Overall sales experience	0.157**	-0.179***	0.179***	0.118*	0.187***	0.100*	0.164**	0.311***	1.000
N	177	177	177	177	177	177	177	177	177

* p < 0.1; ** p < 0.05; *** p < 0.01

The model was assessed using hierarchical regression analysis. The control variables were added first, before the independent variables. This was done to partial out the effects of the control variables from the main effects of the model. The hierarchical regression analysis was conducted using the moderated regression analysis technique, as suggested by Arnold (1982) and Covin (2006).

In Model 1, only the control variables were included. The amount of customer meetings control variable significantly affected the output performance of the salesperson ($p < 0.05$). In Model 2, the independent variables and moderators were added. Capability-process control had a significant ($p < 0.05$); however negative effect on output performance. Models 3 to 6 included the interaction terms. The results of Models 3 to 6 showed that the interaction terms did not have an effect on salesperson output performance. Sales experience, when treated as a moderator, did not provide additional information on the effect of the independent variables on output performance. However, the salesperson's sales experience in the company, when independently measured, had a significant effect on output performance ($p < 0.05$). The final regression analysis results are presented in Table 7.

Table 7. Regression analysis results

Dependent variable: Performance	Model					
	1	2	3	4	5	6
Step 1: Controls						
Amount of employees in company	-0.070	-0.012	-0.011	-0.011	-0.016	-0.027
Company revenue	-0.040	-0.150	-0.153	-0.153	-0.146	-0.140
Amount of customer meetings	0.155**	0.123	0.122	0.123	0.120	0.122
Value of average sale	0.127	0.061	0.064	0.064	0.064	0.091
Step 2: Independent						
Capability-process control		-0.170**	-0.171**	-0.171**	-0.167**	-0.164**
Output-process control		-0.059	-0.059	-0.059	-0.037	-0.051
Step 3: Moderator						
Sales experience in the company		0.187**	0.188**	0.188**	0.185**	0.184**
Overall sales experience		0.086	0.084	0.084	0.080	0.078
Step 4: Interaction terms						
Capability-process control X sales experience in the company			0.050	0.050	0.051	0.042
Capability-process control X sales experience overall				0.002	0.003	0.012
Output-process control X sales experience in the company					0.043	0.083
Output-process control X sales experience overall						-0.105
Model R ²	0.036	0.117	0.119	0.119	0.120	0.128
Adjusted R ²	0.014	0.074	0.071	0.066	0.062	0.064
Model F	1.609	3.824***	0.459	0.001	0.248	1.479

N = 177

* p < 0.1; ** p < 0.05; *** p < 0.01

4 DISCUSSION

The contribution of this research is towards the understanding of sales force control systems and especially how control combinations affect the performance of salespeople who have varying amounts of experience. This research cannot produce a definite, full answer on how output performance is affected by sales force control systems. However, the results provide interesting insights into the research of sales force control systems.

As the theoretical background section of this thesis demonstrates, the effect has not been consistently proven. The presence of hybrid forms of control systems shed light to the apparent multicollinearity issues with the data. Sales force control systems should be viewed as a holistic structure and not as unidimensional constructs. In this section the results and the research as a whole will be elaborated on and the academic and managerial implications will be presented.

As previously stated, an evident unified view of sales management control systems has not been established (Baldauf et al. 2005; Renfors 2013). Previous research shows that sales force control systems can also be thought as hybrid control systems, which combine elements of different types of control (Oliver and Anderson 1995; Onyemah and Anderson 2009; Miao and Evans 2014). The independent variables in this research, particularly process control, had evidence of multicollinearity. Therefore the independent variables were strongly correlating with each other. This finding has been discovered in previous research as well; Miao and Evans (2012b) had issues with multicollinearity, since the effects of output control and process control had significant interactions with each other. Also, capability control had significant interactions with both output control and process control. The research of Miao and Evans (2012b) did not address this issue, other than mentioning it in the discussion section. This thesis however aims to produce meaningful results about this implication.

This study answered the need for treating the gathered data as a hybrid-spirited study by conducting an exploratory factor analysis to find the correct combination of measurement items and variables. In light of the results of the exploratory factor analysis and the prior research on hybrid control systems, this research concludes that there is no clear unidimensional sales force control in the population of the respondents. The results indicate that a capability-process control combination exists, which has a negative effect on output performance. This finding supports the original Anderson and Oliver (1987) and Oliver and Anderson (1994) conclusions for the effect of behavior control (similar to process control and capability control). Babakus et al. (1996) states that behavior control can increase output performance, although this depends on the selling situation. Different products and services cause a difference in how behavior control affects output performance.

The explanation for the negative effect is caused from salespeople who feel most influenced by behavior control not seeing the results of their efforts in the short-term, compared to their colleagues. Process and capability control emphasize the management of the sales process and the capabilities of the salesperson. A sales manager's primary concern is to make sure that the salesperson carries out the required activities and has the necessary skills when conducting sales work. The salespeople are not evaluated or rewarded by the end-results they achieve, but by the activities they complete and the skills they have. These can include prospecting, making sales calls, delivering offers and propositions to customers and having a certain amount of knowledge. These actions and skills should in turn lead to higher sales results in the long term, but not in the short term.

The results also show that output-process does not have a significant effect on output performance. This finding supports the findings of Anderson and Oliver (1987) and Oliver and Anderson (1994) on the process control side, which found no significant effect from behavior (process) control on output performance. Also, the Challagalla and Shervani (1996) study concludes that output controls

only have a partial significant effect, namely when output rewards, such as sales bonuses are considered.

However, even though the combined factors (capability-process and output-process) have some theoretical support from past research, only the capability-process control factor has truly been previously researched as a combined factor. Capability control and process control are both a part of behavior control (Cravens et al. 1993; Babakus et al. 1996; Piercy et al. 2004; Baldauf et al. 2005). The output-process control factor has not been addressed in previous research, at least in the form in which this research analyses it. Therefore the insignificant effect of the factor requires further research in the future.

While the amount of experience the salesperson has in the company has an independently positive effect on the output performance, the interaction effects of experience are not significant. The results of the interaction effect are contrary to the findings of Kohli (1989) and Kohli et al. (1998) who conclude that there is a difference in how more experienced and less experienced salespeople are influenced through supervisory intervention. However, Kohli (1989) and Kohli et al. (1998) hypothesized that there is an effect due to more experienced salespeople being less responsive to supervisory intervention. The results of this thesis show that the level of experience does not affect how the salespeople respond to their superiors managing them. Less experienced and more experienced salespeople respond to sales force control systems in a similar way.

The most important finding of this thesis is the contribution for supporting hybrid sales force control systems. The exploratory factor analysis showed that while the majority of the existing literature supports the traditional unidimensional method of researching sales force control systems, the hybrid form of control has a better fit with the data that was gathered for this thesis.

Organizations mostly emphasize specific control systems, however only very rare cases can be thought as implementing a non-hybrid control model (Oliver and Anderson 1995; Onyemah and Anderson 2009; Miao and Evans 2014). What this shows is that organizations implement multiple types of control systems, whether consciously or unconsciously.

Sales managers can establish a goal of a certain level of activities such as X amount of customer meetings during a month. The same organization can regularly educate the salespeople in product knowledge, sales skills and even arrange for academic education such as Master's degrees or MBA programs. The same organization can establish output performance goals such as the amount of sales in a given time period to measure the end results of salespeople. These multiple and overlapping forms of management create a quite hybrid management environment.

There are many different forms of controlling the salespeople and different goals depending on the organizational situation that researching hybrid forms of control makes both empirical sense and theoretical sense as e.g. Cravens et al. (2004), who researched sales force control combinations in terms of the level of control, not type of control. Further research should strive to think in a more expanded view than the traditional output vs process vs capability constructs.

5 MANAGERIAL IMPLICATIONS, LIMITATIONS AND RESEARCH

DIRECTIONS

As Onyemah and Anderson (2009) conclude, organizations that are managed through pure output or behavior control systems are rare cases. In the context of this research, companies need to understand the complexity of sales management. Sales managers need to focus on either a selected control system that fits the needs of the organization or understanding that if a hybrid control system is in place, then finding the indicators of output performance can be complex.

There are multiple limitations to this research, both theoretical and methodological. The research phenomenon of sales management and its relation to performance is vast. Sales force control systems are one part of the spectrum. As the results indicate, perhaps a more hybrid view of sales force control is necessary. There are many variables involved in managing a sales organization and a holistic understanding of the processes and practices is essential in understanding the components that lead to superior output performance.

The convergent validity of the in the final confirmatory actor analysis showed that the variables caused a limitation to the study due to their average variance extracted (AVE) measures not meeting the recommended value of .50 (Fornell & Larcker 1981). This study is largely exploratory and the variables were constructed through an exploratory factor analysis. Apart for the performance scale, this is the first time that these scales were utilized and tested. The low AVE values are seen as a consequence of the exploratory nature of this study (Ping 2009). Also it must be noted that the low AVE values did not cause problems with the discriminant validity of this study. In light of this finding, the variables must be viewed as conditional and an interesting research point for future research.

This research does not aim to make any generalizations about the consultative B2B selling industry in Finland. The sample collected was a non-probability sample due to it being distributed through the social network of the researcher. The sample however was valid for testing the research model. The findings prove valuable for understanding that sales force control can be treated as a more hybrid than unidimensional phenomenon.

Further research should be conducted on the basis of hybrid sales force control systems, and the traditional output vs process vs capability framework should shift more to the hybrid theory. Organizations rarely employ a pure control strategy and research should accommodate this phenomenon.

Salespeople do not necessarily respond to control systems in similar manners and there is a need for managers to shift and change control systems time to time to suit the changing needs and environments that salespeople face on a daily basis (Flaherty et al. 2014).

As a final note, it would be interesting to investigate the influence of social media in sales force control systems. Social media influences every part of sales management and the sales process (Andzulis et al. 2012). For example many of the customer relationship management software that salespeople utilize (e.g. Salesforce) have social networking aspects in them. These tools are used in the communication between the sales manager and the salesperson (Salesforce.com 2015). This leads to sales management using social networks as a means of managing the salesperson. Therefore the effect of social media on sales management and output performance could produce valuable insights.

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7 APPENDIX

Appendix A – Questionnaire

Finnish translations

1. Sukupuoli
2. Koulutus
3. Toimiala
4. Yrityksen koko henkilöstön lukumäärä
5. Yrityksen liikevaihtoluokka
6. Keskimääräinen asiakastapaamisten määrä kuukaudessa
7. Keskimääräisen kauppasi koko euroissa (mikäli kyseessä on jatkuvalaskutteinen kauppa, niin laske vuoden pituisen laskutuksen arvo)

Sales experience (Kohli et al. 1998) and Kohli (1989) – months or years

8. Myynnin kokemuksesi määrä kuukausina nykyisessä yrityksessä
9. Kokonaistyökokemuksesi myynnistä vuosissa

Output control (Evans et al. 2007) - five-point Likert-type scale

10. Työlleni on määritelty tiettyjä numeerisia suoritustavoitteita
11. Määrällisten tavoitteideni saavuttamista arvioidaan kriittisesti
12. Jos en saavuttaisi määrällisiä tavoitteitani, minun pitäisi selittää miksi näin tapahtui
13. Saan säännöllisesti palautetta siitä missä määrin olen saavuttanut tavoitteeni
14. Palkankorotukseni riippuvat siitä kuinka suoritukseni vastaavat tavoitteitani

Process control (Evans et al. 2007) - five-point Likert-type scale

15. Yrityksen määrittelemän myynnin prosessin seuraamista valvotaan kriittisesti
16. Myynnin prosessi ovat tiukasti säännelty
17. Lähin esimieheni muokkaa minun omaa myynnin prosessiani kun haluttuja tuloksia ei olla saatu aikaan
18. Saan säännöllisesti palautetta siitä *miten* saavutan myyntitavoitteeni

Capability control (Evans et al. 2007) - five-point Likert-type scale

19. Esimiehelläni on tietyt kriteerit, jonka mukaan myynnin kykyjäni arvioidaan
20. Esimieheni tarjoaa opastusta siihen kuinka voin parantaa myyntitaitojani sekä -kykyjäni
21. Esimieheni arvioi *miten* suoritan myyntipresentaatioita ja kommunikoin asiakkaiden kanssa
22. Esimieheni säännöllisesti arvioi myyntitaitojani
23. Esimieheni avustaa minua ehdottamalla miksi jostain tietystä lähestymistavasta myyntiin voisi olla apua

Output Performance (Sujan et al. 1994) - "Much Worse"(-5) to "Average"(0) to "Much Better"(+5)

24. Panos yrityksen hyvän markkinaosuuden saavuttamisessa
25. Korkean katteen tuotteiden/palvelujen myynti
26. Myynnin määrä euroissa
27. Kaupan luominen nopeasti yrityksen uusista tuotteista
28. Isojen asiakkaiden tunnistaminen alueellani ja heille myyminen
29. Myyntitavoitteiden ylittäminen
30. Myynnin esimiehen avustaminen hänen tavoitteidensa saavuttamisessa

Original

1. Sex
2. Education
3. Industry
4. Amount of employees in the company
5. Revenue of the company
6. Average amount of customer meetings per month
7. Average (monetary) size of a closed sale (if longer term contracts were sold, the respondents were asked to indicate the one year value of the sale)

Sales experience (Kohli et al. 1998) and Kohli (1989) – months or years

8. Number of months of selling experience in the organization
9. Overall sales experience in years

Output control (Evans et al. 2007) - five-point Likert-type scale

10. Specific quantitative performance goals are established for my job
11. The extent to which I attain my quantitative performance goals is critically evaluated
12. If my quantitative performance goals were not met, I would be required to explain why
13. Feedback concerning the extent to which I achieve the assigned goals is provided to me on a regular basis
14. My pay increases are based upon how my performance compares with my goals

Process control (Evans et al. 2007) - five-point Likert-type scale

- 15. The extent to which I follow established sales procedures is critically monitored
- 16. The procedures used to accomplish a given selling task are explicitly regulated
- 17. My immediate boss modifies my work procedures when desired results are not obtained
- 18. Feedback on how I accomplish my performance goals is frequently communicated to me

Capability control (Evans et al. 2007) - five-point Likert-type scale

- 19. My supervisor has standards by which my selling skills are evaluated
- 20. My supervisor provides guidance on ways to improve my selling skills and abilities
- 21. My supervisor evaluates how I make sales presentations and communicate with customers
- 22. My supervisor periodically evaluates the selling skills I use to accomplish a task
- 23. My supervisor assists me by suggesting why using a particular sales approach may be useful

Output Performance (Sujan et al. 1994) - "Much Worse"(-5) to "Average"(0) to "Much Better"(+5)

- 24. Contributing to your company's acquiring a good market share.
- 25. Selling high profit-margin products.
- 26. Generating a high level of dollar sales.
- 27. Quickly generating sales of new company products.
- 28. Identifying major accounts in your territory and selling to them
- 29. Exceeding sales targets
- 30. Assisting your sales supervisor meet his or her goals