

# **How to Control Internal and External Salesforces**

A comparative single-case study on salesforce motivation and considerations  
made in designing sales control systems

**Johanna Nyman**

**Sofia Westerlind**

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## **Abstract**

To outsource a company's sales division by contracting external parties to perform activities usually performed in-house is a common consideration today. Previous research has established both advantages and disadvantages with outsourcing. However, there is limited research on the potential differences in organizational identification and motivation that may arise between an external and internal salesforce and its consequences on the sales control system in place. Through a single-case study, data was collected through interviews with management and a questionnaire with sellers to examine potential differences in organizational identification and motivation between the case company's internal and external salesforces. Furthermore, the aim was to examine the considerations management has to make when designing control systems for each salesforce in order to create goal congruence. The findings show that there are no significant differences in organizational identification and motivation between the internal and external salesforces. However, it is possible to establish a correlation between organizational identification and intrinsic motivation among the sellers, regardless of the salesforce they belong to. Based on the theoretical framework, we argue that this mainly has to do with the close and transparent relationship between the case company and the external sellers.

*Keywords:* Salesforce, sales outsourcing, organizational identification, motivation, sales control systems

## **Authors**

Johanna Nyman (24 430), Sofia Westerlind (24 101)

## **Tutors**

Kai Krauss, Department of Accounting

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# 1. Introduction

## 1.1 Background and problematization

Sales is a critical part of an organization when it comes to profit and value creation. Therefore, a company's salesforce plays an important role in creating profitability and growth (Cravens et. al., 2011). If management wants to ensure a certain performance outcome in a salesforce they can use a control system, which is the systematic way in which they enable lower-level management to implement strategy and achieve the organizational goals (Anthony, et al., 2014). Sales control systems are the tools and systems for monitoring, directing, evaluating, and compensating an organization's salespeople (Anderson, Oliver, 1987). These are useful to avoid information asymmetry between management and employees, as well as to establish a goal congruent behavior in the organization (Anthony, et al., 2014).

Today, a strategic consideration companies will have to make is whether to outsource part of or the whole sales activity or keep it in-house. Outsourcing is the act of contracting external parties to perform activities usually performed in-house (Ross, et al., 2005). Thus, companies can choose whether to use a salesforce employed by the company or an external salesforce. The extensive literature into the cost analysis of the outsourcing decision concludes that outsourcing the sales function will reduce the up-front costs of selling (Rapp, 2009). This follows the fact that external salesforces generally are compensated by the commission on sales. An additional advantage of using external salesforces is the ability to adapt to the external environment by easily up- and downsizing the size of the salesforce. However, critics of the cost-analysis mean that the company also must consider the potential negative impact on customer attitude (Dishman, 1996) as well as the nature of the hired firm and the market conditions in the outsourcing decision. In other words, although there are advantages with outsourcing the sales function, companies must carefully consider the potential drawbacks of outsourcing such an important activity as sales. Either way, companies want effective salesforces that work in the interest of the firm. This is the case whether these are internal salesforces or external salesforces.

This distinction between internal and external sellers might have an impact on the sellers' identification and motivation. If this is the case, differences in organizational identification

and motivation are believed to have an impact on the effectiveness of the control system. This is because depending on the motivating among the sellers, there are different ways suggested in how to design the control system. Organizational identification is the degree to which a person categorizes themselves as a part of that organization. This is found to result in positive outcomes of work-related attitudes and behaviors, such as motivation, job performance, and satisfaction. When it comes to motivation, Tyagi (1985) found that intrinsic motivation has a larger impact on salespeople's work performance than extrinsic motivation. Intrinsic motivation is found to be connected to performance quality while extrinsic motivation is found to be connected to performance quantity. Depending on the type of motivation and identification, the sellers will differ in their commitment towards the organization and its goals. Besides these expectations on the intrinsic and extrinsic motivation's effect on salespeople, there is limited research made on the differences between internal and external sellers. Previous research has established that intrinsic motivation has a larger impact on salespeople's performance in general (Tyagi, 1985). However, the question remains whether it is possible to ascertain any differences in motivation between internal and external salesforces. If this is not possible, one must look at the reasons behind this.

To conclude, there is limited research within the field of performance management systems concerning potential differences between internal and external salesforces. The question is whether the decision to outsource a salesforce will have an impact on the sellers' identification and motivation, as well as the considerations that have to be made when deciding on how the control system should be designed for internal, respectively external sellers.

## **1.2 Purpose and research question**

We aim to investigate differences in organizational identification and motivation between an internal and external salesforce. Furthermore, we want to analyze what considerations are made when designing a control system for an external and internal salesforce, in order to create goal congruence. Our research question is:

*How does the organizational identification and motivation of an external salesforce compare to that of an internal salesforce, and what considerations are made by the management when designing control systems for each salesforce in order to create goal congruence?*

A qualitative study has been conducted in order to address this question. This was carried out through interviews with management, complementary information about the case company's control tools, as well as a survey with the sellers. The case company has both an internal and external salesforce where the aim is to sort out potential differences between the groups and its effect on how the sellers are being controlled. We believe that this research question is relevant since increased sales are necessary for every growth-oriented company and the comparison between an internal and external salesforce is interesting regarding today's many outsourcing choices.

### **1.3 Contribution**

The study aims at finding out more about potential differences in organizational identification and motivation between internal and external sellers, and the considerations made when designing a control system for the two groups, in order to create goal congruence. Since there is limited research on the differences between internal and external salespeople, we hope to shed new light on this topic. This research will hopefully contribute with more nuance to performance management. We hope to present interesting insights into potential differences between an internal and external salesforce and how they should be treated in order to achieve the most effective results.

### **1.4 Definitions**

*Internal salesforce* - A salesforce that is employed and managed by the company whose products they sell (Rapp, 2009)

*External salesforce* - A salesforce where salespeople are employed and managed by a company separate from that which they sell for (Rapp, 2009)

*Control system* - All formal means used to control the sellers behavior and outcome. This includes for example goals, guidelines, rules and compensation (Anthony, et al., 2014).

### **1.5 Scope**

The study is limited to the control systems imposed on the internal and external salesforces by the company for which they sell for. It does not include the control systems imposed on the external salesforce by the management at the contracted company, meaning the direct

management of the external salesforce. Thus, what considerations they make in creating control systems that motivate their employed salespeople are not of interest and outside the scope of this study.

## **2. Theoretical framework**

As previously described, the goal of the study is to explore if there are differences in organizational identification and motivation between external and internal salesforces, and what considerations management makes in the design of control systems for the respective salesforces, in order to motivate them towards the organizational goals. What makes an external salesforce different from the internal salesforce is the relationship with the organization for which they sell. The proximity and intensity a person has with an organization, is one factor which influences their organizational identification. Organizational identification is the degree to which a person categorizes themselves as a part of that organization and is associated with intrinsic motivation and other voluntary behaviors that are beneficial to the organization. This motivation leads to increased quality of performance. Motivation crowding theory and agency theory are explored to receive different perspectives on how control systems should be designed.

### **2.1 Social identity theory: Organizational identification & motivation**

Organizational identification is a specific version of social identification as developed by Tajfel and Turner. The conceptualization was made by Ashforth and Mael (1989), as literature has long struggled to define organizational identification with a clear distinction to related concepts like organizational commitment. According to social identity theory, people are classified into various social categories and ascribed the prototypical characteristics of that category. This allows for individuals to categorize themselves into social groups and assign themselves the prototypical characteristics. Thus, the self-concept consists of the personal identity as well as the social identity. The personal identity is the characteristics that differentiate them from others, and the social identity consists of the characteristics the individual shares with others in their social category. Social identification is thus the perception of oneself as a member of a social categorization, a feeling of oneness, and the perception that the fate of the group is as their own.

There are a range of things that will influence the degree of organizational identification, where one factor is the attractiveness of the perceived organizational identity and external constructed image (Dutton, et al., 1994). Meaning where the person perceives the organizational identity as attractive or believes others to find it attractive, the person will have a higher level of organizational identification. The level of organizational identification



is also affected by the intensity and duration of the contact that the individual has with the organization, as well as how distinct the perceived organizational identity is to other organizations (Dutton, et al., 1994). With greater exposure to the perceived organizational identity, the propensity to categorize oneself as a member of the organization becomes stronger. This research also shows that the attractiveness of the organizational identity increases as well, which strengthens the organizational identification. Additionally, with a more visible affiliation with the organization, the relationship between the attractiveness of the perceived organizational identity and the organizational identification becomes stronger.

There is a positive relationship between organizational identification and motivation towards the goals of the group (Dutton, et al., 1994). Because when identifying with the organization, the individual takes the perspective of the group and perceives its interests as their own. For the individual to act in the interest of the organization in which they identify, the social identity must be salient; meaning it must be apparent to the individual. Additionally, for this motivation to be directed towards work, high performance must but be perceived as the interest of the organization. Stronger organizational identification should also lead to better in-group collaborations and more organizational citizenship behaviors, which are behaviors beyond what is contractually obligated and role requirements. This must be assumed to be intrinsic motivation, as the positive behaviors are outside what is required.

As explained, the level of organizational identification is associated with the level of motivation. Motivation is the energization and direction of behavior, and research on motivation is described to explore the why of behavior. In the field of psychology, there are a variety of motivational theories, where extrinsic and intrinsic motivation is a distinction of the source of the energization of the behavior (Deci, Ryan, 1985). The distinction also captures how different research fields believe people are motivated. Although economists have acknowledged intrinsic motivation, historical theories based on economics have primarily considered people to be extrinsically motivated. Meanwhile, intrinsic motivation has played a larger role within the field of psychology. When extrinsically motivated, behavior is induced by an external intervention like a reward, command, or regulation (Frey, 1997). In contrast, intrinsically motivated behavior is performed out of the enjoyment and interest in the task itself and is built upon the need for competence and self-determination. Competence is the capacity for effective interactions with the environment, while self-determination entails the experience of freedom in initiating one's behavior. In other

words, they experience the locus of causality of their behavior to be internal. These needs result in a process of seeking and overcoming optimal challenges that stretch one's abilities.

To conclude, when a person does an activity in the absence of a reward contingency or control, they are intrinsically motivated, which they do to a larger degree when identifying themselves as a part of the organization (Deci, Ryan, 1985). Tyagi (1985) found that intrinsic motivation has a larger impact on salespeople's work performance than extrinsic motivation. Intrinsic motivation is found to be connected to performance quality while extrinsic motivation is found to be connected to performance quantity. Furthermore, intrinsic motivation is found to have a positive effect on sales performance, job satisfaction, and organizational commitment.

### **2.3 Sales management control systems**

Management control systems are the systematic ways in how higher-level management influences lower-level management to implement the company's strategies. As defined by Anderson and Oliver (1987), a sales control system is an organization's set of procedures for monitoring, directing, evaluating, and compensating its salesforce (Anderson, Oliver, 1987). The goal of control systems is to influence human behavior in the organization to ensure that the behavior is goal congruent, meaning behavior that helps the organization achieve their goals and implement their strategies.

Anderson and Oliver propose that sales control systems can be categorized into outcome-based and behavior-based control systems. Later, behavior-based control systems were proposed to be further categorized into capability controls and activity controls. The criticism towards the lack of the previous distinction was that there is a large variety in the behaviors that can be influenced, ranging from day-to-day activities towards complex behaviors that enhances the capabilities of the person. Additionally, previous literature has been inconsistent in the effect on end-performance, which is why Challagalla and Shervani (1996) believed it could be further refined. Capability control is the development of individual abilities and skills, while activity control means the specification of what activities are expected of a person to be performed, the monitoring of these activities, and how the performance of these activities are punished or rewarded.

Further research has been made into the effects of different sales control systems, as well as sales control systems that combine different types of controls.

As previously mentioned, there are differentiating views between psychology and economics in their assumptions of how people are motivated; extrinsically or intrinsically. Agency theory, stemming from economics, believes people to be extrinsically motivated and thus, means there is a need for external interventions to create goal congruence (Anthony, et al., 2014). An agency relationship emerges when a party delegates some decision-making to another party. Agency theory believes an agent acts in self-interest, instead of furthering the goals of the principal. However, with monitoring or using incentives that align the interest of both parties, the principal can ensure compliance and effort from the agent.

In contrast to agency theory, motivation crowding theory believes people to be both intrinsically and extrinsically motivated, and even solely extrinsically motivated under circumstances where there is repetitive, routine work. The theory believes external interventions like monitoring and incentives i.e. control systems to be potentially damaging towards intrinsic motivation, contrary to agency theory. External interventions can have a crowding out effect, meaning the reason for doing the task is replaced from being intrinsic to the extrinsic rewards. This means that although the extrinsic motivation might increase, the intrinsic motivation will decrease and so will the total motivation. However, if the external intervention is perceived as supportive rather than controlling, there is potential for a crowding-in effect, meaning intrinsic and total motivation will increase as well. In the situations where there is no intrinsic motivation, there is no risk of crowding out, and external interventions are appropriate according to the model. These effects are due to impaired self-determination and self-esteem, meaning the person perceives they do not have the autonomy to make decisions and are not trusted to do them independently of external interventions. The criticism raised by this and similar theories based in psychology is that agency theory is not able to explain voluntary work, where there are no external rewards.

To summarize, the empirical findings presented in this study will, on the one hand, be discussed based on theories related to organizational identification as well as intrinsic and extrinsic motivation, and on the other hand, be discussed based on agency theory and motivation crowding theory.

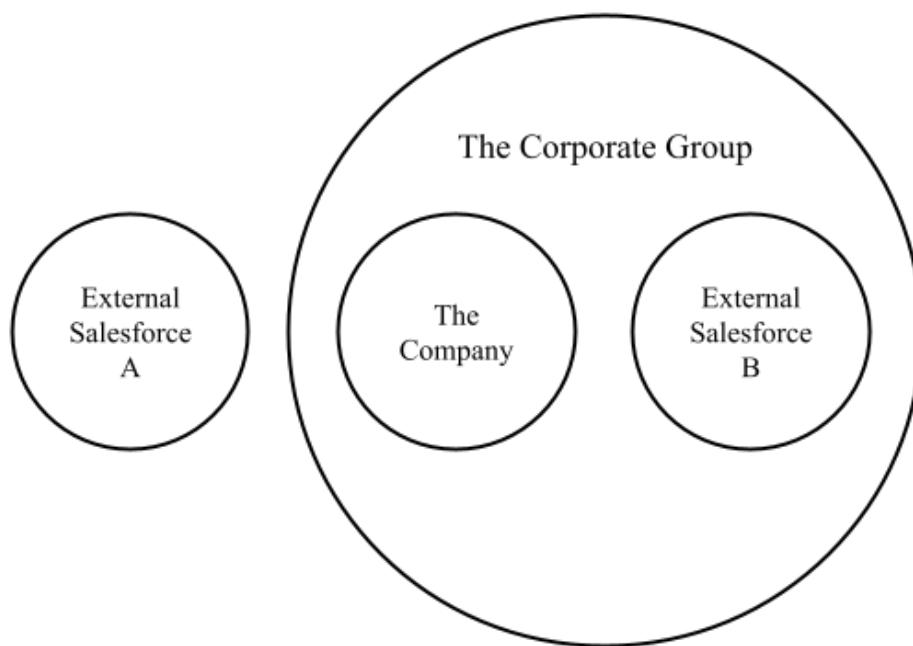
### **3. Methodology**

#### **3.1 Research design**

The purpose of this study is twofold. We want to explore whether there is a difference in organizational identification and motivation between internal salesforces and external salesforces, that may warrant management to control these salesforces differently. However, the study mainly wants to explore what considerations management makes when designing control systems for the respective salesforces in order to create motivation in reaching the organization's goals. As the goal is to explore the thought process of people, a qualitative research approach is appropriate. The goal of qualitative research methods is to develop a deeper understanding of a phenomenon and is focused on the meaning, compared to quantitative methods where the purpose is to seek explanations or causations (McGill). Qualitative research involves data that is often descriptive and can not be reduced to numbers but is rather expressed in words. Thus, qualitative research methods are often used for studies concerning people, ideas, and beliefs (Walliman, 2018). In previous research within psychology, questionnaires of a more quantitative nature have been used to measure the motivation and organizational identification of individuals. Thus, relying on established methods, a questionnaire will be used as a means to gather data on the motivation and organizational identification of the different salesforces. The research is conducted through an abductive approach, meaning there is an iterative process between theory and empirics.

The study will be conducted through a single-case study of a company. A single-case study entails investigating a single example of a class of phenomena (Flyvbjerg, 2006). These kinds of studies provide in-depth, context-dependent knowledge which is important for the development of a nuanced view of reality (Flyvbjerg, 2006). A multi-case study would entail finding additional companies using both internal and external salesforces, which given the limitations of the study would not allow for the same depth as achieved when focusing on a single case. The company studied in the case was selected because they have contracted external salesforces, in addition to them employing salespeople in an internal salesforce. Therefore, the salesforces that will be compared in the study sell products for the same company, meaning factors that may influence the organizational identification or motivation among the salesforces will be isolated. It also means that the management who makes the considerations when designing the control systems are the same, meaning personal

preferences are isolated as a factor that may influence what is considered in deciding on control systems. This would allow for a more fair evaluation and comparison of the salesforces as well as the approach to the control systems used on these salesforces. Additionally, the choice of the company for the case study was made due to the organization using two contrasting external salesforces. While one of the external salesforces has no other ties to the company, the other external salesforce belongs to the same corporate group as the case company. With two different external salesforces, greater and more nuanced insights may be discovered in what the thought process is in controlling an external salesforce.



Figures are not reflective the size of the organizations

### 3.2 Data collection

Data will be collected through interviews with sales management, questionnaires to the salespeople, and observations of internal documents. The questionnaires are intended to create an understanding of the organizational identification and motivation of the salespeople. Interviews will be conducted with sales management in order to collect data on how they choose to use control systems on the different salesforces, and the reasoning behind these choices. These interviews will also allow for the study to approach the motivation of the salespeople, by examining what behaviors and responses sales management receive from different control systems. Triangulation, the concept of examining a phenomenon from different angles to corroborate the results (Walliman, 2018), will also be achieved through observing internal documents.

### 3.2.1 Interviews

Semi-structured interviews were held with four sales managers at the organization. The managers included the chief sales officer (CSO), who was interviewed twice, a sales manager for one of the teams within the internal salesforce, and two sales managers responsible for the respective partnerships with the contracted salesforces. To prepare for each interview, an interview guide was created detailing questions on the topic of control systems and the order in which the questions were to be asked. However, as the interview was semi-structured, the answers provided by the subject of the interview were expanded upon through additional and follow-up questions during the interviews. The interviews were conducted through video-conference calls due to the Covid-19 pandemic and the recommendations to socially distance. The interviews lasted on average 45 minutes and with the permission of the participants, the interviews were recorded in video and transcribed. Before the interviews, the participating sales managers were informed of the definition of control systems used in the thesis. The goal was to create a common understanding of the kind of information we aimed to explore in the interview and reduce the risk of any misconceptions. They were also provided with the subject of the interview, but not the interview questions themselves. This means that they were prepared to answer questions about the control systems and the processes of developing them for that particular salesforce. However, given that they had not received the specific questions they were unable to prepare an official or censored version of the answers.

### 3.2.2 Survey

The data collected on the organizational identification and motivation of salespeople were conducted through a questionnaire with closed format questions. A questionnaire is a convenient tool to collect data from respondents without having to talk with every respondent and allows us to receive true answers to questions that may seem too personal to ask in an interview (Walliman, 2018). With the subject being motivation and identification, it was deemed desirable to take advantage of the impersonal nature of a questionnaire. Additionally, with the number of salespeople working with the case company, there was a need for many interviews to collect data that is representative of each salesforce. Due to the pandemic, the questionnaires were distributed online by the sales manager at the case company instead of personally which would allow a higher response rate. There is a wide variety of research into motivation in a work setting as well as organizational identification within the field of

psychology. Thus, to ensure validity and reliability in our method, we relied on questionnaires used within previous literature when collecting data on the salespeople. When choosing the questionnaires to use in this study we looked at those that have been used extensively in the past, their reliability and validity, and whether the definition of the concept corresponds with the definition used in this thesis. On that basis, the Work Preference inventory (Amabile et. al., 1994) and the questions on social identification assembled by Postmes et. al. (2008), were used.

### 3.2.3 Internal documentation

In addition to the interviews and questionnaire responses, access was given to internal documents, as these are actual documents used in the control of the salespeople. These documents enabled us to corroborate the information gained in the interviews on the current control systems of the salespeople. It does not, however, provide corroboration for why these controls were designed in this way. These documents include the organizational scheme for the internal sales function. It also includes the balanced scorecard with the financial and non-financial goals for the sales function and the scheme for how the commissions for the sellers are calculated. Lastly, documents depicting rules and guidelines for how to work with clients were accessed, in the same form as they are communicated to the salespeople. The collection of these documents can be compared with observations, where we as external people have no influence on the observations by looking at them compared to observations of meetings and similar.

## 3.3 Data analysis

### 3.3.1 Interviews

The interviews were transcribed and analyzed through careful reading and discussions between the two of us. Transcribing the interviews increased the understanding of the information gathered and made it easier to approach the next step in the data collection process. In order to be able to select the most useful parts, we read through the transcribed interviews on our own and marked parts that we felt had a connection to the research question. What we found useful information was put into the empirics and if we had any thoughts we phrased new questions to ask in our in-depth interview.

### 3.3.2 Questionnaires

The questions on motivation will be analysed aggregated by the type of motivation that the question tests, meaning intrinsic and extrinsic motivation as well as their subcategories. The data collected in the questionnaires is quantitative in nature and will be statistically tested to be able to make inferences and describe the motivation of the different salesforces within the study. The questionnaire resulted in a sample size of twelve salespeople for the internal salesforce, 7 salespeople for external salesforce A and 6 salespeople for external salesforce B. Mann Withney's nonparametric test is chosen due to small sample sizes and non-normally distributed data. A two-tailed test is made at the significance level of alpha of 5 percent.

### 3.3.3 Internal documentation

Access was given to internal documents used in the control of the salesforces that were presented during the interviews. Since we were familiar with its content from the interviews, we had some insight when we received them which was helpful when interpreting them. These were mainly analyzed by comparing the information received during the interviews with the documents. This made it possible to strengthen the information presented in the empirics since we now had two sources at hand.

## 3.4 Quality of the research

Validity refers to how well the study measures what it intends to measure as well as to what extent the study's findings can be generalized (Yin, 2009). Validity has been assured by using already proven methods when measuring organizational identification and motivation. By using questions that have been used before within the field, we could ensure that we measured what we intended to. Regarding the interviews, all the interview questions were put into the same document which created a template that we could use as a reference point. Having this template at hand made sure our questions during the interviews were related to the topic of the study. Along with this, we made comparisons with the internal documents we had access to. As mentioned earlier, these documents are used in the control of the sellers, which is related to what we intended to measure. Thereby, these documents strengthen the information gathered during the interviews and make sure we stay within our topic. Furthermore, validity also concerns the possibilities to generalize the study's findings. The fact that we have conducted a single-case study makes it difficult to be able to draw any general conclusions. The intention of data collections through questionnaires regarding the



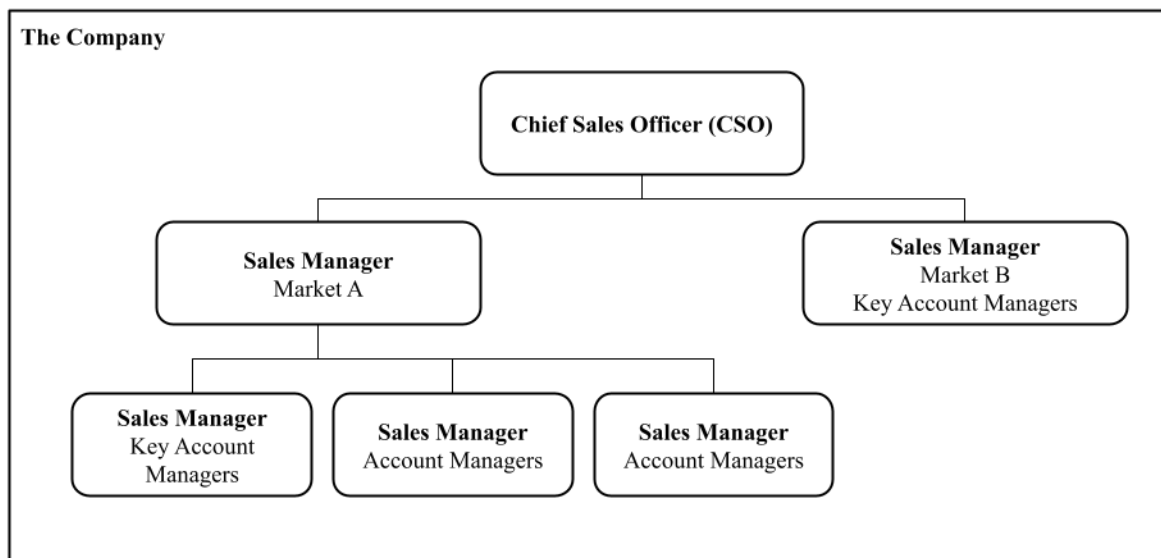
identification and motivation of the salespeople is to cover as large a part of the salesforces as possible. With a large number of salespeople, there would be a need for many interviews for the data to be representative of the salespeople working with the case company. However, interviews with management were chosen at the expense of being able to draw any general conclusions.

Reliability means that the study should be possible to repeat, for example, the data collection process, and still receive the same results if it had been conducted by another person (Yin, 2009). Reliability has been assured by using already proven methods that anyone can access when creating the questionnaire that measures organizational identification and motivation. Furthermore, reliability has been ensured by using the same interview protocol, with some adjustments depending on the interviewee's role in the organization. Access to internal documents also strengthens the possibility to draw the same conclusions. The interviews were recorded in order to avoid potential misunderstandings and discussed by both of us to make sure we interpreted the information in the same way.

## 4. Empirical material

### 4.1 Background

The case company (“The Company”) is an online marketplace that creates revenue through classified advertisement as well as display advertisement. The Company has two external salesforces in addition to their internal salesforce, that all work selling business to business. As previously defined, an external salesforce is a salesforce contracted to sell the products and services on behalf of the company. The external salesforces will from this point be called external salesforce A and external salesforce B. Although both external salesforces are contracted and not employed by the company and fulfill the aforementioned definition, external salesforce B are a part of the same corporate group as the company. The internal salesforce is in addition organized into two teams based on the industry which they are serving. One of these teams is made up of key account managers. The other team is organized into two account manager teams and one key account manager team, as they are a larger number of people. The company is the main client of external salesforce A. In contrast, external salesforce B works with selling display advertisements for the portfolio of companies within the corporate group.



### 4.2 Organizational identification and motivation

As described, the questionnaire was structured into three blocks aimed to identify the salesforce to which the person belongs, how the person is motivated, and the salesperson's organizational identification in relation to the company. The results showed that there is no significant difference in organizational identification between the company and the external

salesforces respectively. This is based on the non-parametric Mann-Whitney test, which concluded that the null hypothesis that the organizational identification of the salesforces are the same, cannot be discarded. On average, the salespeople answered that they “agree” on the questions on whether they identify with the company as an organization. Additionally, they agreed on average that they identify with the company, feel committed towards it, and are happy to be a part of the company. However, on average they only somewhat agreed that being a part of the company was important to how they see themselves.

The block on motivation was based on the Work Preference Inventory (Amabile, et al., 1994) and measured the intrinsic and extrinsic motivation of the salesperson. Questions aimed at measuring intrinsic motivation were either focused on challenge-seeking behavior or enjoyment, while those measuring extrinsic motivation were framed in terms of compensation or the orientation toward the recognition and dictates of others.

The result showed that there is no significant difference in the intrinsic motivation of the salespeople. In other words, the Mann-Whitney test concluded that the null hypothesis that the intrinsic motivation of the internal salesforce is the same as each external salesforce could not be disregarded. As explained, the subcategories to intrinsic motivation were enjoyment and challenge seeking. Similarly to the intrinsic motivation aggregate, the external salesforces respectively in comparison to the internal salesforce show no significant difference in either enjoyment or challenge seeking. On average, the salesforces answer “Almost always true of me” regarding statements on intrinsic motivation as well as enjoyment and challenge seeking.

The result showed that there is no significant difference in the motivation of salespeople, neither regarding the intrinsic motivation or the extrinsic motivation. The Wilcoxon Signed Rank test at  $\alpha = 5\%$  that was administered concluded that the null hypothesis that the intrinsic motivation of the internal salesforce is the same as the respective external salesforces, could not be disregarded. The same conclusion was achieved when testing the difference in extrinsic motivation. Thus, the internal salesforce, as well as both external salesforce A and B, answered on average that the scenarios depicting intrinsic motivation “almost always true of me”. Regarding the intrinsic motivation, what they had in common is that all salesforces on average were most agreeable with the statement that they want work to provide them with opportunities for increasing their knowledge and skills.

Regarding extrinsic motivation, the results are similar to that of the intrinsic motivation. They showed that there are no significant differences in the extrinsic motivation of the internal salesforce in comparison with each external salesforce. Just like the sub-categories for intrinsic motivation, there are no significant differences in outward-orientation or compensation seeking between the internal salesforce and the respective external salesforces. What can be concluded, though, is that the salespeople are more focused on compensation than having an outward orientation towards the recognition and dictations of others. Upon questions on compensation the average salesperson answers above “Almost always true of me”. In contrast to this, on average the salespeople lie between “Almost never true of me” and “Almost always true of me” for statements regarding outward orientation towards the recognition and dictation of others. Lastly, there is a significant difference between the average intrinsic motivation and the extrinsic motivation of the average salesperson. Meaning, they are more intrinsically motivated than they are extrinsically motivated.

Regarding the relationship between motivation and organizational identification, intrinsic motivation and organizational identification have a correlation coefficient of 0,58. The correlation coefficient for extrinsic motivation and organizational identification is 0,07. Thus, there is a positive relationship between intrinsic motivation and organizational identification, which is stronger than the positive relationship between extrinsic motivation and organizational identification.

### **4.3 Control system**

#### **4.3.1 Internal salesforce**

The empirical findings that will be presented in this section are based on interviews with management and external documents. First of all the commission system will be presented and then the focus will shift towards other controls, such as organizational goals and guidelines on how the seller’s work should be performed.

Internally, the system for the commission is based upon that every seller has a monthly budget to follow and requirements on a certain amount of customer meetings each week. The sellers work with a rolling forecast of 18 months and are assigned budgets quarterly including growth figures for each business area. These budgets are communicated to the sellers

quarterly in order to be able to operate on a macro-level but also to be flexible, especially in these times when there is a pandemic. They have a commission system that says that no commission will be paid out if the salesperson's outcome is below 70 percent of the budget. After reaching 70 percent of budget follows a target salary of 100 percent with a bonus system with no limit. As previously mentioned, the commission system is also affected by the requirements on the number of weekly customer meetings. If they fail to meet the requirement on a certain amount of customer meetings during a week, there will be a deduction on the commission during the next month. The Company renegotiated the agreement in april 2020 with participants from the company as well as the union, in order to achieve a more uniform model across the different teams. The previous model created some dissatisfaction due to differences between the departments, which explains the need for a more uniform model.

Furthermore, what is important is what kind of behavior they want to pursue. This is sometimes experienced as difficult to include in the salary model, therefore they work with sales competitions and different incentives that aim at increasing revenue and new customers. This can be designed on a team level or department level. Everything else is based on an individual level, therefore another reason for sales competitions is to work towards a common goal, focus on a certain segment, or strengthen the team.

Sales management explains that they want to be able to ensure quality work to a greater extent, which is something they see as a weakness with the current control system. The interviewee mentions that they would like more elements in the commission system that further reward certain behavior. One example that we were given is to distinguish between already established customers and new customers. Another parameter that was mentioned that would be interesting to include is to differentiate between products in the commission. Today, there are no rules concerning what type of product you need to sell in order to get your bonus, as long as you reach your budget. To implement a system where they can rank more strategically important products and make these more beneficial in the commission system would be of great interest. In addition to this, there is a perceived need to improve their e-commerce in order for the customer to be able to make purchases online. The interviewee mentions that they want the customer to be able to make purchases online without having a negative effect on the seller. Even though the purchase might be carried through online, the seller has probably put effort into this purchase, and should not make a loss because of how

the deal is closed. This requires incentives that will remove any obstacles related to the customer making a purchase online instead of closing a deal directly through the seller. Some of these will be implemented during the year.

Customer satisfaction is not connected to a reward system or the commission system, instead, it is a part of The Company's overall strategic goals for the year. These goals are transferred to each department as key performance indicators (KPI). Five KPI's are chosen by the company management in January with monthly targets that last for a whole year. These KPI's are communicated and evaluated on a monthly basis during seller meetings, by the responsible manager for each KPI. During these meetings they discuss the target achieved for the KPI's and if there is anything that has to be adjusted. The interviewee mentions that since they set the targets in January, they sometimes have to make adjustments at a later stage during the year if some numbers turn out different than expected. This year customer satisfaction is one out of five of the internal sellers' most important drivers. However, building customer satisfaction is perceived as something that comes naturally for the sellers according to the management and not something that is discussed explicitly. As a seller you are expected to manage your customers, and if you do not deliver good service they will most likely not come back for future purchases.

The interviewee mentions that in order to be successful, you need structure and deliberate actions. To ensure that the sellers work in line with the same principles, the company has established guidelines called "way-of-working" (WoW). The purpose of these guidelines is to clarify what is expected by a seller. It states what expectations the management has on a seller's work, as well as guidelines for how it should be performed. For example how a seller is expected to handle the contact stage with a customer, how to structure customer meetings and requirements for the follow-up process. The seller is supposed to use already prepared slides during a customer meeting, which enables all sellers to have the same structure throughout their meetings. WoW also points towards the importance of planning, evaluating and processing, in order for the sellers to constantly improve. This is seen through the requirement of 7-10 customer meetings each week. Along with these expectations on how a seller should perform its work, the WoW also includes consequences for the sellers if not following the established guidelines. According to the sales manager, these consequences can be seen through both the company's perspective and the seller's perspective. On the one hand, the company might be affected through lacking structure and negative revenue

development. On the other hand, WoW includes the possibility for management to move a customer to another seller if the work has not been performed in line with the expectations.

What is also new for this year is that they have gone from the sellers being measured on sales to being measured on revenue. Using the same measures in the whole corporate groups was one of the reasons for this change. The interviewee also highlights the fact that it becomes easier to foster the relationship with the customer when measuring on revenue, since this does not create the same urge for the seller to close a deal during a specific month. It forces the salesperson to think more long-term, as they must build up their future commission. This change has further increased the model's uniformity as the same now applies to all the sellers.

Finally, the choice to outsource some parts of the sales division to an external part enables the internal sellers to focus on building a "senior" salesforce that can work with larger companies and focus on long-term relationships with the customers. This compared to the external salesforces that have a larger focus on both processing new clients and increase revenue from already established clients.

#### 4.3.2 External salesforce A

Salesforce A is a completely external salesforce where The Company is one of its biggest clients. The relation is regulated by an agreement that states their assignments. It also includes an annual budget to be controlled against as well as regulates the commission which is linked to what they sell. They have the possibility to terminate the contract earlier if Salesforce A fails to reach a certain budget fulfillment three months in a row. However, they do not have any impact on the commission system for the external sellers. The Company only establishes the annual budget for the external salesforce, which is regulated on a group level.

The Company has recently updated their agreement with salesforce A where they have gone from requirements on outcome and results to place requirements on quality and the amount of processing. Quality is for example assured by placing expectations on the seller to schedule a follow-up meeting a few weeks after a deal has been closed. One of the reasons for this change of focus towards quality and processing has to do with low scores on previous customer satisfaction surveys due to lacking follow-up processes. Customer satisfaction is found to be related to if the seller takes responsibility for the follow-up process and additional sales after a deal has been closed. Therefore, a larger focus on quality and the amount of

processing enables them to improve their customer satisfaction. The interviewee also mentioned that they believe a “trusted advisor”-approach is something that will benefit the business in the long-term perspective.

Additionally, what is new for this year is that the management has introduced specific key performance indicators on customer satisfaction in the agreement. The interviewee highlights an increased focus on sales that foster the relationship with the customer. This can be seen through the requirements on a certain amount of customer and follow-up meetings, where the management has been able to ascertain a slight increase in customer satisfaction over the past months. Furthermore, just like in The Company, sellers in Salesforce A are now being measured on revenue instead of sales. This has caused some challenges in the follow-up process and the management works on establishing useful reports for the sellers. However, this is seen as a more sustainable measure for the sellers, since it makes it possible to have a long-term focus without the urge to collect money during a specific month.

The cooperation with Salesforce A enables The Company to operate on a local basis without increasing any risk for the business. In this way, they can reach out to customers to a larger extent. The reasons behind the choice to outsource certain parts of the sales division has to do with the lower risk as well as the possibility to reach out to certain segments where The Company had no previously established connections. With the help of an external salesforce with already established connections within these segments, The Company did not have to focus on building new relationships. The relation with Salesforce A is described as highly transparent and The Company management feels that they have good insight into their work. Salesforce A is responsible for a large part of the customer contact, which will have an impact on customer satisfaction for The Company. Furthermore, Salesforce A is described as *“They are so much “The Company” that we have had to slow them in their signature where it says “The Company”, and say that there goes the limit.”*<sup>1</sup> The interviewee compares this with previous workplaces and states that this relation is found to be relatively unusual. The relationship is described as full of trust but the interviewee also points towards potential risks with a too-close relationship. According to the sales manager, one risk with strong trust is that you remove certain controls. However, they are still important to have in place, even if you do not have to point at them as frequently.

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<sup>1</sup> The quote is translated from Swedish. “The Company” has replaced the real company-name to ensure anonymity.



Furthermore, The Company's strong position on the market makes it possible to place certain requirements when entering a new business relationship with an external part. However, the interviewee again highlights the importance of building strong long-term relationships and having a continuous dialogue with the customer. Even though there is a contract, they mean that the business relationship with the external salesforce should be of that nature that either party points to the contract, but rather negotiates.

#### 4.3.3 External salesforce B

Salesforce B is a part of the same corporate group as The Company which creates a somewhat different relationship compared to the relationship with salesforce A. Before salesforce B was created by the corporate group a few years ago, all the companies in the group had their own sales departments. This was found to be ineffective and not that customer-friendly. The solution was to create salesforce B where all the sellers became a part of the same sales department at a separate company within the group. Salesforce B became responsible for selling display advertisements for the entire portfolio from the group, which made them responsible for more than just The Company's products.

What is different about the collaboration with salesforce B is the fact that they sell a whole portfolio of companies, which makes it harder to adapt their product development to The Company's specific needs. The main purpose of salesforce B is to increase the efficiency of sales in the corporate group, and not maximizing their own profits. There is no regular follow-up process established besides the revenue that is collected. Although, some customer satisfaction surveys with the most important customers have been made. One reason behind not having a regular follow-up process is because sales management has focused on processes connected to other revenue-streams that are more important to The Company. According to the interviewee, another reason for not having an established follow-up process might be connected to the fact that it is a decision made on a group level that all advertising should be done centrally in the corporate group. Therefore, it has not been salesforce B's responsibility to evaluate the sellers. The Company's sales manager responsible for the cooperation with salesforce B refers to salesforce A, completely external from the concern, which has another kind of responsibility when it comes to making a profit.

There is regular communication between salesforce B and The Company through meetings with the sellers. The dialogue is even more regular with the sales teams that are closer to The Company commercially. They give insights into the ongoing work, while The Company, through its representative, provides information and answers any questions from the teams. When it comes to the commission system, the external salesforce B is compensated at a group level by The Company, and the system for deciding individual commission and compensation is decided upon by their direct managers. As mentioned earlier, salesforce B's main purpose is not to make a profit, as any profits made should be returned to the companies. The commission system is therefore based on a cost of sales model which depends on what they sell. This model is the same for every company.

## **5. Analysis**

### **5.1 Motivation and organizational identification**

What can be concluded is that there are no significant differences in either organizational identification or the motivation of the internal salesforce in comparison to the respective external salesforces. Additionally, there is a positive relationship between organizational identification and intrinsic motivation. That there are no significant differences in organizational identification nor in motivation, could be explained by the structure of the relationships between The Company and the external parties.

Throughout the three salesforces, there is a positive relationship between organizational identification and intrinsic motivation. The relation with Salesforce A is described as highly transparent where management from The Company feels that they have a close relationship and good insight into their work. What can be stated from the interview is that The Company even has had to hold salesforce A back, when they used The Company's signature. This high identification with The company is also apparent in the questionnaire with the sellers. Having this close relationship explains the small differences in motivation and identification between The Company and salesforce A. The Company is the main client of the external salesforce A, which means that the salespeople are limited in their exposure to other organizations, meaning the intensity and duration in their contact with The Company is relatively higher compared to if The Company was a smaller client. Higher intensity and duration in the contact with The company is a driver of organizational identification towards the company. High identification with an organization makes the individual take the organization's interests as their own (Deci, Ryan, 1985).

According to agency theory, the agent has their individual goals that are different from the principal and requires incentives to act according to the principal's interests. However, it seems like the goals of the external salesforce A, the agent, are more aligned with The Company, due to the organizational identification that fosters the external salespeople to work in the interest of The Company. Additionally, as The Company is the most important client and has a lot of bargaining power, it will also lie in the interest of the external salesforce to perform in line with the expectations of The Company. Thus, also pointing to aligned goals due to the nature of the relationship between the two entities.

This might explain why the survey resulted in such a small difference in motivation between the internal and external sellers. If they did not have this close and transparent relationship, according to Agency theory the external sellers could be expected to have goals and interests less aligned with The Company.

Furthermore, as concluded in one of the interviews, salesforce A is responsible for a large part of the customer contact, which will have an impact on customer satisfaction for The Company. It is possible to argue that the fact that salesforce A has this responsibility for the customer contact makes The Company keen to establish a strong relationship with salesforce A. They have a responsibility that goes beyond just collecting revenue. Thereby, one might expect The Company to put a lot of effort into establishing a relationship that makes the external sellers work in their best interest. High identification is reached through frequent communication with representatives from The Company as well as clear expectations on the work performed. This will foster the relationship with the external party and make sure they put The Company's interest first. Whether this situation is unique for this collaboration goes beyond the scope of this study, but could be of interest for future research.

Salesforce B is a part of the same corporate group as The Company which might have an effect on the identification and motivation among the sellers, through the proximity of the organizations. The fact that they operate in the interest of the group can be argued to increase the organizational identification and thereby the intrinsic motivation even further. Being a part of the corporate group might also increase the exposure towards the perceived organization identification, which makes the individual more keen to categorize oneself as a member (Dutton, et al., 1994). Once again one might argue that the principal-agent relation is not as divided as one could expect it to be with an external part. Even though they are different companies, the financial performance of the group is what is communicated towards the market. Thus, making the overall goals of the organizations the same. It is possible to discuss whether this would be different if salesforce B did not belong to the same corporate group as the company. The information asymmetry that often arises between a principal and an agent might not be as evident in this case, since they operate in the interest of the whole corporate group and have no reason to deviate from this.

To conclude, there is no significant difference in the motivation and organizational identification between the internal and external salesforces. However, there is a positive

correlation between organizational identification and intrinsic motivation among all the sellers. This can be explained through the structure of the collaboration, where we have a close and transparent relationship on the one hand and a direct connection to the corporate group on the other hand. This increases the proximity and intensity of the relationship which the external salesforces have with The Company and might be the reason for their organizational identification. This structure manages to avoid the usual principal-agent relationship and can instead focus on creating intrinsically motivated sellers through a high identification.

## **5.2 Control system**

As established, there are no significant differences in the organizational identification and motivation of internal and external salesforces. In addition, we concluded that the organizational identification aligns the goal of the external salesforce with The Company, as they feel more inclined to work in the interest of the organization. Thus, from an agency theory point of view, the control systems should be similar as the goals are aligned and they are motivated in a similar manner through external interventions. E.g. in this case, the level of how the salespeople are motivated by compensation is similar as well as how they are motivated by others dictations. Thus, a manager knowing this information would create similar control systems based on compensation, if they held the perspective that people are solely externally motivated. However, from the perspective of motivation crowding theory, whether the salespeople find the control mechanisms controlling or supportive will affect the motivation through the crowding-out and crowding-in effects.

However, when choosing to outsource part of their sales activities The Company is limited in deciding upon the control mechanisms they are able to determine for their internal salesforce. For example, The Company views it as the sole responsibility of the direct management to decide upon the commission system for individual salespeople, and it is not something The Company is interested in knowing how it is arranged. Instead, both external salesforces are compensated on a group level. External interventions, like monetary incentives, will have a crowding-out effect if perceived as controlling or a crowding-in effect if perceived as supportive. Thus, there is a risk of crowding out intrinsic motivation, which is associated with increased performance quality, while increased extrinsic motivation is associated with increased performance quantity. By outsourcing the sales activities, this risk must be accepted

by the outsourcing company. However, it must be put in relation to what is gained from the outsourcing. In the case of salesforce A this means decreased risk in reaching out to clients, that without the outsourcing would require establishing new operations. In the case of salesforce B, it means increased efficiencies and larger bargaining power.

Additionally, an important difference between the control of the internal and external salesforces is that The Company actually manages the internal salesforce, while the external salesforce is a contracted service. This allows them the freedom whether they will for example develop clear activity controls. As the salespeople belong to the organization, there is an incentive to develop their skills and capabilities, i.e. have capability controls in place. If they were able to put capability controls in place for external salespeople, it may be seen as supportive. However, developing the capabilities of the external salesforce can be seen as an investment in the employees of another company. That does not seem consistent with the stance of The Company that it is the responsibility of the management of the external salesforce to design commissions and motivate their salesforce. This wider range of control mechanisms to choose from might enable The Company to find mechanisms which the salespeople find supportive and increase their intrinsic motivation to reach the organizational goals. However, when there is a desire to control specific behavior, the freedom The Company has in the design of control systems also means a risk to develop a control system where the salespeople feel controlled and less motivated.

Regarding salesforce B, there is no formal follow-up process of control mechanisms except the monthly follow-up of the revenue. This is explained as the responsibility of the management of salesforce B, as well as it not being a strategic priority of The Company. This can be explained by agency theory as The Company realising that the goals of salesforce B is the same as their goals. That being, generating revenue that will be reflected in the performance of the corporate group as a whole. There is also a possibility that, from a motivation crowding theory perspective, if there were additional monitoring it would be construed as controlling, because they belong to the same corporate group and should therefore have trust between them. Thus, the risk of crowding out intrinsic motivation as well as creating conflicts can be a reason for not overdoing it with controls of an external salesforce within the same corporate group.

What is an apparent consideration in the control of both the internal salesforce and salesforce A is the focus on getting the salespeople to work towards client-oriented sales processes and thinking long-term. Meaning, it is possible to distinguish a large focus on qualitative work instead of quantitative. This can be seen through the building of strong relationships with customers, as well as measuring the sellers on revenue instead of sales, in order to encourage the sellers to have a long-term focus in their work. The collaboration with the external salesforces is about more than just making a profit. They seek good relationships where they can create value for the customers. Because of The Company's large role within the field, they could have chosen to outsource the sales divisions by placing much higher demands on the counterparty. Instead, they have a long-term focus where they place requirements on customer service and customer satisfaction. The Company has an interest in building transparent relationships with its sellers in order to achieve a sustainable result.

Lastly, The Company expressed that the risk with a too-close relationship is that you remove certain controls. From the perspective of motivation crowding theory, the consideration that removing a control is risky is true in the case where this control is perceived by the salespeople as supporting. By the theory of the crowding-out effect, removing a control that is perceived as controlling would instead increase the intrinsic motivation, which increases the quality of sales performance.

## 6. Conclusion

The purpose of this study was to explore if there are differences in organizational identification and motivation between external and internal salesforces, and what considerations management makes in the design of control systems for the respective salesforces, in order to motivate them towards the organizational goals. The empirical findings were discussed by the help of the theoretical framework established. This resulted in findings that support the literature, as well as has given new empirical insights.

First of all, the questionnaire conducted showed that there was no significant difference in the motivation and organizational identification between the internal and external salesforces. However, it was possible to establish a positive correlation between organizational identification and intrinsic motivation among the sellers. This can be explained through the structure of the collaboration, where we have a close and transparent relationship on the one hand and a direct connection to the corporate group on the other hand. This structure manages to avoid the usual principal-agent relationship and can instead focus on creating intrinsically motivated sellers through a high identification. Secondly, because of the non-significant differences in organizational identification and motivation, from an agency theory point of view, the control systems for each salesforce should be similar as the motivation and goals are aligned. The level of how the salespeople are motivated by compensation is similar as well as how they are motivated by others dictations. This indicates that the same considerations should be made within all the salesforces.

Regarding the limitations of the study, the single-case study format makes it hard to draw any general conclusions. It is hard to know if the findings presented are somewhat unique due to the relation between The company and the external salesforces. Suggestion for future research could be to conduct a multiple-case study in order to achieve a more generalizable result concerning the phenomena of internal and external salesforces. What could be established in this study was strong and transparent relationships between all parts, and the question is whether this is unique for this collaboration or if the outcome would change if more companies were included. Furthermore, there are also possibilities for future research into the external salesforces working business-to-consumer, as this study is limited to the context of business-to-business sales.



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## 8. Appendix

### Questionnaire

- 1 I am not that concerned about what other people think of my work.
- 2 I prefer having someone set clear goals for me in my work.
- 3 The more difficult the problem, the more I enjoy trying to solve it.
- 4 I am keenly aware of the income goals I have for myself.
- 5 I want my work to provide me with opportunities for increasing my knowledge and skills.
- 6 To me, success means doing better than other people.
- 7 I prefer to figure things out for myself.
- 8 No matter what the outcome of a project, I am satisfied if I feel I gained a new experience.
- 9 I enjoy relatively simple, straightforward tasks.
- 10 I am keenly aware of the promotion goals I have for myself.
- 11 Curiosity is the driving force behind much of what I do.
- 12 I'm less concerned with what work I do than what I get for it.
- 13 I enjoy tackling problems that are completely new to me.
- 14 I prefer work I know I can do well over work that stretches my abilities.
- 15 I'm concerned about how other people are going to react to my ideas.
- 16 I seldom think about salary and promotions.
- 17 I'm more comfortable when I can set my own goals.
- 18 I believe that there is no point in doing a good job if nobody else knows about it.
- 19 I am strongly motivated by the money I can earn.
- 20 It is important for me to be able to do what I most enjoy.
- 21 I prefer working on projects with clearly specified procedures.
- 22 As long as I can do what I enjoy, I'm not that concerned about exactly what I'm paid.
- 23 I enjoy doing work that is so absorbing that I forget about everything else.
- 24 I am strongly motivated by the recognition I can earn from other people.
- 25 I have to feel that I'm earning something for what I do.
- 26 I enjoy trying to solve complex problems.
- 27 It is important for me to have an outlet for self-expression.
- 28 I want to find out how good I really can be at my work.
- 29 I want other people to find out how good I really can be at my work.

- 30 What matters most to me is enjoying what I do.
- 31 I identify with The Company
- 32 I feel committed to The Company
- 33 I am glad to be a part of The Company
- 34 Being a part of The Company is an important part of how I see myself

Question 1 - 30 is answered on the following scale:

- Never true of me 1
- Almost never true of me 2
- Almost always true of me 3
- Always true of me 4

Question 31-34 is answered on the following scale:

- Strongly disagree 1
- Disagree 2
- Somewhat disagree 3
- Neither agree nor disagree 4
- Somewhat agree 5
- Agree 6
- Strongly agree 7

## **Interview Guide (translated from Swedish)**

### **Part A: Introductory interviews with management**

#### *Introduction*

- Is it okay if we record the interview?
- Can you tell us a bit about yourself and your role at the company?

#### *Sale*

- How is the sales function organized, and why?
- What role does salesforce A and B have, how long have the company used external salesforces, and why these ones?
- What do they sell, why is it divided like this?
- What does the sales process look like? What is a typical day for a seller?

- What responsibility do the sellers have? What expectations do you place on the sellers?
- What is needed in order for them to succeed?

### *Control system*

- What does the commission system look like? Is this the same for all the groups, why?
- How do you feel the system works? What is the seller's response and have you received any feedback?
- How do you communicate the company's goals to the sellers?
- Do you have any other ways to control the seller's behavior and outcome? For instance guidelines or rules?
- Does the system differ depending on what unit the seller belongs to?
- How do you work with sales competitions, etcetera? What is the reasoning behind this and how do you perceive the seller's response on these types of means?

### *Outsourcing*

- What does the collaboration with salesforce A and B look like?
- What is the purpose of the collaboration and how did it start?
- What impact do you have when it comes to controlling the external sellers behavior and outcome?
- What impact do you have when it comes to the commission system for the external sellers? What does the commission system look like?
- How and what do you communicate to the sellers? Does this communication differ from the communication with the internal sellers?
- What expectations do you have on the sellers, and why?
- How do you evaluate the collaboration?
- Has there been any changes in how you control the sellers behavior and outcome? What are the reasons for making changes or not making changes?
- Is there a control you wish you had that has not been introduced yet? What stops you from implementing this?
- Is there a way you wish that you could impact the external sellers that can not be implemented due to the fact that the collaboration is controlled by an agreement?

- How do you feel the collaboration is working? Is there something you would like to change?
- Can you give an example of when it feels like the collaboration works really well? And not that well?
- How often do you renegotiate the agreements? What is the reason behind these renegotiations? What was the purpose of the last renegotiation?

#### Part B: In-depth interviews with management

- You mentioned that you recently updated the agreement and now place higher demands on quality and processing, how does this work?
- Have you experienced problems with the quality before that made this change necessary?
- For the internal sellers, you mentioned that you would like more elements in the commission system, can you give an example of what type of parameters you would like to include?
- Do you believe it is possible to include these parameters in the commission system?
- You mentioned that the sellers are satisfied with the current commission model, have you faced any negative response with previous models?
- Do you have any specific rules or guidelines for how the seller's are supposed to act when meeting new customers, already established customers?
- Are the sellers aware of the consequences if they do not meet the expectations that are placed on them? What is the reaction if you move a customer to another seller?
- How do you work with education and skills development? How do you want to work with it in the future?
- Can you describe the overall strategic goals for the company, more specifically the KPIs that you establish annually?
- When and how do you communicate your KPI's to the sellers?
- How is customer satisfaction included in this?

## Result of questionnaire

|                               | Internal salesforce | External Salesforce A | External Salesforce B |
|-------------------------------|---------------------|-----------------------|-----------------------|
| All motivation                | 2,87                | 2,96                  | 2,82                  |
| Intrinsic motivation          | 3,00                | 3,09                  | 2,80                  |
| Extrinsic motivation          | 2,74                | 2,83                  | 2,83                  |
| Compensation focus            | 3,18                | 3,11                  | 3,30                  |
| Enjoyment                     | 3,01                | 3,07                  | 2,73                  |
| Challenge seeking             | 2,99                | 3,10                  | 2,88                  |
| Outward orientation           | 2,53                | 2,69                  | 2,60                  |
| Organizational identification | 5,67                | 6,29                  | 5,46                  |

The table shows the averages of the answer in each respective category. The respective categories are associated with the following questions:

All motivation: All questions regarding motivation (questions 1 - 30)

Intrinsic motivation: Questions 3, 5, 7, 8, 9, 11, 13, 14, 17, 20, 23, 26, 27, 28, 30

Enjoyment: Questions 7, 8, 17, 20, 23, 27, 28, 30

Challenge seeking: Questions 3, 5, 9, 11, 13, 14, 26

Extrinsic motivation: Questions 1, 2, 4, 10, 12, 15, 16, 18, 19, 21, 22, 24, 25, 29

Outward orientation: Questions 1, 2, 6, 12, 15, 18, 21, 24, 25, 29

Compensation focus: Questions 4, 10, 16, 19, 22

Organizational identification: Questions 31 - 34