

Consequences of Salesforce Motivation

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Abstract

Salesforce motivation has been found to have important consequences for salespeople as well as sales organization. This study analyzes the consequences of salesforce motivation based on the review of studies. The review of studies showed that motivation has an impact on salesforce behavioural and outcome performance, sales territory performance, job satisfaction, adaptive selling, salespeoples' effort, role conflict, role ambiguity, burnout, salesperson's effective listening behavior and managerial trust. Based on the findings, research implications are stated.

Key Words: Salesforce motivation, Salespeople, Sales organizations

Introduction

Salesforce motivation holds an important place in marketing and sales literature. Several studies focused on exploring the antecedents of salesforce motivation. According to Walker, Churchill and Ford (1977), salesman's motivation to expend effort on the job and his resulting performance are a function of following variables: (1) the aptitude or ability of the salesman, (2) financial compensation and incentives, (3) psychological incentives, and (4) organizational and managerial factors.

Motivation is a psychological state that initiates and guides a person's behaviour or conscious choices (Brown & Peterson, 1994). The two broad categories of motivation are: Intrinsic motivation and extrinsic motivation.

As the competition is increasing day by day, more and more firms are trying to distinguish themselves from

others. In such a case, salespeople motivation plays a very important role. It has been found out that salesforce motivation has an impact on salesperson and organizational variables. The objective of this study is to analyze the consequences of salesforce motivation from the perspective of salespeople. The study first defines the framework used for organizing the study. Secondly, it presents the review of studies. Third, the study presents the findings. Finally, the implications and directions for future research are stated.

Framework for Organizing the Study

Taking into account the variables of salesforce motivation, consequences, articles from following sales and marketing journals were considered – *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Marketing Management*, *International Journal of Research in Marketing*, *International Business Review*, *Journal of Personal Selling and Sales Management*, *European Journal of Marketing*, *Journal of Marketing Research*, *Journal of the Academy of Marketing Science* and *Journal of Business*.

Review of Studies

Research studies are discussed to give us a better understanding of the consequences of salesforce motivation.

Cravens, Woodruff and Stamper (1972) outlined an analytical approach to the evaluation of performance

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in sales territories and the establishment of benchmarks for future sales territory performance. Using multiple linear regression to analyse data of 25 sales territories of the firm's national sales organization, they found that six important determinants of sales territory performance are: (1) Market potential; (2) territory workload; (3) salesman experience; (4) salesman motivation and effort (5) company experience; and (6) company effort.

Walker, Churchill and Ford (1977) developed a conceptual model which identifies a set of individual, interpersonal, organizational, and environmental variables that may influence a salesman's motivation. The model hypothesized that a salesman's job performance is a function of his level of motivation, his sales aptitude or ability, and his perceptions about how his role should be performed.

Bagozzi (1980a) analyzed the impact of achievement motivation on job satisfaction. In their study on 122 industrial salespeople, they found that there is a positive impact of achievement motivation on job satisfaction. It means the greater the value placed on specific tangible and intangible rewards associated with the job, the higher the performance of activities leading to these rewards and the greater the satisfaction with subsequent attainment of these rewards.

The greater the value placed on job outcomes (as indicated by one's achievement motivation), the higher the level of satisfaction with the attainment of subsequent rewards. Apparently, salespeople are motivated by the anticipated satisfaction that comes with performance more than they are by the performance itself.

Bagozzi (1980b) investigated motivation, felt role strain and role ambiguity as they affect certain emotional, cognitive, and behavioral (i.e., performance) outcomes of salespeople. Using structural equation methodology to analyze data of 122 industrial salespeople, they found that motivation has a positive effect on job satisfaction and performance.

Churchill, Ford, Hartley and Walker (1985) investigated the determinants of salespeople's

performance. The meta analysis of 116 articles revealed that the determinants of salesforce performance are as follows: (1) role variables, (2) skill, (3) motivation, (4) personal factors, (5) aptitude, and (6) organizational/environmental factors.

Tyagi (1985) analyzed the antecedents and consequences of intrinsic and extrinsic motivation in their study on 94 life insurance salespeople. Regression analysis revealed that both intrinsic and extrinsic motivation had a strong influence on salesperson work performance.

Weitz, Sujan and Sujan (1986) gave specific propositions relating to knowledge, motivation, and adaptive behavior. The proposition related to motivation is as follows: The degree to which salespeople are oriented toward intrinsic rewards determines their motivation to practice adaptive selling.

Ingram, Lee and Skinner (1989) investigated the relationships between motivation, commitment and two important outcomes of effort and performance. The study on 231 industrial salespeople showed that extrinsic motivation has a positive impact on salespeople's effort. The hypothesis which suggested a positive relationship between salespeople's effort and intrinsic motivation was not supported.

Spiro and Weitz (1990) developed and validated a measure of the degree to which salespeople practice adaptive selling. Their study on 268 salespeople revealed that intrinsic motivation is significantly related to the practice of adaptive selling.

Low, Cravens, Grant and Moncrief (2001) examined the consequences of motivation. In their study on 148 field salespeople from 27 companies in Australia, they found that intrinsic motivation is negatively related to role conflict, role ambiguity and burnout of salespeople while it is positively related to salesperson's job satisfaction.

Roman, Ruiz and Munera (2005) proposes a model that explains the effective listening behaviour of salespeople in terms of their method of compensation, ability to use customer knowledge, intrinsic motivation, gender,

education and experience. In their study on 280 financial services salespeople in Spain, they found that a salesperson's effective listening behaviour is positively influenced by their intrinsic motivation. Sales managers should develop motivations for their salespeople so that they will be driven to listen.

Miao and Evans (2007) investigated the extent to which the cognitive and affective dimensions of

intrinsic and extrinsic motivation have a distinct impact on role perceptions and sales performance. The study on 175 industrial salespeople revealed that challenge orientation and compensation orientation negatively affects role conflict while recognition orientation increases role conflict. Compensation orientation and task enjoyment were found to have a negative effect on role ambiguity. Challenge orientation was found to have a positive direct effect on behavioral

Table 1: Review of studies

Study	Sample size	Consequences of motivation
Cravens, Woodruff and Stamper (1972)	25 sales territories of the firm's national sales organization	sales territory performance
Walker, Churchill and Ford (1977)	Conceptual paper	salesman's job performance
Bagozzi (1980a)	122 industrial salespeople	Job satisfaction
Bagozzi (1980b)	122 industrial salespeople	job satisfaction and performance
Churchill, Ford, Hartley and Walker (1985)	Meta analysis of 116 articles	salesforce performance
Tyagi (1985)	94 life insurance salespeople	salesperson work performance
Weitz, Sujan and Sujan (1986)	Propositions were stated	Adaptive selling
Ingram, Lee and Skinner (1989)	231 industrial salespeople	salespeoples' effort
Spiro and Weitz (1990)	268 salespeople	Adaptive selling
Low, Cravens, Grant and Moncrief (2001)	148 field salespeople from 27 companies in Australia	role conflict, role ambiguity, burnout and job satisfaction of salespeople
Roman, Ruiz and Munera (2005)	280 financial services salespeople in Spain	salesperson's effective listening behaviour
Miao and Evans (2007)	175 industrial salespeople	Role conflict, Role ambiguity, Behavioral performance, Outcome performance
Román and Iacobucci (2010)	210 salespeople and 630 customers	adaptive selling behavior, adaptive selling confidence, customer qualification skills and salesperson's outcome performance
Mallin, Asree, Koh and Hu (2010)	94 sales managers	Managerial trust
Miao and Evans (2012b)	195 salesperson-sales manager dyads in a US manufacturing industry	Salesforce performance

performance and outcome performance. Task enjoyment has a direct positive effect on behavioral performance but a negative direct effect on outcome performance. Neither compensation orientation nor recognition orientation was directly related to outcome performance.

Román and Iacobucci (2010) in their study on 210 salespeople and 630 customers revealed that intrinsic motivation has a positive impact on adaptive selling behavior, adaptive selling confidence, customer-qualification skills and salesperson's outcome performance.

Mallin, Asree, Koh and Hu (2010) empirically tested an integrated framework investigating the antecedents to managerial trust in Malaysian salesforce. In their study on 94 sales managers, they found that salesperson extrinsic motivation has a positive impact on managerial trust in the salesperson while relationship between salesperson intrinsic motivation and managerial trust was not found to be significantly related. The finding justified the notion that salespeople assessed to be extrinsically motivated will be trusted by their managers because there is confidence that this type of salesperson will be motivated to produce sales.

Miao and Evans (2012b) investigated the combinatory effects of three well-established formal sales control styles: outcome, capability, and activity control. Taking reference from Expectancy Theory and Cognitive Evaluation Theory, they theorize that sales control combinations have differential impacts on salesperson

knowledge, role ambiguity, and intrinsic motivation which subsequently affect salesperson performance. Using PLS (Partial Least Squares) analysis to analyze data of 195 salesperson-sales manager dyads in a US manufacturing industry, they found that outcome control has a positive effect on intrinsic motivation whereas activity control and capability control have no direct effects. In turn intrinsic motivation has no effect on performance.

Table 1 lists the previous studies along with sample size and its consequences.

Conclusion

The review of studies revealed that motivation has an impact on salesforce behavioural and outcome performance, sales territory performance, job satisfaction, adaptive selling, salespeoples' effort, role conflict, role ambiguity, burnout, salesperson's effective listening behavior and managerial trust.

Implications

The study holds implications for sales organizations as they can know how important is salesforce motivation in affecting its salesforce characteristics and behavior.

Directions for Future Research

This study analyzed the consequences of salesforce motivation. The research in future should analyze both the antecedents and consequences of salesforce motivation and see which variables serve as both the antecedents as well as consequences of salesforce motivation.

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