The Impact of Managerial Trust and Control on Salesperson Performance

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This study proposes and empirically tests a framework for a sales manager's selection of management strategies using sales control and trust to impact individual salesperson performance levels. By combining either more outcome-based or behavior-based sales control with high/low trust, four distinct integrated sales management strategies emerge. To test the hypothesized relationships between sales management strategy and salesperson performance, data was analyzed on 300 industrial salespeople reported by 100 sales managers. Findings reveal that significant differences exist in salesperson outcome and behavior performance levels when sales managers use a combination of trust and sales control to manage salesperson performance.

A fundamental goal of sales management is to direct the activities of the salesforce to ensure the attainment of sales performance objectives. The salesforce management literature focuses on *sales control* to accomplish this (Anderson and Oliver 1987; Cravens et al. 1993; Krafft 1999; Oliver and Anderson 1994). One stream of research views sales control as being either *outcome-based* (i.e., focused on salesperson outcomes or results) or *behavior-based* (i.e., focused on salesperson behaviors or activities). In addition, a sales manager may complement sales control efforts by *trusting* that the salesperson will expend the effort on tasks that will lead to sales performance. Although, both are used to manage the salesforce, the sales literature focuses on sales control and trust as two distinctly separate management tools.

Studies have shown that a sales manager's mode of regulating the activities and outcomes of salespeople result in consequences affecting a salesperson's motivation, job satisfaction, and performance (Anderson and Oliver 1987; Oliver and Anderson 1994). Thus, the (sales control and trust) management decisions that managers make are critical ones. To date, little

academic research has addressed the question as to how a sales manager's use of sales control and trust *together* impact a salesperson's performance yet the sales research community seems to be calling for the study of the integration of formal and informal sales control (Baldauf, Cravens, and Piercy 2005). This research addresses the question. By proposing and empirically testing an integrated framework combining sales control and trust, sales managers may better understand how these mechanisms affect salesperson performance levels.

BACKGROUND LITERATURE

Management of Salesforce Performance

Sales performance is defined as the evaluation of the behaviors of the salesperson (Churchill, Ford, and Walker 2000). However, Anderson and Oliver (1987) conceptualized sales performance differently in suggesting that salesperson performance should be based on evaluating what salespeople produce (i.e., sales outcomes such as sales units, revenue, and profitability) as well as what they do (i.e., sales behaviors such as teamwork, sales planning, and sales support). This supports the view that

salesperson performance can be viewed as based on salesperson *outcomes* and/or *behaviors.*

Traditionally, sales performance has been measured by examining output or outcome performance (i.e., the results attributable to the salesperson). Such results include sales, market share, new accounts, profitability, etc. In addition, performance may also be evaluated by examining behavior performance. This consists of the various skills and activities that are important to fulfilling the responsibilities of the sales job. Such behaviors may include adaptive selling, teamwork, sales presentations, sales planning and sales support activities. Based on this view, salesperson performance has been studied relative to *both* salesperson outcome and behavior performance (Anderson and Oliver 1987; Challagalla and Shervani 1996; Cravens et al. 1993; Krafft 1999; Oliver and Anderson 1994). However, regardless of how sales performance is viewed (based on outcomes and/or behaviors) sales management plays a key role in directing, motivating, and governing the activities of the salesperson leading up to performance. Furthermore, the means that a manager uses to ensure performance goals are met may vary. Such methods may range from virtually no formal control (i.e., reliance that social norms, cultural factors, and mere trust will drive behaviors) to high levels of formal control (i.e., close managerial monitoring and supervision to ensure behaviors). However, a more realistic alternative is for a sales manager to use a *combination* of formal/informal methods to manage sales performance.

The primary role of the sales manager is to ensure that the salesforce meets the firm's goals for the current planning period and to develop the people reporting to them (Dalrymple, Cron, and DeCarlo 2001). The boundary spanning role of a salesperson and the geographical dispersion

of a salesforce further add challenges to the role of the sales manager (Spiro, Stanton, and Rich 2003). The practice of deciding between a combination of formal and informal modes to manage salesperson performance becomes more of a managerial art form than a science. For example, salespeople who work away from the company's main facility may be insulated from colleagues and sales management for days at a time making it difficult for close supervision, mentoring, coaching, and face-to-face communication. This leaves the sales manager little choice but to primarily focus on salesperson outputs (i.e., objective results such as sales units, revenue, etc.). Furthermore, the manager is relying on the expectation that the salesperson is indeed spending the time (away from the office) working; in essence trusting that the salesperson is functioning as would be expected. Alternatively, physical separation may not be an issue and closer supervision, coaching, and monitoring of salesperson activities and behaviors (i.e., making sales calls, pre-call planning, proposal development, etc.) become managerial sales control possibilities. Even in this scenario, a sales manager will afford some level of trust in the salesperson that they are actually making the calls (that they report), proposing solutions that meet customer needs (rather than what generates the most commission), and working to meet organizational goals. In both of these examples, the sales manager to facilitate performance uses a combination of trust and sales control. This paves the way to further review trust and sales control as distinct constructs that can be combined to present sales managers with alternative strategies for managing salesperson performance. The following sections provide a review of both literature streams in the context of managing sales performance. This leads us to

propose and test a set of hypotheses related to trust – sales control strategies and salesperson performance.

Trust in the Salesforce

Trust is fundamentally a psychological construct and it has been widely applied in psychology, sociology, economics, management, and sales research. From the psychology literature, trust is an expectancy held by one individual that another individual can be relied upon (Rotter 1967, 1971, 1980). This implies that in sales, a manager may trust a salesperson if previous interactions between the two have resulted in favorable outcomes. Furthermore, a manager's trust in a salesperson is his *expectation* that the salesperson will perform as required coupled with his assignment of the *probability* that the salesperson will fulfill the desired actions (Williamson 1995, 1996). Based on this, we define managerial trust as a sales manager's *expectation* and *confidence* that the salesperson will achieve his future performance goals. Using trust alone, the manager relies little on supervision or monitoring and bases trust on previous (historical) transactions with the salesperson. An example of this (use of trust) would be the sales manager's expectation that a salesperson make ten sales calls a day. In addition (based on that salesperson's history of hard work) the sales manager can be 100% sure that at the end of the week, fifty calls will be made by that salesperson. There are no required call reports to turn it. The mechanism to ensure compliance of this task is merely trust. Obviously, under these conditions, the sales manager is vulnerable. If the salesperson decides to shirk or lie about the number of calls made, little can be done by the sales manager to verify performance. As a result, sales may suffer. However, if the salesperson is true to his word and makes fifty calls that week, the salesperson will likely be trusted during

future transactions.

Trust – Performance Relationship

The use of trust in sales management is important because research shows that the result of trust in business relationships will have benefits including an increase in cooperative behavior, job satisfaction, organizational commitment, and performance. Specifically, Morgan and Hunt (1994) found an increase in cooperative behavior when trust was present among intra-organizational members. This result is seemingly transferable to salesforce research in that Jones and George (1998) found that salesperson cooperative behavior was a result of higher levels of trust between salespeople and sales management. Similar findings were later reported by Brashear et al. (2003) who in their study of 400 business to business salespeople from a variety of industries showed that salesperson trust was related to job satisfaction, organizational commitment, and turnover intention (a negative relationship). Another example of a manager's trust in salespeople leading to positive consequences shows up in the Leader-Member Exchange (LMX) research (Castleberry and Tanner 1986, Graen and Schiemann 1978, Lagace 1990, Scandura and Graen 1984). Specifically, a high quality relationship between a salesperson and a sales manager has been shown to reduce salesperson turnover, increase job satisfaction, and positively impact performance and productivity (Scandura and Graen 1984). Castleberry and Tanner (1986) distinguished these high quality relationships as those involving higher levels of managerial trust in the salesperson. These trusted salespeople, referred to as "cadres" in the LMX literature, receive more support latitude, and attention from their manager. Lagace (1990) points out that the implications of this is that the extra

training, mentoring, and guidance that cadre salespeople receive is likely to result in increased levels of salesperson performance.

Trust can be used to manage performance however in order to reduce the exposure to opportunism should be used *with* formal control mechanisms (Williamson, 1996). The literature on sales control serves to provide a framework for managerial selection of a control system to balance the risk associated with using trust alone to manage salesforce performance.

Sales Control – Performance Relationship

Sales control is used by managers to ensure the attainment of desired organizational objectives (Challagalla and Shervani 1996). Sales managers will use various control systems in order to increase the likelihood that the salesforce will perform the necessary functions in order to produce the required sales output to meet the sales organization's goals.

Anderson and Oliver (1987) integrated the theories of transaction cost, agency theory, and organization theory to suggest that by choosing the most appropriate sales control system, salespeople will be more motivated, organizationally committed, and satisfied with their jobs. They developed a series of research propositions suggesting that managers should choose strategies to manage their salespeople using a balance of *outcome-based* and *behavior-based* sales control systems. These propositions were later empirically tested (Cravens et al. 1993; Kissan and Thevaranjan 1998, Krafft 1999; Oliver and Anderson 1994, Piercy, Cravens, and Morgan 1998) to provide support for the relationships between the two types of control systems and specific salesforce characteristics, performance dimensions, and sales effectiveness.

Specifically, Cravens et al. (1993) found from surveying 144 sales managers of industrial and a consumer goods sales organization that the use of behavior-based sales control was positively associated with salesperson behavior performance. Later, Babakus, Cravens, Grant, Ingram, and LaForge (1996), Baldauf, Cravens, and Piercy (2005), and Piercy, Cravens, and Morgan (1998), confirmed this sales control – performance relationship. Although the sales control literature is relatively clear to the relationship between the type of controls managers use and salesperson outcome/behavior performance (Anderson and Oliver 1987, Baldauf, Cravens, and Grant 2002, Challagalla and Shervani 1996, Piercy, Cravens, and Morgan 1998), the research to date falls short of addressing how trust (used with sales control) affects these performance dimensions. This is evident by a review of the literature that reveals that sales control and trust are treated as independent constructs and are examined individually as ways for managers to affect sales efforts. Yet, it is likely that a sales manager will utilize some degree of trust in the day-to-day interactions with his salesforce.

Several salesforce studies were found which examine the dual role of sales controls and trust and the impact on sales performance (Atuahene-Gima and Li 2002; Brashear et al. 2003). However, these studies examine a salesperson's trust in his sales manager (based on the sales manager's choice of control type) rather than managerial trust in the salesperson. This sales literature gap provides for our research objectives, that is, to propose and empirically test an integrated framework for a sales manager's selection of strategies using sales control and trust and the impact on individual salesperson performance levels.

Figure 1:
Integrated Framework of Sales Management
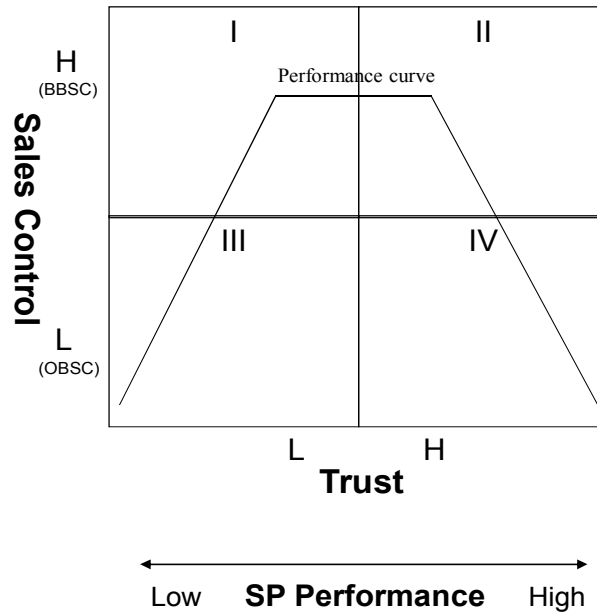
Sales Management Strategies	Effect on SP Performance
I = Low Trust + High (Behavior-based) sales control	
II = High Trust + High (Behavior-based) sales control	Higher Behavior Performance (H3)
	Higher Overall Performance (H1)
III = Low Trust + Low (Outcome-based) sales control	
IV = High Trust + Low (Outcome-based) sales control	Higher Outcome Performance (H2)

FRAMEWORK AND HYPOTHESES

Figure 1 illustrates the proposed framework of sales management using sales control and trust and the effect of each approach on salesperson performance.

Seeing that sales managers are likely to choose a predominant sales control strategy at the salesforce level that is either more outcome-

based or more behavior-based (Anderson and Oliver 1987, Oliver and Anderson 1994, Krafft 1999) and assess trust at the individual salesperson level, four potential trust – sales control management strategies emerge as (I) low trust + high (behavior-based) sales control, (II) high trust + high (behavior-based) sales control (III) low trust + low (outcome-based) sales control, and (IV) high trust + low (outcome-

based) sales control. Using these sales management strategies, it can be hypothesized that differences in salesperson performance levels will exist. First, since sales managers may define salesperson performance slightly differently, our first hypothesis addresses the relationship between *overall salesperson performance* and trust. Unlike either outcome-based or behavior-based performance, this generic measure captures all the elements of performance that are not specifically described as the output and activity measures defined by outcome-based and behavior-based performance respectively. Thus hypothesis one suggests:

H_1: Salespeople will achieve higher *overall* performance levels when they are trusted more (i.e., higher trust versus lower trust) by their sales managers.

Next, since salesperson performance can also be specifically defined and viewed based on whether behaviors or outcomes are being evaluated, hypotheses addressing the relationship between these specific types of performance and sales control – trust strategies can be proposed. For example, Baldauf, Cravens, and Grant (2002) predicted a positive relationship between a behavior-based sales control strategy and behavior performance. Although, their findings were inconclusive, the effect of trust was not factored into the relationship. Challagalla and Shervani (1996) did find strong support in their study confirming a positive relationship between various forms of behavior-based sales control (i.e., activity control and capacity control) and salesperson performance however, performance in this case was not outcome versus behavior specific. Furthermore, Piercy, Cravens, and Morgan (1998) did find support between managerial sales control strategies and performance. Specifically a significant

relationship between behavior-based sales control and salesperson behavior performance was found.

Much of the trust literature in sales suggests that higher levels of trust are productive in relationships. For example, a salesperson that trusts his/her manager has reason to believe that the manager is operating with the salesperson's best interest at hand (Brashear et al. 2003). This perception in turn results in favorable consequences such as increased salesperson cooperative behavior, job satisfaction, and performance (Castleberry and Tanner 1986, Lagace 1990, Morgan and Hunt 1994, Oliver and Anderson 1994, Rich 1997). Likewise, when a manager trusts a salesperson, it is because there is ample evidence to suggest that the salesperson will operate in a manner consistent with expectations to accomplish shared goals that are in the best interest of the firm, the sales organization, and the customer.

Using the framework of Figure 1, we can hypothesize the following relationships between managerial use of sales control and trust and salesperson performance based on outcomes and behaviors:

H_2: Salesperson *outcome* performance levels will be positively related to sales managers use of higher trust with lower (outcome-based) sales control (type IV).

H_3: Salesperson *behavior* performance levels will be positively related to sales managers use of higher trust with higher (behavior-based) sales control (type II)

METHOD

Sample

In order to test the hypotheses, a questionnaire survey was provided to sales managers across different firms and industries. The intent was to

capture the perceptions of sales managers relative to their choice of sales management modes for separate and diverse sales organizations. Prior to deployment, a sample of 10 sales managers was selected to pre-test the survey and measures. Changes were made to the survey based on test respondents' feedback and scale reliability issues. Upon revising the questionnaire, a convenience sample of sales managers was drawn from a sampling frame consisting of a directory of sales and marketing executives located in Northeast Ohio (members of a local chapter of Sales and Marketing Executives International). Members with a job title that identified them as a salesforce manager were contacted by phone (or in some cases in person) to ensure that they indeed manage a salesforce of a least three salespeople. Those managers that agreed to participate in the survey were either provided with a paper version of the survey or were sent an e-mail message with a weblink to the survey, which is posted online for respondent convenience and researcher cost control. Paper surveys were provided to approximately 85 *sales managers* of which 53 were returned completed (62%). In addition, e-mail/weblink messages were sent to approximately 109 sales managers of which 47 completed the online survey (43%). T-tests were run on the variables of interest between the two groups of respondents (online and paper). No significant differences were detected. Overall, of the 194 sales managers who expressed interest in participating in the study, 100 usable responses were attained (52%). Based on membership information obtained from the director of the local SME chapter, the demographic profile of our sample closely parallels that of the SME membership. A description of the sample is provided in Table 1.

Table 1 Description of Sales Manager Sample		
	Mean	**Percent of Total**
Gender of Sales Manager:		
Male		65
Female		12
Not Specified		23
Avg. # of SP reporting to Sales Manager	10.9	
Avg. Yrs Salesperson reporting to SM	3.3	
Primary Customers are:		
Businesses		74
Resellers		24
Consumers		2
Primary Industry is:		
Telecommunications		26
Publishing/Printing		18
Financial Services		15
Business Services		13
Transportation Services		10
Real Estate Services		6
HealthCare		5
Other (Advertising, Promotion, Manufacturing)		7

Data Collection Questionnaire

To measure sales management sales control strategies, each sales manager was asked questions pertaining to his entire salesforce. To measure individual salesperson level constructs (trust and performance), sales managers were asked questions pertaining to *any* three individual (manager-identified) salespeople within their salesforce. This was based on the sampling methodology used by Levin and Cross (2004) - where they asked each manager to report trust measures on 4 subordinates. The rationale for asking a manager to pick any three salespeople (versus a high, medium, and low performer) was to prevent response bias that might stem from a manager thinking about a salesperson's performance level when responding to questions. To this point in the questionnaire sales managers were not yet asked individual salesperson specific questions (i.e., trust and performance). Therefore, the likelihood that a sales manager picked his most trusted or high performing salespeople would be reduced. A description of the questionnaire items is included in the appendix.

Dependent Variable - Performance

The dependent variable salesperson performance level was measured three ways. First, salesperson *outcome* performance levels were reported by sales managers as rankings ranging from 1 (highest ranked performer among the three) to 3 (lowest ranked among the three). A description of outcome performance was provided to the sales manager respondent as "performance of sales outcomes (e.g., sales units, revenue, profitability, etc.)". Second, salesperson *behavior* performance levels were reported by sales managers for each of three salespeople in a similar fashion. A description of behavior performance provided as "performance of selling behaviors (e.g., number of sales calls, sales call planning, proposals,

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presentations, etc.)" was provided to sales manager respondents in the questionnaire instructions. Lastly, salesperson *overall* performance levels were reported by sales managers (using the same rating scale). Since sales managers may evaluate performance using varying criteria, this category of overall performance was designed to capture the performance dimensions not specifically included in the definitions of outcome and behavior performance. Before analyzing the data, the rating scale was reversed coded for clarity in interpreting the direction of the relationships between performance and management (sales control + trust) categories.

Independent Variables – Sales Management Categories

Two independent variables were measured for this research. First, a *control index (CI)* variable was computed. This CI is a continuum of values ranging from (more outcome-based) sales control to (more behavior-based) sales control. The rationale for using this continuum was to be able to measure the balance or mix of the two approaches (outcome-based versus behavior-based). Since sales managers typically will use some percentage of both approaches (Oliver and Anderson 1994), this methodology for measuring sales control seemed most appropriate for this study. *CI* was measured using the control index methodology developed by Krafft (1999). This method, adapted from Cravens et al. (1993), produces an index that reflects the predominant sales control approach (more outcome-based or more behavior-based) that the manager uses to govern h/her salesforce. The decision to utilize this method was due to the transaction cost argument that a control strategy be chosen based on the ability to monitor sales output and activities (e.g., reporting), the reward system in place (e.g., salary versus commission), and the

ability to supervise salespeople (i.e., span of control) in order to prevent opportunistic behavior. Three components were used to compute this index: 1) the information and measures that managers use to evaluate their salespeople, 2) the percentage of salesperson compensation that comes from salary, and 3) the number of salespeople reporting to the manager (i.e., span of control). Upon converting these measures to z-scores, they were averaged to compute the overall sales control index for the sales manager sample. This CI scale depicted more outcome-based control by negative values and more behavior-based control by positive values. For a more detailed description of this sales control index computation, see Krafft (1999).

A *trust index* was computed as a second independent variable by averaging four items (see appendix). We chose this four-item measure of trust (based on the trust scale used by Zaheer, McEvily, and Perrone 1998) because it captured the predictive nature of trust (Deutsch 1968; Rotter 1980) as well as provided for a direct assessment. A factor analysis of two items directly measuring trust with two items measuring the manager's ability to confidently predict future behavior based on past experiences predicted 71% of the total variance and loaded on a single factor. This, coupled with the high reliability estimate for the scale (Cronbach's alpha = .87), determined that our measure was a valid representation of interpersonal trust. Since the mean score for trust was high (5.71), a *trust index* was computed using a logit form equation, providing more variability across low trust and high trust values.

Based on their *CI* and *trust index* scores, subjects were placed in one of four categories of sales management types. The zero point on the CI was used to differentiate between outcome-based

(less than zero) and behavior-based (greater than zero) sales control. Since the trust index ranged in value from –1.3 to 4.6, the median cutoff point between low and high trust was 1.9. Using this method, the four categories of sales management were (I) low trust + high (behavior-based) sales control, (II) high trust + high (behavior-based) sales control, (III) low trust + low (outcome-based) sales control, and (IV) high trust + low (outcome-based) sales control.

ANALYSIS

An ordinal logistic regression analysis (McCullagh and Nelder 1989) using SPSS 15.0 was used to test the relationship between salesperson performance levels and sales management (control + trust) types. This method was selected since the independent variable was categorical (sales management types) and the dependent variable (performance) was an ordinal ranking. To evaluate each hypothesized relationship, the Wald statistic of the beta coefficient estimate for the sales management type predicted to impact performance (overall, behavior, and outcome) was tested for significance. For example, to test H_2, outcome performance rank was regressed on the type IV management combination (outcome-based sales control + high trust). Likewise, H_3 tested for a significant relationship between behavior performance rank and type II (high trust + behavior-based sales control) management strategy.

RESULTS

Table 2 reports the descriptive statistics of the research constructs. The correlation among variables indicates that salesperson *overall performance* ranking is significantly correlated with both salesperson *outcome performance* rankings (coef = .837, p < .01) and salesperson *behavior performance* ranking (coef. = .611, p < .01). Since

overall performance encompasses aspects of both outcome and behavior performance, this was expected. Table 3 shows the frequency of salesperson rankings by performance category (overall, outcome, and behavior) for each of the four management (sales control + trust) combinations. These observations were used as the basis for the ordinal logistic regression analysis in testing the hypotheses.

Table 4 shows the results of the ordinal logistic regression analysis for the hypothesized relationships. These results find support for H_1. Here the beta coefficient estimate is positive and significant (b = .477, Wald-stat = 5.01, p = .025). Supportive of H_2, for managers who use (type IV) outcome-based sales control + high trust to manage salesperson outcome performance, the result was positive and significant (b = .74, Wald-stat = 5.90, p = .015). Finally, support for H_3

Table 2 Descriptive Statistics and Correlations Among Variables							
Construct	Mean	Std Dev.	1	2	3	4	5
1 Trust Index	1.95	1.41	1				
2 Control Index	0.03	0.99	.072	1			
3 Outcome Performance	1.85	0.78	.255 **	-.047	1		
4 Behavior Performance	1.86	0.78	.367 **	.000	.560 **	1	
5 Overall Performance	1.87	0.78	.359 **	-.055	.837 **	.611 **	1
** Correlation is significant at the 0.01 level (2-tailed). N = 300 salespeople reported by 100 sales managers.							

Table 3 Salesperson Performance Rankings -Frequency of Observed Data											
		Overall Perform-ance Ranking*			Behavior Performance Ranking*			Outcome Performance Ranking*			
Sales Control System	Trust Level	1	2	3	1	2	3	1	2	3	
Outcome-based	Low	20	37	28	22	30	28	22	36	27	
	High	15	21	22	11	18	27	14	16	28	
Behavior-based	Low	27	26	20	23	32	17	27	28	17	
	High	15	30	37	13	30	39	10	32	40	
* Performance ranking scale (after data reversal): 1 = lowest performer, 2 = middle performer, 3 = highest performer											

was found via the positive and significant relationship between behavior performance and the (type II) management strategy of behavior-based sales control + high trust (b = .98, Wald-stat = 10.36, p = .001).

DISCUSSION

Based on the definition of outcome performance, sales managers will evaluate and rank salespeople based on what they produce in the way of sales units, revenue, and profitability. A salesperson will have earned higher levels of trust (from his/her manager) by having historically focused on these outcome sales metrics. Knowing that he/she is trusted, the salesperson is likely to be more motivated, committed to his/her job, and will perform at higher levels than other salespeople (who are less trusted). This assertion is confirmed by our results from H_2. Conversely, if the salesperson inappropriately shifts the focus to selling behaviors (rather than outcomes), he/she may be less likely trusted by his/her manager. The result is likely to be lower motivation, commitment, and performance.

Similar to the argument above, some sales managers tend toward monitoring and evaluating salesperson performance based on activities leading up to a sale. This more behavior-based sales control strategy includes closer supervision of the number of sales calls made, proposals delivered, and customer service activities (to mention a few). In order to earn the sales manager's trust, a salesperson will have to consistently focus on these key selling behaviors. As confirmed by H_3, this increase in salesperson motivation and job commitment facilitates higher levels of behavior performance. If the focus shifts from selling behaviors to some other performance measure (e.g., sales outcomes) the resulting decrease in managerial trust may likely result in lower performance levels.

Overall, the results supported each of the hypotheses suggesting differences in performance levels of salespeople when sales managers incorporated high (versus low) trust with both outcome-based and behavior-based sales control strategies. These encouraging results provide the basis for continued exploration of sales management practices that integrate sales control and trust.

Implications for Researchers

To date, few studies of salesforce management center on managerial use of sales control and trust (in the salesperson) to explore the impact

Table 4 - Ordinal Logistic Regression Results						
Managerial Sales Control + Trust Impact on Salesperson Performance Rankings						
Sales Control System	Trust Level	Overall Perform-ance *	Behavior Performance *	Outcome Performance *	Wald Statistic	Sig.
NA	High (H_1)	.477			5.01	.025
Outcome-based	High (H_2)			.74	5.90	.015
Behavior-based	High (H_3)		.98		10.36	.001
* Overall, Behavior, and Outcome Performance beta coefficient estimates						

on salesperson performance. Those studies focus on the sales manager's use of control *which in-turn* impacts the salesperson's trust in the sales manager (see Atuahene-Gima and Li 2002; Brashear et al. 2003; Choi, Dixon, and Jung 2005). The bi-directional effects implied in these research studies differ from our approach that views sales control and trust from a uni-directional (sales manager to salesperson) perspective. Thus, a unique contribution to the sales literature is provided via our research study. The void filled via this research is important because to date, formal and informal means of salesforce management have been viewed as distinct and non-integrated forms of salesforce management. The closest conceptualization to our trust construct can be found in the sales control research of Jaworski (1988). He provides a competing conceptualization to Anderson and Oliver's (1987) view of sales control by proposing a framework consisting of formal and informal control. Formal control is defined as managerial control over salesperson outputs and processes (similar to Anderson and Oliver's outcome-based and behavior-based definitions) whereby informal control is based on social, cultural, and self-control factors. Furthermore, he suggests that informal control is implemented using unwritten mechanisms to ensure compliance. Based on this conceptualization of informal control, trust (defined in our study as a managerial expectation and confidence in the salesperson) could be viewed as mechanism for a sales manager to implement informal control. Furthermore, trust may be viewed as a more parsimonious way to operationalize informal control mechanisms.

Similar in nature to our study, Jaworski and MacInnis (1989) operationalized four forms of control using two formal (output and process) and two informal (professional and self-control).

These control forms were later hypothesized and tested to result in salesperson consequences such as job tension, dysfunctional behavior, information asymmetry (Jaworski and MacInnis 1989), role clarity, and satisfaction with supervisor (Jaworski and Kohli 1991, Jaworski, Stathakopoulos, and Krishnan 1993). Interestingly, none of these studies explored the direct relationship between integrated sales control form and outcome/behavior performance.

Finally, in the concluding remarks of their synthesis of sales control research, Baldauf, Cravens, and Piercy (2005) call for more research to further conceptualize, understand, and integrate the relationships between various forms of salesforce management and sales performance. Our study answers the call by bringing together conceptualizations from two divergent views (Anderson and Oliver 1987 and Jaworski 1988) and exploring the effects of these hybrid forms on specific dimensions of salesperson performance (outcomes and behaviors).

This research provides a "stepping stone" for further studies of sales control and trust in sales management. One such study could center on antecedent factors that sales managers consider when choosing a combined sales control – trust management strategy. Antecedents conditions from both the sales control and trust literature could be used to determine which factors are predictors of the hybrid form of sales management. Based on these studies, a comprehensive model of salesforce management encompassing antecedents (Krafft 1999), management forms and consequences (Anderson and Oliver 1987; Cravens et. al 1993; Oliver and Anderson 1994; Oliver and Anderson 1995) could be introduced into the sales management literature. This would connect and extend several

streams of sales management literature and provide a practical leadership tool for sales managers.

Implications for Sales Managers

Using the findings of this study as a diagnostic tool, managers could appropriately assess and direct the activities of their salesforce toward peak performance levels. For example, a manager who is new to a sales organization and having limited opportunities to assess trust in each salesperson would be prudent in using primarily sales control (either more outcome-based or more behavior-based) to manage salesperson performance. However, for managers who have had repeated exposure to individual salespeople, an assessment of trust can be made (high or low) and seeing that performance levels are higher for salespeople who are trusted more, a manager may make customer and territory assignment, quota, and sales objective decisions based on the type of sales control environment in which they operate. When the sales control environment is considered to be more outcome-based (types III and IV in Figure 1) it is likely that the salesperson may not be vertically integrated within the salesforce (i.e., the salesperson is an outsourced resource). These selling resources may be manufacturer's reps, distributor reps, or independent agents. Based on the level of trust that a manager has in these individual salespeople, leadership style should vary in order to maximize outcome performance. For example, in an agency selling environment, one manager may be responsible for a large territory covered by many representatives that are not directly reporting to the sales manager. Here, the manager has little (if any exposure) to many of the reps, thus making it difficult to form a trusting impression since there are few historical transactions to base trust on. Given this

scenario, the sales manager may have low levels of trust in salespeople and may rely solely on incentives to drive performance (type III). Alternatively, higher levels of managerial trust in the salesperson typify a scenario where past transactions with the salesperson had been positive providing the manager with high levels of confidence that future transactions will continue to be positive (type IV). These salespeople/representatives tend to be top performers in that they consistently produce sales outputs period over period. Managers may choose to delegate decision making to these salespeople enabling them to decide how to accomplish their output goals.

When the sales control environment is behavior-based (types I and II), sales resources tend to be members of the direct salesforce in that they are hired employees. These salespeople could be assigned various selling roles from territory sales rep (managing a large number of smaller accounts) to strategic account manager (responsible for 1 or few large accounts). Based on the level of trust that a manager has in these individual salespeople, their leadership style will affect salesperson behavior performance. In the case of a new-hire, for example, the manager may have little or low trust levels in the salesperson (type I). Because of undeveloped skills, limited opportunities to perform, and position on the learning curve, trust formation at this stage of the salesperson-sales manager relationship is difficult. In this case, the sales manager will provide much direction, telling the salesperson what, how, when, and tasks should be performed. As the developing salesperson hones their skill, practices their trade, and demonstrates to the manager that they can fulfill organizational goals, higher levels of managerial trust may evolve (type II). At this point, the manager may engage in coaching behaviors that

involve more 2-way communication leading to ideas and suggestions for improved performance. Here, when trust in the salesperson is at its highest level, a sales manager will entrust the organization's most prized customer opportunities to those salespeople as they can be counted on to preserve, grow, or win-over customer relationships.

Several limitations that could compromise the generalizability of this study need to be discussed. First, the method of data collection poses a source of sampling bias. As discussed in the methodology, the sampling frame (of sales managers) was a member directory of Sales & Marketing Executives of Northeastern Ohio. The regional nature of this sampling frame could pose certain limits based on these managers' use of sales management methods to respond to regional economic and industry conditions (i.e., the Midwest's focus on the manufacturing sector versus East Coast financial services or West Coast computer/software sectors). To improve upon this, a stratified random sample of sales managers from each of four United States regions could have been used.   A second limitation of this study stems from the research design. Specifically, the 300 observations used to conduct the analysis came from 100 independent sales managers each reporting on 3 salespeople. This may be viewed as a violation of the independence assumption and may introduce a threat to internal validity, however other published research studies investigating salesperson trust (Levin and Cross 2004) have used a similar methodology with acceptable results.   A third limitation is the methodology using a sales control index to measure whether sales control is more outcome-based or more behavior-based. The rationale for using this index was based on extending the existing sales control research (Krafft 1999; Oliver and

Anderson 1994) that uses this measure. A potential problem with this method is that it becomes murky to assess when sales control crosses over from being more outcome-based to more behavior-based. An alternative method would be to utilize two distinct measures of outcome-based and behavior-based sales control.

CONCLUSION

As the marketplace becomes increasingly competitive, sales managers must aggressively explore salesforce strategies that maximize sales performance. One such strategy involves the decision of how to best manage their salespeople. Sales researchers have traditionally focused on sales control to monitor, evaluate, and compensate sales performance. However, the literature on trust suggests that in addition to long lasting and productive relationships between sales manager and salesperson, consequences such as motivation, organizational commitment, and performance may result. This all suggests that sales managers should consider not one or either but *both* sales control and trust in combination when deciding how to manage salespeople and their performance. Some of the most pondered sales management questions include: "how should I manage this salesperson?" "Can/Should I trust this salesperson?" "To what degree should I closely supervise this salesperson and how will this impact sales performance?" Seeing this, the findings of our research study answers these questions and provide managers with guidance through the maze of salesforce management decisions.

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