

IMPACT OF SALESFORCE COMMITMENT ON SALES ORGANISATION

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Organisational profit is largely contingent on salesforce commitment. Salesforce commitment has a deep impact on salespeople as well as sales organisation. This paper makes a modest attempt to identify the important consequences of salesforce commitment based on research studies over a period of three decades (1984-2013). The study brings out salesforce commitment as an important variable through its multiple effects on salesforce characteristics, salesforce performance and sales organisation effectiveness. Implications and directions for future research are also indicated.

Keywords: *Commitment, Consequences, Salesforce*

JEL classification: M12, M30

1. Introduction

Without commitment of salespeople for their jobs, organisations cannot function properly. If salespeople are not committed, they will not show any interest in building relationships with the customers and that will adversely affect profitability of the organisation. Researchers have, therefore, established that high salesforce commitment has a positive impact on job satisfaction (Bateman and Strasser, 1984) and a negative impact on their intention to leave the organisation (Bartol, 1999).

In the face of fierce competition, where every organisation is striving to distinguish itself from other organisations, having a committed salesforce is no less than a boon. Presuming that commitment for sales organisations has importance, it is pertinent to look into consequences of salesforce commitment. This paper reviews previous research studies and brings out the consequences of salesforce commitment. The study first defines salesforce commitment in Section 2. In Section 3 a critical review of previous studies highlighting the important consequences of salesforce commitment is undertaken. Section 4 concludes with research implications and directions for future research.

2. Salesforce Commitment

Mowday et al. (1979) observed, "Commitment represents something beyond mere passive

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loyalty to an organisation. It involves an active relationship with the organisation such that individuals are willing to give something of themselves in order to contribute to the organisation's well-being. Commitment emphasizes attachment to the employing organisation, including its goals and values".

Organisational commitment is the relative strength of an individual's identification with; and involvement in a particular organisation (Porter and Smith, 1976). It can be characterized by at least three related factors: (i) a strong belief in and acceptance of the organisation's goals and values; (ii) a willingness to exert considerable effort on behalf of the organisation; and (iii) a strong desire to maintain membership in the organisation.

It is, therefore, accepted that commitment involves acceptance of an organisation's goals and values; and wholehearted devotion to work for attainment thereof.

3. Framework for Organizing the Study

Taking into account the variable of salesforce commitment, articles from various management, marketing, and sales journals from the year 1984 to 2013 have been culled out for a detailed and critical review. The journals included in this review are – Journal of Personal Selling and Sales Management, Journal of Marketing, Journal of Marketing Research, The Academy of Management Journal, Journal of Business Ethics, European Journal of Marketing, Journal of Business Research, Journal of the Academy of Marketing Science, Journal of World Business, Psychological Bulletin, Journal of Vocational Behaviour, Personnel Psychology, Journal of Retailing and Consumer Services and Journal of Management.

4. Review of Research Studies

In order to better understand the relationship between salesforce commitment and its consequences, a review of various research studies is undertaken hereunder.

(i) Satisfaction: Bateman and Strasser (1984) found that organisational commitment has a positive causal impact on job satisfaction. Satisfaction with opportunities for promotion, satisfaction with work, co-workers and supervision were strongly related with commitment. Curry et al. (1986) examined the effects of commitment on satisfaction. Analyzing data of nursing department employees, they found that commitment is not a determinant of satisfaction.

(ii) Salesperson's Effort and Performance: Exploring the role of commitment in affecting salesperson's effort and performance, Ingram et al. (1989) in their study on 231 industrial

salespeople found a positive relationship between salespeople's effort and their level of job commitment. Similarly, Sager and Johnston (1989) found that commitment was positively related with perceived effort. MacKenzie et al. (1998) in their study on 672 insurance sales personnel found that organisational commitment leads to extra-role performance. Bartol (1999) proposed that higher commitment to sales goals leads to higher performance. Joshi and Randall (2001) found that affective commitment had a significant impact on salesperson performance. Jaramillo et al. (2005) did meta-analysis to investigate the relationship between organisational commitment and job performance. Their meta-analysis of 51 empirical studies conducted over the past 25 years across 14 countries revealed a positive relationship between organisational commitment and job performance.

(iii) *Turnover*: Johnston et al. (1990) examined the effect of commitment on turnover intentions and behaviour. Their analysis revealed that organisational commitment was a significant predictor of propensity to leave. Using meta-analysis Mathieu and Zajac (1990) summarized previous empirical studies that examined antecedents, correlates and consequences of organisational commitment. Their meta-analysis revealed that organisational commitment had a positive impact on attendance and a negative impact on lateness and turnover. Examining the consequences of relationship commitment, Morgan and Hunt (1994) found that relationship commitment had a positive effect on acquiescence and cooperation while negative effect on propensity to leave. Bartol (1999) proposed that organisational commitment would be negatively related to turnover among salespeople. The studies by Schwepker (2001) on 152 business-to-business salespeople in United States and Low et al. (2001) on 148 field salespeople in Australia showed that higher levels of salesperson's organisational commitment will have a negative impact on their intention to leave the organisation. Brashear et al. (2003) found that commitment was negatively related to turnover intentions.

(iv) *Organisational Citizenship Behaviour*: Williams and Anderson (1991) examined the effect of organisational commitment in predicting Organisational citizenship behaviour. Using hierarchical regression analysis to analyse data of 127 employees' supervisors, they found that Organisational commitment was not correlated with Organisational citizenship behaviour. In their meta-analysis of 55 studies, Organ and Ryan (1995) found that organisational commitment had a positive causal effect on organisation citizenship behaviour.

(v) *Internal Service Quality*: Analyzing the relationships among role stress, organisational

commitment and internal service quality, Boshoff and Mels (1995) found that organisational commitment had a significant positive effect on internal service quality. In their study on 225 retail company managers, Nygaard and Biong (2010) found that retail company commitment has a positive effect on service quality and a negative effect on sales revenue.

(vi) Role Ambiguity and Role Conflict: Dubinsky et al. (1994) investigated the relationship among role ambiguity, role conflict and organisational commitment. Multiple regression analysis of 218 sales personnel from the electronics products industry in USA, 220 in Japan and 156 in Korea showed that work alienation, role ambiguity and role conflict were negatively related with organisational commitment.

(vii) Sales Organisation Effectiveness: Examining the effects of organisational commitment on sales organisation effectiveness, Grant and Cravens (1999) in their study on 146 field sales managers in 58 Australian sales organisations, found that organisational commitment was positively related with effectiveness. Effectiveness was measured using sales volume and market share, profitability and customer satisfaction. Piercy et al. (2011) examined the role that organisational commitment played as antecedent of sales organisation effectiveness. Analyzing data of 825 sales unit managers, in seven countries (Bahrain, Greece, India, Malaysia, Nigeria, Saudi Arabia, and the U.K.) using multiple regression analysis, they found that manager's assessment of salesperson organisational commitment was positively related to sales unit effectiveness in Saudi Arabia, India, Nigeria, and U.K.; while results for Bahrain, Greece and Malaysia were not significant.

(vii) Customer Orientation: Joshi and Randall (2001) found that affective commitment had a significant impact on salesperson customer orientation. Lanjananda and Patterson (2009) found that organisational commitment had a positive relationship with customer orientation as a personality trait.

(viii) Adaptive Selling Behaviour: Examining the effect of affective commitment on the adaptive selling behaviour of retail salespeople, Simintiras et al. (2013) in their study on 419 retail salespeople found that affective commitment had a direct influence on adaptive selling behaviour.

Table 1 shows the important consequences of commitment. It lists the studies, sample size, variables and key findings of the studies.

Table 1: Consequences of Salesforce Commitment

Study	Sample	Variables Studied	Key Findings
Bateman and Strasser (1984)	129 Nursing Department employees	Organisational commitment, Job Satisfaction	Organisational commitment has a positive causal impact on job satisfaction
Curry, Wakefield, Price and Mueller (1986)	Nursing Department Employees	Commitment, Satisfaction	Commitment is not a determinant of satisfaction
Ingram, Lee and Skinner (1989)	231 Industrial Salespeople	Salespeople's Effort, Job Commitment	There is a positive relationship between salespeople's effort and their level of job commitment
Sager and Johnston (1989)	132 Salespeople	Commitment, Perceived Effort	Commitment was positively related with perceived effort
Johnston, Parasuraman, Futrell and Black (1990)	National Consumer Goods Company's Salesforce	Organisational Commitment, Job Satisfaction, Role Ambiguity	Organisational commitment was affected by job satisfaction and role ambiguity
Mathieu and Zajac (1990)	Meta-analysis	Organisational Commitment, Lateness, Turnover	Organisational commitment had a positive impact on attendance and a negative impact on lateness and turnover
Williams and Anderson (1991)	127 Employees' Supervisors	Organisational Commitment, Organisation Citizenship behaviour	Organisational commitment was not correlated with organisational citizenship behaviour
Morgan and Hunt (1994)	204 Independent Automobile Tyre Retailers	Relationship Commitment, Acquiescence, Cooperation, Propensity to Leave	Relationship commitment has a positive effect on acquiescence and cooperation while negative effect on propensity to leave
Boshoff and Mels (1995)	140 Insurance Salespeople	Organisational Commitment, Internal Service Quality	Organisational commitment has a significant positive effect on internal service quality
Organ and Ryan (1995)	Meta-analysis of 55 Studies	Organisational Commitment, Organisation Citizenship Behaviour	Organisational commitment has a positive causal effect on organisation citizenship behaviour
Dubinsky, Kotabe, Lim, and Michaels (1994)	218 Sales Personnel in USA, 220 in Japan and 156 in Korea	Organisational Commitment, Work Alienation	There is a negative relationship between organisational commitment and work alienation
MacKenzie, Podsakoff and Ahearne (1998)	672 Insurance Sales Personnel	Organisational Commitment, Extra-role Performance	Organisational commitment leads to extra-role performance
Bartol (1999)		Organisational Commitment, Turnover	Organisational commitment is negatively related to turnover among salespeople
Grant and Cravens (1999)	146 Field Sales Managers in 58 Australian Sales Organisations	Organisational Commitment, Effectiveness	Organisational commitment is positively related with effectiveness
Joshi and Randall (2001)	152 Salespeople	Affective commitment, Salesperson Performance, Customer Orientation	Affective commitment has a significant impact on both salesperson performance and customer orientation
Schwepker (2001)	152 Business -to-Business Salespeople	Commitment, Intention to Leave the Organisation	Greater commitment is associated with lower intention to leave the organisation
Low, Cravens, Grant and Moncrief (2001)	148 Field Salespeople from 27 Companies in Australia	Organisational Commitment, Intention to Leave the Organisation	Higher levels of salesperson's organisational commitment has a negative impact on their intention to leave the organisation
Brashear, Boles, Bellenger and Brooks (2003)	402 Business -to- Business Salespeople	Commitment, Turnover Intentions	Commitment is negatively related to turnover intentions
Jaramillo, Mulki and Marshall (2005)	Meta-analysis	Organisational Commitment, Job Performance	There is a positive relationship between organisational commitment and job performance
Lanjananda and Patterson (2009)	270 Nurses from five Hospitals in Thailand	Organisational Commitment, Personality Trait	Organisational commitment has a positive relationship with customer orientation as personality trait
Nygaard and Biong (2010)	225 Retail Company Managers	Commitment, Service Quality, Sales Revenue	Retail company commitment has a positive effect on service quality and a negative effect on sales revenue
Piercy, Low and Cravens (2011)	825 Sales Unit Managers	Organisational Commitment, Sales Unit Effectiveness	Salesperson organisational commitment is positively related to sales unit effectiveness
Simintiras, Ifie, Watkins and Georgakas (2013)	419 Retail Salespeople	Affective commitment, Adaptive Selling Behaviour	Affective commitment has a direct influence on adaptive selling behaviour

5. Conclusion

The review of various studies conducted in different countries at different times brings out that commitment has a positive impact on salespeople's effort, attendance at work, organisational citizenship behaviour, internal service quality, job satisfaction (satisfaction with work, co-workers, supervision and opportunities for promotion), sales unit effectiveness, salesperson performance, extra-role performance, adaptive selling behaviour and customer orientation. It also suggests that organisational commitment has a negative impact on role conflict, role ambiguity, work alienation, lateness and turnover. We have also noted that there are some inconsistent results with respect to variables like job satisfaction and organisational citizenship behaviour. Some studies have found a positive impact of commitment on job satisfaction and organisational citizenship behaviour, while others have failed to find any significant relationship.

6. Implications

The study explored the consequences of salesforce commitment. It throws up several important implications for sales organisations as they gain understanding about which organisational as well as personal factors are affected by salesforce commitment. A peep into existing studies has further reinforced the fact that salesforce commitment is a sine qua non of organisational commitment.

7. Directions for Future Research

Looking to the significance of the problems, the studies in future should conduct a comprehensive review of the consequences as well as the antecedents of salesforce commitment and find the overlap. Moreover, as there are several inconsistencies in the findings with respect to certain consequences of salesforce commitment, more empirical researches is required in this area in order to get a clear picture.

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