CONTROLLING AND UNLEASHING SALES PROFESSIONALS’ PERFORMANCE: MANAGERS NEED TO CAREFULLY CONSIDER THE JOB DEMANDS-JOB RESOURCES TRADEOFF

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RESEARCH QUESTIONS

All too often, firms seem to let sales professionals sink or swim based on how well they can marshal idiosyncratic personal skills and resources once they are on the job—features that are presumably screened for during employment interviews. Given what we know about the validity of some interviewing methods, it’s not surprising that many sales professionals end up sinking rather than surfing. This is unfortunate for the firm since sales professionals—especially in B-2-B contexts—are the key revenue generators. Likewise, sales professionals play important roles in relationship marketing, implementing new product launches, and creating organizational goodwill. As a result, companies are increasingly shifting resources to the sales function, are working harder to manage the sales force, and hopefully reaping the benefits of that increased attention and effort.

Firms rely on a set of sales control systems to realize these benefits—a collection of procedures and policies that help direct the attention and behavior of the sales force. Such systems come in different flavors: including both outcome-based control (where managers closely monitor final output, but provide relatively little direction to the sales staff) and behavior-based control (where managers direct and monitor the activities of the sales professionals, intervening as they see fit). Research on both types of control systems has advanced over the past few years. Yet as Fred Miao (Clarkson University) and Kenneth Evans (University of Oklahoma) show us in their recent study, we still have much to learn when it comes to understanding the complexities of the sales process.

Miao and Evans explain that firms rarely use just one type of sales control system, relying instead on a mix of approaches. And while some scholars treat these systems as one-dimensional, other research suggests that it’s beneficial to define them in more complex ways. For example, behavioral control seems to be comprised of two types of managerial control. Capability control refers to managers’ efforts to develop a sales professional’s skill set. This could include setting capability goals, providing feedback on their behavior, or otherwise coaching them. Activity control refers to managers’ efforts to more closely monitor and direct routine sales activity (e.g., call rate, new customer contacts, etc.).

Miao and Evans argue that inconsistencies found in prior research may be explained by the failure to distinguish various types of behavior control. Likewise, interaction effects among the types of sales control on sales performance have not been well-studied. And if the various subtypes of control were not teased out in prior research, it also stands to reason that this could mask interaction effects.

Miao and Evans turned to job demands-resources theory (JD-R) to help them unambiguously look at these relationships. Briefly, this theory suggests that all jobs include job demands and job resources. Using this framework, Miao and Evans argue that activity control is a job demand because it lays out a set of actions that must be accomplished in the sales cycle (e.g., new customer visits, follow ups). They also add a new kind of control—outcome sales control—and categorize it as a job demand because it involves a good deal of pressure on the sales professional, including the fact that a lot of hard work is needed to get paid.

On the other hand, the capability control construct can be considered a job resource, according to Miao and Evans. This is because support and feedback from managers, as well as other skill development efforts that comprise capability control, help sales professionals do their jobs better. Because prior studies tended to lump together various types of capability control that didn’t distinguish constructs, research assessing their impact on measures of sales professionals’ reactions and performance has been inconsistent. Said differently, Miao and Evans expected that job demands (outcome and activity sales control) and job resources (capability sales control) will interact differently with each other to predict sales professionals’ reactions (e.g., stress, job engagement), which in turn will predict their actual performance.
STUDY DESIGN AND METHOD

To examine these interaction hypotheses and to follow their impact on sales professionals’ job engagement, stress, and performance, Miao and Evans contacted over 1,500 sales managers in manufacturing settings across the United States. These managers were asked to nominate sales professionals to participate in the study. A total of 471 managers responded, who in turn suggested nearly 1,400 sales professionals as possible survey participants. In all, 223 completed surveys (16%) were returned.

Outcome, activity, and capability control were all measured with scales adapted from existing measures. Job engagement, hypothesized as a possible mediator between the sales control variables and sales performance, was measured with an existing measure of “adaptive selling”—but with a twist. Research showed that the original scale was multi-dimensional, measuring both adaptive selling behavior and adaptive selling beliefs. We’ll return to this difference in measures in the results below. Another sales-related mediator included in the study was job stress—measured using common scales of role ambiguity and role conflict. Sales professionals’ performance was also measured by assessing the employee’s contribution to company objectives.

KEY FINDINGS

A least-squares approach to structural equation modeling was used to examine the hypotheses. As expected, outcome control and activity control interacted positively in their impact on both measures of job engagement (adaptive selling behavior and selling effort). This was expected since outcome control actually provides sales professionals with considerable control over how to meet their sales goals, something that is amplified by capability control (because it helps sales professionals work well in a variety of different environments). A similar interaction effect between outcome and capability control was found on role conflict. Because outcome control provides discretion to the sales professional, which is (ostensibly) tied to satisfying the customer and making a sale, this role should dovetail nicely with their relationship with their manager. And, again, because capability control from management provides more tools to do the sales job better, these should interact to reduce role conflict. This is exactly what Miao and Evans found, although a significant effect was not found for the role ambiguity measure.

Second, it was expected that activity control and capability control should have contrasting effects on various job engagement and job stress measures. No such significant effects were found for engagement, but capability control accentuated the already negative effect of activity control on role ambiguity. Miao and Evans reasoned that this would occur because capability control can help the salesperson diagnose the source of a sales problem. Then, later they can tweak their approach when fulfilling activity-control type tasks. For instance, a sales professional who rigidly follows required procedures (activity control) could lose a sale, even if the product is a good option for a customer. Later, via any gained capability control, they could analyze their failure and then reach the conclusion that they should have been more assertive with the customer. They could then use this to act more assertively in future sales attempts (thereby reducing ambiguity). This interaction has no other significant effect on job engagement.

Miao and Evans also found that sales professionals use “performance protection” tactics in the form of increasing their overall effort when faced with big job demands. So, when the combination of outcome control and activity control is imposed by management, sales professionals mobilize their overall selling effort to respond to that environment. On the other hand, Miao and Evans found that such a rigid set of management control procedures (represented by high activity and outcome control) would act to reduce adaptive selling behaviors among sales professionals. The same negative interaction was observed on the role ambiguity—in large part because they seem to convey inconsistent role information to the salesperson. Finally, Miao and Evans found that job engagement (selling behavior and effort) had positive effects on job performance while job stress had negative effects—a common finding in the literature.

CONCLUSIONS AND IMPLICATIONS

Miao and Evans’s study vindicated their claim that much of the existing research relies on simple views of sales system control and that this contributes to the inconsistent results found in this literature. Through a series of careful operational definitions and focused analyses, Miao and Evans showed that their more refined view of the impact of various types of sales management control made a significant difference on job engagement and job stress for practicing sales professionals. This in turn affected their actual sales performance.

By separating the notion of behavioral sales control into separate divisions of activity and capability control, Miao and Evans were able to clarify relationships in this important area of sales management. Merely developing a set of behavioral guidelines
may be insufficient to get that extra sale or that special relationship. Instead, the coaching and feedback elements inherent in capability control can go a long way toward enriching the salesperson’s experience and inculcating know-how that they can use in many different situations that are covered by a corporate checklist or formal set of necessary steps. In fact, it is fair to say that capability control (managerial development of salesperson skills and abilities) is a key driver of sales behavior and performance; it can be a tremendous asset to rely on for those in the high-pressure sales role.

Indeed, Miao and Evans showed that the positive effects ordinarily found for outcome and activity-type control among managers can be accentuated by adding capability control to the mix for their sales force. In particular, they demonstrated that sales professionals work harder and in a more customized/flexible way toward potential customers when faced with challenging outcome type control instituted by many firms than they would if capability control wasn’t implemented.

To be sure, every study has possible limitations. For one, the data were cross-sectional and, as Miao and Evans note, some of the hypothesized effects may have a decidedly developmental aspect to them (capability control for example). Another limitation is the nature of their sample. While response rates were good and common for such studies, the fact that managers nominated sales professionals as study participants suggests future studies should be wider in scope.

A good study sometimes raises as many new questions as they answer old ones. The consistent effect of capability control suggests a closer look at this construct. For example, we know that there are wide differences in the ability to provide good feedback and to properly coach employees. Yet, these are critical avenues for exerting capability control. We know from research in organizational behavior on mentors and protégés that willingness to engage in this coaching and feedback process as well as the ability to conduct an effective relationship varies dramatically (cf. deTormes Eby et al., 2013). Certainly, this work could benefit researchers in marketing who wish to examine additional implications of capability control that have been explored in Miao and Evans’s interesting study.

REFERENCES
