



A Manager's Control System Can Have an Impact on Salespeople

What is this research about?

In today's business world, a company needs to put in place a strategy that is both competitive and sustainable. Salespeople often ensure the growth and survival of a company because of the revenue that they generate. As a result, many managers use control systems to set goals and to monitor and evaluate the performance of their salespeople. This allows them to reward those who are carrying out their duties successfully. Some of these control systems include:

1. Output control, in which sales managers control salespeople by both the revenue and the number of sales they generate
2. Process control, in which managers monitor, evaluate, reward, and punish salespeople for their selling behaviours such as the number of calls they make
3. Capability control, in which managers monitor, evaluate, reward, and punish salespeople for their selling skills, such as presentation skills and the ability to close sales

But what drives these salespeople? And what are the consequences of these systems for salespeople and sales managers?

What you need to know:

The specific kind of control system which a manager uses can have a great impact on a salesperson. Capability control systems may offer the most benefits.

What did the researcher do?

Professor Ashwin Joshi at the Schulich School of Business, York University, interviewed 35 sales managers and salesperson duos. He also collected and analyzed results from a survey of 167 sales managers. His goal was to explore:

- The nature of control systems
- The organizational motivations to implement each system
- The consequences of using each system

His ultimate aim was to help to inform sales managers about when they should put in place a particular kind of control system.

What did the researcher find?

Output control systems work best in situations where the outcomes of a sales performance are short-term in nature and easily measurable. Process and capability control systems work best when sales performance outcomes are long-term in nature and depend on the performance of coworkers. Capability control systems are best in highly turbulent workplaces.

In terms of the impact they have on salespeople, output control reduces uncertainty of salespeople, but it also increases their levels of stress. Process control increases uncertainty but reduces stress. Only capability control reduces both uncertainty and stress.

As for the impact on sales managers, both output and process control reduce job satisfaction. Capability control, on the other hand, can enhance a sales manager's job satisfaction. Ultimately, developing a salesperson's capability is important because it can have a positive impact on both salespersons and sales managers.

How can you use this research?

These results describe the ideal situation for putting in place different kinds of control systems. As a result, managers in various companies will find these results useful. It is worth noting, however, that a unilateral study of control systems is limiting. Organizations usually encompass a variety of control types. Therefore, more research is needed to get different perspectives from other people, such as marketing researchers.

About the Researcher

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