

# The indirect effects of organizational controls on salesperson performance and customer orientation

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## Abstract

Based upon Path Goal Theory (PGT) and Organizational Socialization Theory (OST), we develop a conceptual model that identifies the indirect effects of organizational controls on salesperson performance and on salesperson customer orientation. Task clarity and affective commitment are posited as key mediating variables of the relationships between organizational controls and salesperson outcomes (salesperson performance and customer orientation). Research results, based on a sample of 151 salespeople, show that organizational controls affect both the salesperson's task clarity and the salesperson's affective commitment to the organization. Further, results show that task clarity affects salesperson performance, but that it has no effect on customer orientation. Affective commitment, however, has a significant impact on both outcomes. Theoretical, managerial, and future research implications are discussed. © 2001 Elsevier Science Inc. All rights reserved.

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## 1. Introduction

As boundary personnel, the job of salespeople is to transact with the external environment in order to generate revenue for their employing organization (Churchill et al., 1985; Singh, 1993). Organizations use sales revenues to defray current expenses and to fuel expansion. Effective salesperson performance, therefore, is a prerequisite for organizational sustenance and growth. Consequently, it is no surprise that organizations regard the development of a high-performing salesforce as a significant challenge (Sujan et al., 1994; Kohli et al., 1998).

Much of the recent literature in the salesforce management area, beginning with the seminal article by Jaworski (1988), has identified organizational controls as being key determinants of salesperson performance. Guided by the Jaworski (1988) framework, early empirical research in the area of organizational controls focused on the direct effects of organizational controls on performance (see Lusch and Jaworski, 1991; Cravens et al., 1993; Jaworski et al., 1993;

Oliver and Anderson, 1994). However, the results from this stream of research are best described as equivocal (cf. Challagalla and Shervani, 1996, p. 89).

Relatedly, research has examined the direct effects of organizational controls in addition to their indirect effects. These studies have found “very modest” (Challagalla and Shervani, 1996, p. 97) support for the direct effects or have concluded that their results “either did not support or provided contradictory support for the hypotheses” (Lusch and Jaworski, 1991, p. 412) regarding the direct effects of organizational controls on outcomes. However, in both the Challagalla and Shervani (1996) and the Lusch and Jaworski (1991) studies, the indirect effects of organizational controls on outcomes received strong support.

These studies posit role variables such as role ambiguity (Challagalla and Shervani, 1996) and role stress (Lusch and Jaworski, 1991) as key mediators of the effects of organizational controls on outcomes. As such, both these studies contend that, by reducing information deficiency (i.e., reducing role ambiguity), organizational controls affect salesperson outcomes in a positive fashion. Thus, these studies offer support for the general notion that organizational controls motivate salesperson outcomes by enhancing salesperson cognition.

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Our point of departure in this research is that focusing on the cognitive pathway as the sole link between organizational controls and salesperson outcomes is limiting. While it is indisputable that organizational controls clarify the organization's expectations and performance evaluation criteria for salespeople, we argue that equally significantly, organizational controls also foster a sense of belonging in the salesperson by making the individual feel that he is a valuable member of the organization. The pro-organizational affect created by these controls, we submit, has a significant effect on salesperson outcomes.

In terms of salesperson outcomes, note that in this research, we examine both the salesperson's current level of performance and the salesperson's customer orientation, which has been identified as a determinant of the salesperson's long-term performance (Flaherty et al., 1999).

Our objectives in this research are the following:

- (1) To supplement the indirect effects thesis developed in prior research, which posits a cognitive pathway to connect organizational controls and salesperson outcomes (Lusch and Jaworski, 1991; Challagalla and Shervani, 1996), with an affective pathway to connect these controls and outcomes.
- (2) To consider the effects of organizational controls on both the salesperson's current performance and on the salesperson's customer orientation (and therefore on his long-term performance).

From a theoretical perspective, the potential contribution of this research lies in identifying the multiple ways through which organizational controls can affect salesperson perfor-

mance and customer orientation, thereby increasing an appreciation of the complexity of the relationship between organizational controls and salesperson outcomes. Our research is of potential aid to sales managers since it identifies intermediate markers that they should monitor once controls are installed, in order to ensure that performance enhancement does, in fact, result.

In Section 2, we present our conceptual framework that integrates the cognitive and affective pathways through which organizational controls affect salesperson performance and customer orientation. Following this, the methods and measures used to test the conceptual framework are explicated. Subsequently, results of measure validation and hypothesis testing are presented. We conclude by (i) discussing the research results in terms of their theoretical and managerial implications, and by (ii) identifying research limitations and tracing the future research implications that arise as a consequence.

## 2. Conceptual framework

We posit that salesperson task clarity and the salesperson's affective commitment to the organization will mediate the effects of organizational controls on salesperson performance and on the salesperson's customer orientation. Our conceptual framework is illustrated in Fig. 1.

### 2.1. Definitions

The function of a control system is to monitor, evaluate, and compensate salespeople based on certain criteria. Sales-

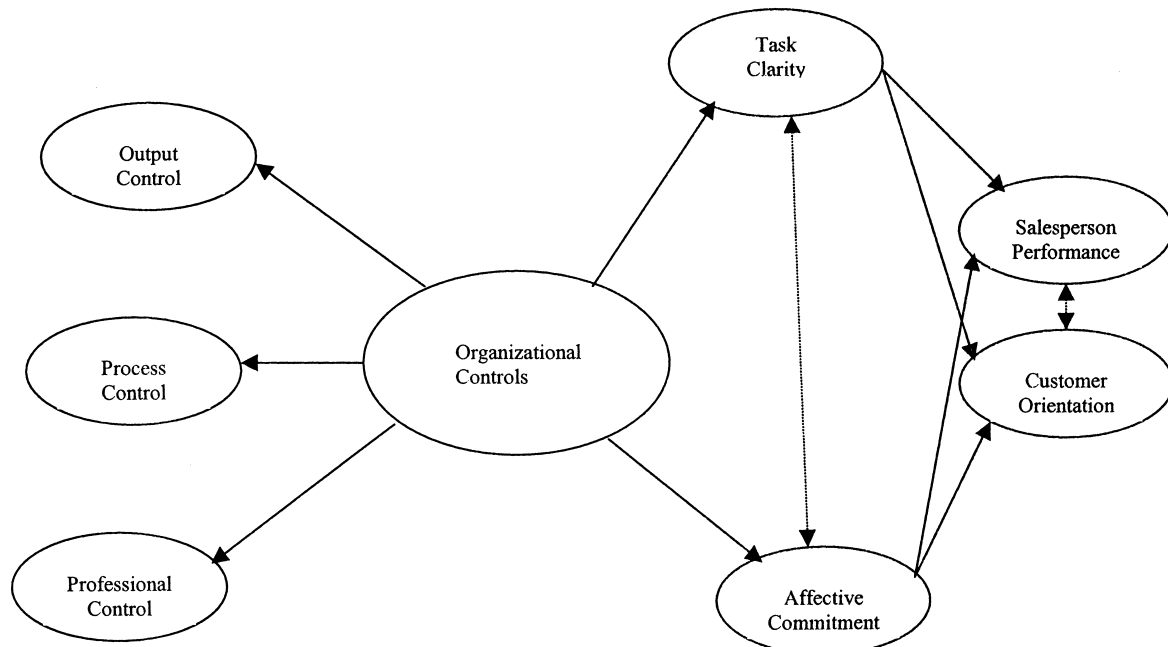


Fig. 1. Conceptual model. Note ↔ = correlation between constructs.

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