How management control and job-related characteristics influence the performance of export sales managers☆

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Abstract

Despite the plethora of studies examining the influence of behavior-based sales management control on salesperson characteristics and performance, limited empirical evidence exists with respect to its relevance and importance in an export sales context. This study expands the existing literature by investigating the influence of behavior-based control and job-related characteristics on the performance of export sales managers. The article offers a conceptual model and an empirical test using data from 210 UK exporters. The findings support the positive influence of behavior-based control on certain export sales managers’ characteristics and behavioral performance. The results also indicate that: specific export sales managers’ characteristics enhance behavioral performance; behavioral performance is positively related to outcome performance; psychic distance moderates the relationship between behavior-based control and behavioral performance. The article concludes with a discussion of implications for export executives and suggestions for future research in the field.

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1. Introduction

International trade continues expanding very rapidly over the past few decades, mainly as a result of the growth in world output, reduced protectionism, more efficient international communication and transportation, and greater regional economic integration. The most common mode of international involvement, usually adopted by small- and medium-sized firms, is exporting. Exporting offers numerous benefits to companies such as increased sales and profits, economies of scale at home, improvement of competitive position, and diversification of risk inherent in conducting business (Albaum et al., 2005).

An extensive review of the export marketing literature reveals several streams of research concentrating on exporting firms’ performance, behavior and characteristics (Katsikeas et al., 2000). However, issues relating to the organization and management of personal selling and sales management activities undertaken by exporting firms remain largely unexplored. Even within the broader area of international marketing, sales management has received scant research attention (Mühlbacher et al., 2006). Prima facie, this gap is very crucial, given the prominent role that the personal selling and sales management functions play to the successful implementation of business strategies (Slater and Olson, 2000).

The present research contributes towards filling this notable gap in the export marketing literature by investigating the factors that influence the effective execution of personal selling activities in export markets. The study focuses on small- and medium-sized direct exporters. Because of resource constraints, these firms are not able to establish sales subsidiaries overseas or send their own employees to export markets for any extended

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period of time (Lu and Beamish, 2001). Instead, the responsibility for export sales is assigned to home-based personnel who travel to export markets to perform the sales duties. These individuals play a critical role in SMEs export success. Their primarily responsibilities include the communication of product information to foreign customers and prospects, the development of long-term customer relationships, and the acquisition and dissemination of export information (Albaum et al., 2005).

By investigating the factors that influence the sales performance of this staff, the study offers valuable insights to managers responsible for planning, organizing, and controlling personal selling activities in export markets. In addition, the study examines the extent to which existing sales management theory can be generalized to the neglected context of exporting. Thus, the present article contributes towards the advancement of knowledge by refining existing theory and providing evidence of its external validity (Easley et al., 2000).

The remainder of the article is organized as follows. Section 2 outlines the background of the research. Particularly, Section 2 examines the organization and management of export sales in small- and medium-sized enterprises (SMEs), discusses the main challenges involved in managing export sales, and provides an overview of the extant sales management control literature. Section 3 presents the conceptual model that guided the execution of the study and develops research hypotheses. Then, Section 4 describes the research method used to test hypotheses and presents the results of the analyses. Section 5 concludes by discussing the implications of the research, addressing study limitations, and identifying future research avenues.

2. Research background

2.1. The organization of export sales in SMEs

The way in which SMEs approach export sales departs greatly from sales management in domestic sales organizations and large exporting firms. Particularly, domestic sales organizations are structured around field sales managers, who are responsible for supervising, directing, and controlling field salespeople. Between the field sales manager and the top sales manager, several managerial levels may be present. A similar organizational structure is often found in the foreign sales subsidiaries of multinational corporations and large exporting firms. However, the limited literature and the exploratory fieldwork revealed that in SMEs a different organizational structure is employed with respect to export sales.

Specifically, export sales in these firms are organized around one individual per export venture. An export venture is defined as the exporting of a specific product/product line to a certain export market (Cavusgil and Zou, 1994). These employees are based in the home country and travel to export markets to perform personal selling activities. Parallel with the domestic sales management context, these personnel resemble field salespeople. For present purposes the term “export sales managers” is used, although the exact job title of these people may differ between firms. An exporting firm may employ several export sales managers, while each of them is assigned responsibility for one or more export ventures. Export sales managers report to the head of exporting operations, who is typically their line manager. Again, the job titles of these line managers can vary considerably, but this study identifies them as “export executives”. Export executives perform important sales management activities: They assign export sales managers to export ventures; they allocate selling effort to existing foreign customers and prospects; and they influence export sales effectiveness through the role of monitoring, directing and coordinating export sales managers.

2.2. The challenge of export sales management

Selling in a domestic context can be challenging for a firm. However, when a firm expands its activities to international trade via export means the challenges increase significantly. Even in today’s globalized business environment, exporters are confronted by different: cultural factors and norms; preferred selling styles; ethical standards; language and communications barriers; alternative purchasing decision criteria and buyer behavior; and other problems (Albaum et al., 2005; Mühlbacher et al., 2006). Exporting firms are also exposed to a more complex and turbulent environment, and are often constrained by the large geographical distances involved. Therefore, any attempt to transfer existing sales management theory to the export sales context is limited by the aforementioned considerations. However, researchers’ confidence in generalizing current knowledge can be enhanced through the execution of replication and extension studies that would confirm the external validity of previous research conducted in a domestic sales context. The present study aims to contribute towards this direction.

2.3. Sales management control

Sales management control strategies have received considerable research attention in recent years (e.g., Anderson and Oliver, 1987; Challagalla and Shervani, 1996; Cravens et al., 1993). Control is a fundamental management activity (Jaworski, 1988), which plays a critically important role in sales organizations. Particularly, by engaging in appropriate control activities, sales managers can influence the attitudes and behavior of salespeople and direct them towards achieving organizational objectives (Anderson and Oliver, 1987; Jaworski, 1988).

A thorough review of the relevant literature indicates a lack of agreement concerning the conceptualization and measurement of sales management control (Baldauf et al., 2005). However, previous studies in this area have adopted either the control philosophy proposed by Anderson and Oliver (1987) or the one proposed by Jaworski (1988). Anderson and Oliver (1987) classified sales management control systems into outcome-based (emphasizing end results) and behavior-based (focusing on inputs and processes). On the other hand Jaworski (1988) identified two broad classes of control: formal control (written, management-initiated mechanisms) and informal
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