

## A Research Odyssey in Sales Management

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### EXECUTIVE SUMMARY

For almost two decades, I have explored various facets of presumed interest to sales managers and their sales personnel. During my research odyssey, I have examined a litany of topics related to selling and sales management. This article discusses three of these areas: ethics, organizational fairness, and sales manager leadership.

Marketing in general, and selling in particular, tends to be the most conspicuous organizational functions to customers and the general public at large. As such, many researchers have examined ethics in sales. Three general conclusions emerge from my research on ethics. First, although sales personnel view several business practices and situations differently (vis-à-vis being appropriate or inappropriate), none of the practices is viewed as particularly ethically troublesome. Second, salespersons basically are unaware whether their firms have company policies addressing the business practices investigated. And third, salespeople want greater guidance from management in the conduct of their jobs than they currently receive vis-a-vis business ethics.

Employees bring to their jobs certain inputs (e.g., education, skills, training) and in return receive certain outcomes (organizational rewards). Consequently, they view outcomes as just or unjust based on their inputs. Organizational fairness is a measure of perceived equity and is comprised of seven dimensions. Findings from my work reveal that retail salesperson job satisfaction can be dramatically enhanced when sales personnel perceive that their managers (a) provide fair levels of pay within the organization, (b) are fair in administering the rules for pay raises and promotions, (c) fairly allocate job tasks and assignments, and (d) maintain acceptable forms of job behavior equitably. Interestingly, though, no dimension of organizational fairness was found to be related to retail salesperson's performance.

A major puzzle facing sales managers is how to lead salespeople to enhance sales force effectiveness. Some findings of my research indicate that transformational leadership (a newly identified leadership approach) can have a particularly favorable impact on salespersons' attitudes and behaviors. This research, though, has discovered that transformational leadership generally does not have a greater impact (e.g., higher job satisfaction) in a sales setting than transactional leadership (i.e., the traditional contingent-reward kind of leadership used in many sales organizations).

Results from my work lead to the following recommendations for sales organizations:

1. Sales managers need to provide sufficient guidance for their sales personnel. Clearly, too much direction can be constraining, but inadequate support is an abdication of managerial responsibility. Ideally, managers should discern the degree of latitude each salesperson desires.
2. Sales managers should seek to create a work environment that is perceived to be fair by sales personnel. Of special concern are issues pertaining to salespeople's pay level (within and outside the firm), determination of pay raises and promotions, amount of job latitude, and the allocation of job tasks.
3. Sales managers should focus on identifying organizational goals and salespersons' current needs, determining salespeople's goals in light of the firm's goals, drawing up a contract with sales personnel that will note the contingencies between performance and rewards, and suggesting a plan of action.
4. Admittedly, sales practitioners have a difficult job to perform. But this problem only necessitates their need for seeking avenues for enhanced knowledge and understanding rather than merely relying on tradition or conventional wisdom in the firm or industry.

## A Research Odyssey in Sales Management

For almost two decades, I have explored various facets of presumed interest to sales managers and their sales personnel. Essentially, I have been on a research odyssey seeking to uncover the "truths" about personal selling and sales management. Rather than finding the "Holy Grail," however, I have opened a Pandora's Box. I have discovered in some small way how much we (or at least I!) really do not know or understand about the activities, behaviors, and mental processes of sales managers and their subalterns.

Admittedly, I have not explored the entire portentous domain of selling and sales management. Instead, I have chosen to investigate selected topics within this research frontier. But even this relatively circumscribed research agenda is redolent of recurring lamentations and admonitions of the majority of researchers in the area: The extant research in selling and sales management has made incremental progress, but much remains to be done (a repeated coda to many articles in selling and sales management!).

During the past one score years of research peregrinations, I have had the good fortune to work with many superb colleagues--as a student, peer, mentor, and/or friend. Some collaborators have had the same university affiliation as I (and thus were in close proximity), while others were geographically distant from me--either domestically or internationally. Irrespective of the spatial distance between us, however, five major factors contributed to our successful collaborative efforts: (a) a mutually keen desire to work in the areas of selling and sales management, (b) a strong research ethic, (c) complementary research skills, (d) mutual respect for each other, and (e) strong interpersonal rapport (a la friendship). Clearly, not all of my research collaborations have been as successful as others. But those efforts that have evinced an extremely high degree of the five foregoing characteristics have been much more effective, more fulfilling, more enjoyable, and more serendipitous than research collaborations that have manifested lower levels of these five crucial features.

With these prefatory remarks made, I will offer a foretaste of the direction of this brief article. Essentially, I will be discussing what I refer to as the "Who, What, Why, Where, and How" of my research odyssey: (1) WHOM did I investigate (the populations of the studies); (2) WHAT topics did I primarily explore (the chief research issues); (3) WHY did I focus on these particular issues (the impetus behind my interest in the area); (4) WHERE do researchers go from here (the research priorities); and (5) HOW does all this research effort relate to sales practitioners (the practical significance of this research flurry). Each one of these five areas provides perspective on the underlying rationale for working in the areas of selling and sales management.

### WHOM DID I INVESTIGATE?

The bulk of my research has examined primarily issues directly related to selling and sales management. As such, the population of interest has been sales managers (generally first-line supervisors directly responsible for sales personnel) and/or salespeople. First-line sales managers are the linchpins between the salespeople on the front lines involved in selling products and/or services and succeeding higher levels of sales management (i.e., branch sales manager, zone sales manager, division sales manager, regional sales manager, vice president of sales). These managers have a surfeit of administrative responsibilities, many of them (e.g., training, motivation, evaluation, supervision) directed at the enhancement of their sales subordinates' cognitive, affective, and conative responses (e.g., market knowledge, job satisfaction, performance). In fact, research has found that "what" sales managers do to salespeople after they have assumed their roles has a marked impact on performance (Churchill et al. 1985).

In a parallel way, sales personnel serve as the major link between extra-organizational (customers) and intraorganizational (e.g., sales management, production, customer service) members and tend to be the primary revenue-generating source in most firms. Such a significant position makes them particularly susceptible to feeling role stress, job tension, and organizational estrangement (Walker, Churchill, and Ford 1977). Perforce, then, sales organization members can have a dramatic impact on, and can be influenced dramatically by, the organization.

## WHAT TOPICS DID I EXPLORE?

During my research odyssey, I have examined a litany of topics related to selling and sales management. I shall reserve my comments solely to three of these areas: ethics, organizational fairness, and sales manager leadership.

### Ethics

Marketing in general, and selling in particular, tend to be the most conspicuous organizational functions to customers and the general public at large. Therefore, marketing and sales are frequently maligned by various constituencies as engaging in questionable or outright malfeasant business behaviors or practices (e.g., product misrepresentations, use of fictitious pricing, utilization of bribes). Several articles of mine have pertained specifically to the ethical milieu of sales personnel (Dubinsky, Berkowitz, and Rudelius 1980; Dubinsky et al. 1991; Dubinsky et al. 1992; Dubinsky and Levy 1985; Levy and Dubinsky 1983).

Regardless of the sales context, three general conclusions emerge from my research on ethics. First, although sales personnel view several business practices and situations differently (vis-à-vis being appropriate or inappropriate), none of the practices is viewed as particularly ethically troublesome. Second, salespersons basically are unaware whether their firms have company policies addressing the business practices investigated. And third, salespeople want greater guidance from management in the conduct of their jobs than they currently receive vis-a-vis business ethics. Furthermore, in the international arena, U.S. sales personnel, relative to their Japanese and Korean counterparts, regard several business practices to be less of an ethical concern; their firms, however, are more likely to have company policies addressing the issues and the salespeople are keenly desirous of having company policies addressing them (Dubinsky et al. 1991).

### Organizational Fairness

Employees bring to their jobs certain inputs (e.g., education, skills, training) and in return receive certain outcomes (organizational rewards). In such an exchange relationship, participants perceive outcomes to be just or unjust; based on those perceptions, a sense of equity or inequity is understood to exist. Organizational fairness is a measure of perceived equity and has its origins in the seminal work of Adams (1963, 1965). It comprises seven dimensions: Pay rules, pay level, pay administration, rule administration, work pace, distributing tasks, and latitude.

Organizational fairness has been found to influence both retail (Dubinsky and Levy 1989) and industrial (Dubinsky, Kotabe, and Lim 1993) salespeople's (in Japan) job-related responses (e.g., job satisfaction, motivation). For example, retail salesperson job satisfaction can be dramatically enhanced when sales personnel perceive that their managers (a) provide fair levels of pay within the organization (pay rules), (b) are fair in administering the rules for pay raises and promotions (pay administration), (c) fairly allocate job tasks and assignments (distributing tasks), and (d) maintain acceptable forms of job behavior equitably (rule administration). Interestingly, though, no dimension of organizational fairness was found to be related to retail salesperson's performance (a standardized measure of sales per hour). In an international context, Japanese field salespeople's job satisfaction increased when pay rules, pay level (one's pay relative to those outside the employing firm), and latitude (employee freedom in the job) were handled fairly; again, though, no dimension of organizational fairness was related to salesperson performance. Moreover, salespersons' perceptions of organizational fairness have been discovered to vary by country--differences among U.S., Japanese, and South Korean salespeople (Kotabe, Dubinsky, and Lim 1992).

### Leadership

A major conundrum facing sales managers is how to lead salespeople to enhance sales force effectiveness. Leadership essentially is the ability of a superior to influence the behavior of subordinates and persuade them to willingly follow a desired course of action. Research in organizational behavior (e.g., Bass 1985) has identified a new kind of leadership--transformational leadership. Managers manifesting this leadership approach tend to provide charismatic and inspirational leadership, intellectual stimulation, and individualized consideration to employees. A major end result of such leadership behavior is that subordinates assume superordinate goals rather than focusing on narrowly focused personal goals. This is in stark contrast to the traditionally utilized leadership approach--transactional leadership. Transactional leaders essentially create a contract with their employees that articulates what each employee is to achieve and what he or she will re-

ceive accordingly for such achievement (e.g., earning a sales bonus for exceeding quota). This leadership approach tends to result in employees' seeking to achieve the pre-established goals but not endeavor to reach superordinate goals.

Some preliminary investigations in a sales management context have found that transformational leadership can have a particularly favorable impact on salespersons' affective and behavioral responses (Dubinsky et al. 1995; Yammarino et al. 1997; Yammarino and Dubinsky 1994). This research, though, has discovered that transformational leadership generally does not engender stronger results (e.g., higher job satisfaction) in a sales setting than transactional leadership. Given the milieu in which sales personnel are employed and the nature of transformational leadership, however, this kind of leadership has been suggested as possibly being especially auspicious in a selling environment (Jolson et al. 1993).

### A Synthesis of the Findings

There tends to be an underlying body of knowledge that has been uncovered in the foregoing investigations. Collectively, the results tend to echo a general set of recurring themes. One theme is that salespeople seem to be asking for guidance in the performance of their jobs. A tradition-bound view of sales personnel is that they are mavericks, on their own in the field, and desirous of at least a modicum of latitude--and that they prefer this kind of environment. This perspective, though, is discordant with that found in the above studies. Although guidance can be excessive (and overly constraining), salespersons seem to acknowledge that the nature of their jobs demands valuable input from management. While they may not wish to be enthralled by management fiat, they want direction that can be useful as they execute their job responsibilities.

A second theme is that salespeople have a predilection for a quid pro quo. Sales personnel will expend effort and seek to attain pre-specified goals when a fair "contract" (either written or informal) has been established between their manager and them. To the extent that salespersons (a) can visualize this contract, (b) regard it as equitable, and (c) perceive they can perform sufficiently in order to attain the contract's objectives and receive the concomitant rewards, they direct their attention accordingly. Essentially, then, salespeople want to feel rewarded for their results.

One final theme is that salespeople seemingly are careful cognitive processors. The findings from all three areas of research infer that sales personnel assess many situations they confront and take action accordingly. For instance, they apparently evaluate the ethical milieu in which they work and deduce that they need enhanced managerial direction (even when guidance is already provided). They assess the equity in their organizations and do so by focusing on intra- and extra-organizational factors. And they carefully draw up a "contract" with their sales manager that will be used in executing assignments, achieving goals, and receiving rewards. Essentially, then, salespersons are chary when examining the situations in which they find themselves.

### WHY DID I FOCUS ON THESE ISSUES?

Irrespective of the selling and sales management issues that I have researched, the following rationales offer explanations for my interest in the topic:

Prior to pursuing an academic career, I was a territory manager for a large computer company. Although company management did many things well, there were also numerous problems that surfaced in the day-to-day activities of my job (e.g., inadequate or ineffective sales supervisory behavior, ill-conceived quotas, poorly designed territories). This previous sales experience (both good and bad) led to my developing a keen interest in the areas of selling and sales management. For example, certain ethically-demanding sales situations I confronted (e.g., a manager's overselling the capability of a computer to numerous clients, thus leading to litigation by the aggrieved customers) heightened my ethical sensitivity. Being assigned to a relatively barren sales territory while many of my counterparts enjoyed more lucrative assignments seemed palpably unfair to me. And sales managers' focusing solely on salespeople's weaknesses (and thus ignoring their strengths) during performance evaluation was vexing to me, thus signifying to me that "there must be a better way" to be a leader. Moreover, the various issues in the selling arena that have piqued my curiosity have been ones to which I could relate from a practical perspective.

Twenty years ago, the selling and sales management discipline was in a nascent state of development. So little was known and understood about the field. Therefore, the general topic was "ripe for the picking." Enhancing knowledge in such an embryonic field made eminent sense to me.

Colleagues and I generally have had compatible interests and complementary skills. We have been eager to brainstorm a topic and examine whether knowledge from other fields (such as organizational behavior) is pertinent to selling and sales management. The collegiality among my research collaborators and me typically has fostered a mutual zest for a given topic. The collaborators either have been in an allied discipline (e.g., organizational behavior)--thus conducting to an interdisciplinary research effort--or within the sales management academic community itself.

Having had some familiarity with the practice of selling and sales management, my reading the extant literature in the area or in an allied discipline would reveal to me whether a particular area of research (e.g., role theory, expectancy theory) might be germane to a sales context. Reading about and trying to apply such theories in a selling situation has intrigued me.

### WHERE DO RESEARCHERS GO FROM HERE?

Much additional work is needed in the areas of sales ethics, organizational fairness in sales organizations, and sales leadership. So many questions remain unanswered. The following are a few research questions that seem especially germane to each of these areas.

1. What are the pressing ethical concerns of salespeople today? In what areas do they seek assistance from management?
2. Given that the U.S. economy has been robust for several years, are sales personnel feeling less pressure to engage in questionable practices in order to get the sale?
3. How applicable are Western-based models of marketing/sales ethics in non-Western nations? How should those models be modified?
4. Do sales personnel and their managers hold discordant perceptions of the ethical climate of their industry?
5. How do salespeople manage ethical conflict that arises between them and (a) their managers and (b) their customers?
6. Given that the U.S. economy has been robust for several years, how important do sales personnel view the issue of organizational fairness?
7. What dimensions of organizational fairness (in addition to those that have been previously investigated) are germane to the field sales position? Does the importance of these dimensions vary across industry and firm?
8. How are sales organizations addressing issues of inequity? What are companies doing to try to effect an equitable work environment for sales personnel?
9. Does the importance of the various dimensions of organizational fairness change over time? If so, what factors contribute to this variance?
10. Do sales personnel and their managers have similar perceptions regarding sales department organizational fairness?
11. Given that the U.S. economy has been robust for several years, what leadership style(s) has become prevalent in sales organizations?
12. What can be done to facilitate effectiveness of sales manager transformational leadership?
13. What factors foster effective transactional leadership and transformational leadership in a sales setting?
14. Can transformational leadership be used in non-Western selling environments effectively?
15. Do sales personnel and their managers hold consonant views of the sales managers' leadership style?

## HOW DOES ALL THIS RESEARCH EFFORT RELATE TO SALES PRACTITIONERS?

Answering this question pertains to two somewhat related issues: (a) what I truly believe in beyond the data and previously published statements of my work and (b) what practical advice I might offer to sales practitioners who feel that academics can offer real-world wisdom. To be blunt, sales managers serve in their capacity in a dynamic, tumultuous, intense milieu involving the incessant demand to satisfy organizational goals (chiefly financial) and customer needs while simultaneously managing sales subordinates from afar. Their task is distinctly different from any other group of managers in an organization owing to the fiscal responsibilities placed on them and the requisite for balancing intra- and extra-organizational members' demands and expectations.

Given this seeming riptide in which sales managers find themselves, what becomes palpable when the results and implications of any study are revealed is that each investigation basically contributes only incrementally (at best) to assisting sales practitioners in the performance of their jobs. Clearly, there is no paradigm, theory, or nostrum that will explain 100 percent of the variance in sales manager or salesperson effectiveness. Rather, the problems confronting sales practitioners are hydra-headed--that is, they constitute a multivariate mosaic that generally has no easy answers. The foregoing scenario may appear to be Cassandra-like, which is not intended. Nor is it designed to permit sales practitioners the luxury of throwing up their hands in desperation and frustration and proclaiming, "I'll do it my way rather than relying on nugatory research findings."

The results of my research do imply that the following actions could be beneficial for sales organizations:

Sales managers need to provide sufficient guidance for their sales personnel. Clearly, too much direction can be constraining, but inadequate support is an abdication of managerial responsibility. Ideally, managers should discern the degree of latitude each salesperson desires. Short of this (owing to administrative difficulties), sales managers should direct sales personnel using flexibility. Situations that require consistent action from the sales force could be mandated for sales personnel. Those areas where behavioral congruence is not critical can allow enhanced latitude for sales personnel. In essence, direction must be offered so that salespeople can perform their jobs effectively.

Sales managers should seek to create a work environment that is perceived to be fair by sales personnel. Of special concern are issues pertaining to salespeople's pay level (within and outside the firm), determination of pay raises and promotions, amount of job latitude, and the allocation of job tasks. Sales personnel need to feel that they are being treated fairly (not equally) relative to their sales counterparts. Failure to consider this crucial topic could conduce to decreased levels of job satisfaction, commitment, and motivation of salespersons.

Sales managers should focus on identifying organizational goals and salespersons' current needs, determining salespeople's goals in light of the firm's goals, drawing up a contract with sales personnel that will note the contingencies between performance and rewards, and suggesting a plan of action. Moreover, during the performance period, sales managers should assess salespeople's goal achievement to date to discern whether corrective action is necessary.

Admittedly, sales practitioners have a difficult job to perform. But this complicacy only necessitates (or even mandates!) their need for seeking avenues for enhanced knowledge and understanding rather than merely relying on tradition or conventional wisdom in the firm or industry. Reading the popular business press, networking, joining professional sales organizations and trade associations, and talking with peers and colleagues within or without the company might all ultimately provide an abundance of information that may assist sales practitioners in the performance of their duties. These alternatives, although useful, typically are not predicated, however, on a scientific approach--a carefully designed and orchestrated research study that seeks to address a seemingly important, yet circumscribed (perforce), issue.

Clearly, not all research studies in selling and sales management are carefully conducted nor will they all provide illuminating solutions to some major problem facing sales practitioners (a la a cure for cancer). But by and large, germane conceptual and empirical work can offer sales practitioners new insights to existing, recurring, or new problems; alternative

ways of thinking about pressing issues; and pique intellectual curiosity. And, if nothing else, such research may stimulate sales practitioners to think, "Gee, there must be a better way."

No, research in selling and sales management will not necessarily solve an immediate problem facing a given sales practitioner. It can, however, enhance knowledge and understanding--a little at a time--about the situation confronting him or her. And, after all, even incremental improvements can be useful (witness the "continuous improvement" juggernaut of the Japanese). Thus, to paraphrase an old adage, "When all else fails, read the sales literature!"

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