ABSTRACT

Introduction

Indian pharmaceutical sector accounts for about 1.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms. More and more pharmaceutical industries are being set up to meet the expanding needs of customers. The responsibility of catering to the needs of the customers are on the salesforce that works for the pharmaceutical companies. If salesforce is able to provide quality service, then this will help pharmaceutical companies in retaining customers and increasing customer satisfaction which will lead to increased profitability and market share for the pharmaceutical companies. So, the effectiveness of the salesforce is important for the success of the company.

In this age of competition, more and more companies are trying to distinguish themselves from the others. As the technological advancement is high, every firm is using high quality technology to produce high quality products. So quality alone cannot serve the purpose of distinguishing the firms. In such a scenario, the role of salesforce becomes more important. Salesforce can play a big role in affecting the performance and long term profitability of the firm. As the salesforce reaches out to customers, the role of salesforce becomes all the more important in a pharmaceutical industry where the major work of selling is carried out through medical representatives. It is here that the importance of salesforce control system comes into picture. A salesforce control system, which is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees (Anderson and Oliver, 1987) is important for several reasons. They exert a strong influence on a firm's economic performance and its relationships with customers because salespeople operate at the boundaries of a firm (e.g., Albers, Mantrala, & Sridhar, 2010; Krafft, 1999; Palmatier, Scheer, & Steenkamp, 2007). Controlling the salesforce is vital, since it accounts for the largest portion of marketing personnel and budget (Cravens, Ingram, LaForge, & Young, 1993). Consequently, designing mechanisms for controlling the activities of salespeople is an important area for sales research and practice (Baldauf, Cravens, & Piercy, 2005). Furthermore, there is ample theoretical and empirical evidence pinpointing the importance of controls for improving organizational outcomes (e.g., Anderson & Oliver, 1987; Cravens et al., 1993;
Noteworthy research on sales management controls over the past two decades includes landmark contributions by Anderson and Oliver (1987), Jaworski (1988), and Challagalla and Shervani (1996). Their work prompted others to conduct further investigation into the consequences of sales control systems, producing a solid body of research.

It has been found that the expenditures for the compensation and management of salespeople account for a substantial portion of companies' annual operating budgets. So it is important for the organization to control the behaviour of salespeople in the organization by using the right kind of salesforce control system.

Strong globalization initiatives and the challenges of gaining and sustaining competitive advantage mandate the need for executives to understand the drivers of sales performance and to develop appropriate and effective sales management control initiatives (Piercy, Low and Cravens, 2004b). According to Miao and Evans (2012), "Sales control systems represent an important managerial tool in directing the salesforce for desired organizational objectives."

Research on salesforce control system is largely based on the seminal works of Anderson and Oliver (1987) and Jaworski (1988). Anderson and Oliver’s (1987) framework consists of behavior-based and outcome-based evaluation systems, in which behavior and outcome represent the two extremes of the same continuum, and a firm may choose an optimal emphasis on behavior and outcome. Jaworski’s (1988) conceptualization consists of formal, written, management-initiated (e.g., output and process) controls and informal, unwritten, worker-initiated (e.g., professional and cultural) controls.

Following Jaworski (1988), a salesforce control system can be defined as the sales organization’s formal and informal attempts to influence the behavior and activities of its salespeople to achieve desired objectives. Formal mechanisms include input (e.g., resources, efforts, and technology), behavior or process (e.g., number of sales calls, presentation procedures, and skill development), and output controls (e.g., sales volume, profit margin, and market share), while informal mechanisms include self, professional, and cultural controls (Jaworski, 1988). Behavior or process control has been further divided into activity and capability controls (Challagalla and Shervani 1996). Activity control is the specification and monitoring of the routine activities a
salesperson is expected to perform (e.g., number of customer calls, following presentation scripts, time allocation to different tasks, type of services to perform), whereas capability control focuses the development of sales related knowledge and skills through training, mentoring, and support (Wang, Dou and Zhou, 2012).

This study focuses on formal controls because of following reasons: First, as management is directly responsible for designing and implementing formal controls, their impact (as compared with that of informal controls) is perhaps of greater concern to management, although informal controls clearly play a significant role in salesforce management. Second, the formal types of control are the most frequently studied in the sales literature (Baldauf, Cravens, and Piercy 2005), helping us to develop hypotheses based on previous empirical studies in this area.

Scope of the Study

This study is confined to the pharmaceutical companies located and having operations in India. The study is mainly concerned with the execution and implementation of the salesforce control system in pharmaceutical industry and its outcomes.

Salesforce Control System

A salesforce control system is an organization’s set of procedures for monitoring, directing, evaluating and compensating its employees (Anderson and Oliver, 1987). According to Anderson and Oliver (1987), there are two kinds of salesforce control system: Behaviour based and Outcome based salesforce control system.

Characteristics of Behaviour based Salesforce Control System

The characteristics of behavior based salesforce control system are as follows:

- Considerable monitoring of salespeople by management.
- More managerial direction or effort to direct salespeople.
- Subjective and more complex methods based on salesperson’s aptitude and product knowledge, number of calls, their sales strategies are used to evaluate and compensate the salesforce.
- In behavior based control system, active managers vigorously monitor and direct the operations of the salesforce. Managers know what they want
salespeople to do. So they monitor their work in order to ensure that the salesforce behaves accordingly. Under this system, the firm pays salespeople a fixed amount of salary. The firm bears the risk. The rewards and performance evaluation of salesperson is based on complex and subjective measures of what they do rather than what they achieve. In this system, the invisible hand of management is substituted for the invisible hand of the market forces.

- Salespeople in this system are evaluated not on the basis of their achievement but on the number of factors that may result in performance. The number of calls, number of accounts, closing ability, presentation quality and product knowledge are some of the factors that are taken into account while evaluating the salesperson.

**Characteristics of Outcome based Salesforce Control System**

The characteristics of outcome based salesforce control system are as follows:

- Less monitoring of salespeople by management.
- Less managerial direction or effort to direct salespeople.
- Objective measures of outcomes are used to evaluate and compensate the salesforce.
- In outcome-based control system, salespeople are left alone to achieve results in their own way using their own strategies. Salespeople are held accountable for their results and not how they achieve the results. Under such system, the invisible hand of the marketplace pressures salespeople to perform and guide their actions. Firms reduce the managerial overhead and they rely on the direction afforded by market pressures, shifting the risk to salesperson (Basu et al. 1985) and sharing rewards with the salesperson in direct proportion to his measurable performance. So in this system a salesperson is responsible for his performance but he is free to select the method of achievement.

**Literature Review**

Anderson and Oliver (1987) proposed a framework for selecting an appropriate salesforce control. Drawing analysis from economic theories of control (transaction cost analysis and agency theory), organization theory, and cognitive psychology, they
proposed that salesforce control system can have impact on salesperson cognitions and capabilities, affects and attitudes, motivation, behavioral strategies and performance.

Cravens, Ingram, LaForge and Young (1993) converted propositions by Anderson and Oliver (1987) into specific hypothesis and tested them empirically. They divided salesforce control system into two dimensions: (1) the extent of monitoring and amount of direction by field sales managers called as FMSC (Field Sales Management Control), (2) Salesforce compensation, called as CC (Compensation Control). In their study on 144 chief sales executive, they analyzed the effect of salesforce control system on salesforce characteristics, salesforce behavioural and outcome performance and sales organization effectiveness.

Oliver and Anderson (1994) themselves converted their propositions into specific hypotheses and analyzed the consequences of salesforce control system on 347 salespeople. Later on the studies by Babakus, Cravens, Grant, Ingram and LaForge (1996) as well as Piercy, Cravens and Morgan (1999) analyzed the relationships among salesforce control system, sales territory design, salesforce performance and sales organization effectiveness.

The kind of salesforce control system used by the firm can have different impact on several important outcomes like salesforce performance and sales organization effectiveness. According to Anderson and Oliver (1987), ‘‘a salesforce control system influences employee behavior, ideally in a way that enhances the welfare of both the firm and the employee.’’

**Research Gaps**

The research gaps identified from the review of the literature are as follows:

- In most of the studies, researchers considered salesforce control system for industries other than pharmaceutical.
- Most of the salesforce control system research has been done in U.K, U.S. and Australia, but not in India.
- There has not been a comprehensive study which has focused on analyzing the impact of salesforce control system on salesforce characteristics, salesforce performance and sales organization effectiveness in pharmaceutical sector.
There has not been a study which has analyzed the differences in the perceptions of salespeople and sales managers with respect to salesforce control system.

Having identified these gaps in the literature review, the study has been undertaken in order to bridge these gaps. A greater understanding of how behavior based and outcome based salesforce control system affect salesforce and organization consequences in pharmaceutical industry in India is an important research priority.

**Research Objectives**

The research objectives are as follows:

1. To identify the key dimensions of salesforce control system with respect to salesforce characteristics, salesforce performance and sales organization effectiveness.
2. To analyze the impact of behaviour based salesforce control system on salesforce characteristics and salesforce performance in pharmaceutical industries in India.
3. To analyze the impact of outcome based salesforce control system on salesforce characteristics and salesforce performance in pharmaceutical industries in India.
4. To determine the relationship between behaviour based salesforce control system and sales organization effectiveness in pharmaceutical industries in India.
5. To determine the relationship between outcome based salesforce control system and sales organization effectiveness in pharmaceutical industries in India.
6. To compare the perceptions of salespeople and area managers in pharmaceutical industry with respect to the consequences of salesforce control system.
7. To suggest salesforce control system strategies with respect to the Indian Pharmaceutical industry.

**Research Design**

The research design was descriptive in nature. The main aim of the study was to explore the consequences of behaviour based and outcome based salesforce control system in Pharmaceutical sector in India. To test the hypotheses, data was collected using questionnaire. Questionnaire was based on tested scales.
**Research Variables**

There were two Independent variables: Behaviour based salesforce control system and Outcome based salesforce control system and eight dependent variables: Professional competence, Intrinsic Motivation, Extrinsic Motivation, Customer Orientation, Salesforce Nonselling Behaviour Performance, Salesforce Behaviour Performance, Salesforce Outcome Performance and Sales Organization Effectiveness. The data pertaining to age, gender and educational qualification was also generated.

**Conceptual Model**

The conceptual model is given in Figure 1.

**Figure 1 Conceptual Model**

**Hypotheses**

The hypotheses have been categorized under three headings – salesforce characteristics, salesforce performance and sales organization effectiveness. These hypotheses were tested for both salesperson and area manager’s data.
Salesforce Characteristics

H₀1.1(a): There is no significant relationship between behaviour based salesforce control system and salesforce professional competence.

H₀1.1(b): There is no significant relationship between outcome based salesforce control system and salesforce professional competence.

H₀1.2(a): There is no significant relationship between behaviour based salesforce control system and salesforce intrinsic motivation.

H₀1.2(b): There is no significant relationship between outcome based salesforce control system and salesforce intrinsic motivation.

H₀1.3(a): There is no significant relationship between behaviour based salesforce control system and salesforce extrinsic motivation.

H₀1.3(b): There is no significant relationship between outcome based salesforce control system and salesforce extrinsic motivation.

H₀1.4(a): There is no significant relationship between behaviour based salesforce control system and salesforce customer orientation.

H₀1.4(b): There is no significant relationship between outcome based salesforce control system and salesforce customer orientation.

Salesforce Performance

H₀2.1(a): There is no significant relationship between behaviour based salesforce control system and salesforce non-selling behavioural performance.

H₀2.1(b): There is no significant relationship between outcome based salesforce control system and salesforce non-selling behavioural performance.

H₀2.2(a): There is no significant relationship between behaviour based salesforce control system and salesforce selling behavioural performance.

H₀2.2(b): There is no significant relationship between outcome based salesforce control system and salesforce selling behavioural performance.
H₀2.3(a): There is no significant relationship between behaviour based salesforce control system and salesforce outcome performance.

H₀2.3(b): There is no significant relationship between outcome based salesforce control system and salesforce outcome performance.

Sales Organization Effectiveness

H₀3.1(a): There is no significant relationship between behaviour based salesforce control system and sales organization effectiveness.

H₀3.1(b): There is no significant relationship between outcome based salesforce control system and sales organization effectiveness.

Pilot Survey

Before conducting the final survey, pilot study was conducted. Pilot testing was done to check the adaptability of the questionnaire in the Indian context. This was done by obtaining feedback from the respondents regarding the content, wording, and ease of understanding of items. At the end of the questionnaire, suggestions column was given where respondents were asked to write their suggestions so that the language of the questionnaire could be improved and the clarity is maintained. The questionnaire for salesperson was tested on 30 medical representatives while the questionnaire for area managers was tested on 10 area managers of pharmaceutical companies in India. The suggestions given by the respondent were taken care of while revising the questionnaire to ensure content validity.

Sampling Method

In this research, convenience sampling was used. It is a non-probability sampling technique in which the selection of sample depends upon the convenience of researcher. Sometimes the respondents are selected just because they happen to be in right place at the right time. It is less time consuming and also less expensive technique.

Initially the idea was to get a random sample of respondents from BSE listed companies. But the response was almost negligible through post and email survey for these companies. Moreover, when the employees were contacted personally in their
offices, they were not available as they were in the field. Therefore convenience sampling was used.

**Sample Size**

The sample size was 346 for Medical Representatives and 196 for Area Managers. The sample size was determined taking into account the nature of the research, number of variables and the sample size used in similar studies. Cravens, Ingram, LaForge and Young (1993) and Piercy, Cravens and Morgan (1999) have used a sample of 144 area managers in their study on salesforce control system. Babakus, Cravens, Grant, Ingram and LaForge (1996) have used a sample of 146 area managers. As far as studies on salespeople are concerned, Oliver and Anderson (1994) and Oliver and Anderson (1995) have used a sample of 347 salespeople. Miao and Evans (2012b) have used a sample of 195 salesman-sales manager dyad.

**Data Collection**

In this study, two questionnaires were used to collect primary data. One questionnaire was used to collect data from Medical Representatives while other was used to collect data from Area Managers of Pharmaceutical companies in India. Three methods of data collection were used: Postal survey, Mail survey and Personal survey.

- **Postal Survey:** First of all, a list of BSE (Bombay Stock Exchange) listed pharmaceutical companies was generated along with their registered addresses. Four questionnaires for area managers along with the cover letter and a self-addressed envelope were speed posted to 122 BSE listed pharmaceutical companies. The response for postal survey was received from 2 companies. After one and a half months a reminder post was sent to all the previous companies except the two companies who already gave their responses and other 4 companies who refused to take the questionnaire in the first round of postal survey. No further response was received after reminder.

- **Mail Survey:** Online version of the questionnaire was created through Google doc. The link of the questionnaire was sent to the official mail ids of the BSE listed pharmaceutical companies. No response was received from that.
Personal Survey: For personal survey, respondents were approached in hospitals, clinics and medical stores and data was collected from them. Data of 346 Medical representatives and 190 area managers were collected through person administration of the questionnaire.

Taking into account all the three methods of data collection, a total data of 346 Medical representatives and 196 area managers were collected. According to Wimmer and Dominick (2000), a sample of 300 is considered to be good. The data was collected from March, 2016 to July, 2016.

Data Analysis

The first stage in data analysis involved checking the reliability and validity of the questionnaire. In second stage, CFA was done using AMOS to determine the correlation among latent constructs. In the third stage, the proposed model was tested through SEM using AMOS.

Table 1 Summary of SEM Hypotheses Testing for Medical Representatives

<table>
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<tr>
<th>Hypotheses</th>
<th>Path</th>
<th>P value</th>
<th>CR value</th>
<th>Estimate</th>
<th>Status of hypotheses</th>
</tr>
</thead>
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</table>
For Medical representatives, all the null hypotheses were rejected except $H_0.1.3a$, $H_0.2.3a$ and $H_0.3.1a$. The results showed that behaviour based salesforce control system has a positive impact on salesforce professional competence, intrinsic motivation, customer orientation, nonselling behavioural performance and selling behavioural performance while outcome based salesforce control system has a positive impact on salesforce professional competence, intrinsic motivation, extrinsic motivation, customer orientation, nonselling behavioural performance, selling behavioural performance, outcome performance and sales organization effectiveness for Medical Representatives.

Results of Hypotheses Testing (MR)

Salesforce Characteristics

$H_0.1.1(a)$: There is no significant relationship between behaviour based salesforce control system and salesforce professional competence: The hypothesis was rejected as the p value (.000) was significant. The value of estimate was positive (.309). This implies that there is a significant and positive impact of behaviour based salesforce control system on salesforce professional competence.

$H_0.1.1(b)$: There is no significant relationship between outcome based salesforce control system and salesforce professional competence: The hypothesis was rejected. P value (.000) and estimate (.737) indicated that there is a significant and positive impact of outcome based salesforce control system on salesforce professional competence.

$H_0.1.2(a)$: There is no significant relationship between behaviour based salesforce control system and salesforce intrinsic motivation: A significant and positive impact of behaviour based salesforce control system on salesforce intrinsic motivation was found. As the p value (.000) was significant and the value of estimate (.214) was positive.

$H_0.1.2(b)$: There is no significant relationship between outcome based salesforce control system and salesforce intrinsic motivation: The p value (.000) was significant and estimate value was positive (.742). Therefore this hypothesis was rejected. This shows that there is a significant and positive impact of outcome based salesforce control system on salesforce intrinsic motivation.
**H₀1.3(a):** There is no significant relationship between behaviour based salesforce control system and salesforce extrinsic motivation: This hypothesis was not rejected as the p value was .064. This implies that there is no significant impact of behaviour based salesforce control system on salesforce extrinsic motivation.

**H₀1.3(b):** There is no significant relationship between outcome based salesforce control system and salesforce extrinsic motivation: The hypothesis was rejected. This means that there is a significant and positive impact of outcome based salesforce control system on salesforce extrinsic motivation. The p value (.000) was significant and the value of estimate was positive (.785).

**H₀1.4(a):** There is no significant relationship between behaviour based salesforce control system and salesforce customer orientation: The hypothesis was rejected as the p value was significant. The value of estimate was positive (.130). This indicates that there is a significant and positive impact of behaviour based salesforce control system on salesforce customer orientation.

**H₀1.4(b):** There is no significant relationship between outcome based salesforce control system and salesforce customer orientation: A significant and positive impact of outcome based salesforce control system was found on salesforce customer orientation. It is because this hypothesis was rejected. The p value (.000) was significant and the value of estimate (.797) was positive.

**Salesforce Performance**

**H₀2.1(a):** There is no significant relationship between behaviour based salesforce control system and salesforce non-selling behavioural performance: The hypothesis was rejected as the p value was significant. The value of estimate was positive (.179). This implies that there is a significant and positive impact of behaviour based salesforce control system on salesforce nonselling behaviour performance.

**H₀2.1(b):** There is no significant relationship between outcome based salesforce control system and salesforce non-selling behavioural performance: The p value was .000 and the value of estimate was .759. Therefore this hypothesis was rejected. This means that there is a significant and positive impact of outcome based salesforce control system on salesforce nonselling behaviour performance.
\textbf{H}_{0.2.2}(a): There is no significant relationship between behaviour based salesforce control system and salesforce selling behavioural performance:} The hypothesis was rejected as the p value was significant. The value of estimate was positive (.143). This indicates that there is a significant and positive impact of behaviour based salesforce control system on salesforce selling behaviour performance.

\textbf{H}_{0.2.2}(b): There is no significant relationship between outcome based salesforce control system and salesforce selling behavioural performance:} The p value (.000) and the value of estimate (.850) indicated that there is a significant and positive impact of outcome based salesforce control system on salesforce selling behaviour performance.

\textbf{H}_{0.2.3}(a): There is no significant relationship between behaviour based salesforce control system and salesforce outcome performance:} The hypothesis was not rejected as the p value was .063. This implies that there is no significant impact of behaviour based salesforce control system on salesforce outcome performance.

\textbf{H}_{0.2.3}(b): There is no significant relationship between outcome based salesforce control system and salesforce outcome performance:} The hypothesis was rejected as the p value was significant. The value of estimate was positive (.906). This means that there is a significant and positive impact of outcome based salesforce control system on salesforce outcome performance.

\textbf{Sales Organization Effectiveness}

\textbf{H}_{0.3.1}(a): There is no significant relationship between behaviour based salesforce control system and sales organization effectiveness:} The hypothesis was not rejected as the p value was .122. This indicates that there is no significant impact of behaviour based salesforce control system on sales organization effectiveness.

\textbf{H}_{0.3.1}(b): There is no significant relationship between outcome based salesforce control system and sales organization effectiveness:} Outcome based salesforce control system was found to have a significant and positive impact on sales organization effectiveness. The p value (.000) was significant and the value of estimate (.760) was positive.
<table>
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<tr>
<th>Hypotheses</th>
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</tbody>
</table>

For Area Managers, all the null hypotheses were rejected. The results showed that behaviour based Salesforce control system has a negative impact on Salesforce professional competence, intrinsic motivation, extrinsic motivation, customer orientation, nonselling behavioural performance, selling behavioural performance, outcome performance and sales organization effectiveness while outcome based Salesforce control system has a positive impact on Salesforce professional competence, intrinsic motivation, extrinsic motivation, customer orientation, nonselling behavioural performance, selling behavioural performance, outcome performance and sales organization effectiveness for Area Managers.
Results of Hypotheses Testing (AM)

Salesforce Characteristics

**H₀1.1(a): There is no significant relationship between behaviour based salesforce control system and salesforce professional competence:** The hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.192). This implies that there is a significant and negative impact of behaviour based salesforce control system on salesforce professional competence.

**H₀1.1(b): There is no significant relationship between outcome based salesforce control system and salesforce professional competence:** The hypothesis was rejected. P value (.000) and estimate value (.926) indicated that there is a significant and positive impact of outcome based salesforce control system on salesforce professional competence.

**H₀1.2(a): There is no significant relationship between behaviour based salesforce control system and salesforce intrinsic motivation:** The hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.294). This indicates that there is a significant and negative impact of behaviour based salesforce control system on salesforce intrinsic motivation.

**H₀1.2(b): There is no significant relationship between outcome based salesforce control system and salesforce intrinsic motivation:** The hypothesis was rejected. A positive and significant impact of outcome based salesforce control system on salesforce intrinsic motivation was found. The p value (.000) was significant and the value of estimate (.899) was positive.

**H₀1.3(a): There is no significant relationship between behaviour based salesforce control system and salesforce extrinsic motivation:** This hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.292). This implies that there is a significant and negative impact of behaviour based salesforce control system on salesforce extrinsic motivation.

**H₀1.3(b): There is no significant relationship between outcome based salesforce control system and salesforce extrinsic motivation:** The p value (.000) was significant and the value of estimate (.941) was positive. This showed that there is a
significant and positive impact of outcome based salesforce control system on salesforce extrinsic motivation.

**H₀1.4(a): There is no significant relationship between behaviour based salesforce control system and salesforce customer orientation:** The hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.246). This indicates that there is a significant and negative impact of behaviour based salesforce control system on salesforce customer orientation.

**H₀1.4(b): There is no significant relationship between outcome based salesforce control system and salesforce customer orientation:** The hypothesis was rejected. There is a significant and positive impact of outcome based salesforce control system on salesforce customer orientation as the p value (.000) was significant and the value of estimate (.971) was positive.

**Salesforce Performance**

**H₀2.1(a): There is no significant relationship between behaviour based salesforce control system and salesforce non-selling behavioural performance:** The hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.313). This implies that there is a significant and negative impact of behaviour based salesforce control system on salesforce nonselling behaviour performance.

**H₀2.1(b): There is no significant relationship between outcome based salesforce control system and salesforce non-selling behavioural performance:** Positive and significant impact of outcome based salesforce control system on salesforce nonselling behaviour performance was found. The hypothesis was rejected as the p value (.000) was significant and the value of estimate was positive (.906).

**H₀2.2(a): There is no significant relationship between behaviour based salesforce control system and salesforce selling behavioural performance:** The hypothesis was rejected as the p value (.000) was significant. The value of estimate was negative (-.298). This indicates that there is a significant and negative impact of behaviour based salesforce control system on salesforce selling behaviour performance.
H₀2.2(b): There is no significant relationship between outcome based salesforce control system and salesforce selling behavioural performance: The p value (.000) was significant and the value of estimate was positive (.947). Therefore this hypothesis was rejected. This shows that there is a significant and positive impact of outcome based salesforce control system on salesforce selling behaviour performance.

H₀2.3(a): There is no significant relationship between behaviour based salesforce control system and salesforce outcome performance: The hypothesis was not rejected as the p value was significant (.000). The value of estimate was negative (-.357). This implies that there is a significant and negative impact of behaviour based salesforce control system on salesforce outcome performance.

H₀2.3(b): There is no significant relationship between outcome based salesforce control system and salesforce outcome performance: The p value (.000) and the value of estimate (.915) was positive. Therefore this hypothesis was rejected. This means that there is a significant and positive impact of outcome based salesforce control system on salesforce outcome performance.

Sales Organization Effectiveness

H₀3.1(a): There is no significant relationship between behaviour based salesforce control system and sales organization effectiveness: The hypothesis was rejected. The p value (.000) and the estimate value (-.274) indicated that there is a significant and negative impact of behaviour based salesforce control system on sales organization effectiveness.

H₀3.1(b): There is no significant relationship between outcome based salesforce control system and sales organization effectiveness: This hypothesis was rejected. Outcome based salesforce control system was found to have a significant and positive impact on sales organization effectiveness as the p value (.000) was significant and the value estimate was positive (.910).

Conclusion

- Behaviour based salesforce control system was found to have a strong positive impact on salesforce professional competence, intrinsic motivation, customer
orientation, nonselling behavioural performance and selling behavioural performance for Medical Representatives.

- Outcome based salesforce control system was found to have a strong positive impact on salesforce professional competence, intrinsic motivation, extrinsic motivation, customer orientation, nonselling behavioural performance, selling behavioural performance, outcome performance and sales organization effectiveness for both Medical Representatives and Area Managers.

- Behaviour based salesforce control system was found to have a negative impact on salesforce professional competence, intrinsic motivation, extrinsic motivation, customer orientation, nonselling behavioural performance, selling behavioural performance, outcome performance and sales organization effectiveness for Area Managers.

- Behaviour based salesforce control system was not found to have a significant impact on salesforce extrinsic motivation, outcome performance and sales organization effectiveness.

Managerial Implications

The findings offer valuable insights on the consequences of the two types of salesforce control systems (behaviour based and outcome based salesforce control system) in the context of Pharmaceutical companies having operations in India from the perspective of both Medical Representatives and Area Managers. The results of the study can be of immense value not only to the academic researchers but also to marketing professionals and pharmaceutical industry. The study provides a deeper understanding of the relationship between salesforce control system and its consequences. This study will help pharmaceutical industry and other sales organizations to identify the specific consequences of both kinds of salesforce control system for salesperson as well as the organization.

With increasing privatization and globalization, the pharmaceutical sector in India is experiencing intense competition. Therefore it is important for pharmaceutical companies to understand how the effectiveness of their salesforce can be increased which will lead to the effectiveness of the organization. The findings of this study will
help pharmaceutical companies in increasing the customer base and profitability of
the organization. The managerial implications based on results are as follows:

- As outcome based salesforce control system has been found to have a strong
  positive impact on salesforce professional competence, intrinsic motivation,
  extrinsic motivation, customer orientation, nonselling behavioural
  performance, selling behavioural performance, outcome performance and
  sales organization effectiveness for both Medical Representatives and Area
  Managers, outcome based control system can be used by the sales
  organizations.

**Future Research Directions**

- The research in future may be undertaken for different industries/sectors and
  sampling techniques and other analytical tools can be applied. This will give a
  more comprehensive and representative idea about the control system.

- Other variables like sales territory design, sales supportiveness and salesforce
  ethical behavior can also be included to get a comprehensive picture. The
  impact of control constructs like monitoring, directing, evaluating as well as
  rewarding can be assessed on salesforce consequences in future studies.

- This study can be replicated in other countries and regions whose cultural,
  social and economic environment are different to see if culture moderates the
  impact of salesforce control system on salesforce consequences.

- Pairing of individual salespeople with their supervisors may be made and an
  analytical study may be conducted in pharmaceutical and other industries
  where the salespersons are used for selling purposes.