International Journal for Research in Engineering Application & Management (IJREAM)
ISSN : 2454-9150 Vol-12, Issue-04, July 2026

A Study of the effect of Behaviour based, Outcome based and Hybrid Sales Force Control System on Pharmaceutical Sales Force in India.

Dr. Nazim Farid

Associate Professor, Department of Management and Commerce, Mohammad Ali Jauhar University, Rampur, Uttar Pradesh, India. nazim_786 farid@yahoo.co.in

Abstract - This study highlights the differences of behaviour based, outcome based and hybrid control systems as the sales force controls system and its effects on sales force of Indian Pharmaceutical Industry. This study highlights some points. A survey was carried out in Delhi in December 2025, 500 Medical Representatives were studied and their opinion were recorded The finding yields mixed results hybrid control is the most common control with Prevalence rate of 93%And only 6% were having either behaviour based Control or Outcome based controls. It was found that hybrid control benefits heavily and it is the best control type. It is proved that hybrid control a most common control and the most success full control. Only 6% were having either behaviour Based or outcome control. The effect of hybrid controls is very much there and studied properly.

Keywords: Outcome based sales force control system, Behaviour based sales force controls, Hybrid controls system, Management control systems, sales force control and pharmaceutical industry of India.

1. Introduction

A Sales force control system is not merely a device or tool for directing the behaviour of salesperson in the desired direction, but it serve as an organisations set of procedure for monitoring, directing, evaluating and compensating its employees. Sales force control system can be classified on different bases like outcome based Sales force control system and behaviour based Sales force control system and formal and informal control system. Anderson and Oliver have classified control system as behaviour based and outcome based Sales force control system. In Outcome based Sales force control system

- Relatively little monitoring of salespeople by management is involved.
- Relatively little managerial direction or efforts to direct sales people is involved and
- Straight forward objective measure of results (outcomes) rather than measures of the methods sales people use to achieve results are used to evaluate and compensate the sales force.

  In Behaviour based Sales force control system.
- Considerable monitoring of salespeople activities and results is involved.
- High level of management direction of and intervention in the activities of sales people are involved
- Subjective and more complex methods based largely on (1) what salespeople bring to the selling task example Aptitude, product knowledge (2) their activities example number of calls and (3) Their sales strategies rather than sales outcome are used to evaluate and compensate the sales force. [1]

These two types of sales force control system are extreme. Majority of companies uses hybrid control system or a control system containing the features of both outcome based Sales force control system and behaviour based Sales force control system are used.

In outcome based sales force control system sales volume quotas are commonly used. Often Gross margin, net profit or sales expense ratios are also used. In behaviour based Sales force control system the process of selling is involved and a measure to performance can be classified as selling activity and non-selling activities. Both types of control system are used to evaluate and compensate the salesperson. There are very few companies where either behaviour based control systems or outcome based control system are involved in the Indian Pharmaceutical Industry. Majority of sales managers believe that a combination of both the control system will be most suited as a control system which we can call as a hybrid control system. Both outcome based control system and behaviour based control system are two opposite approaches. These control system are linked not only to the desired behaviour but also linked to the motivation. The effect of these control system on performance is also varied.

 DOI : 10.35291/2454-9150.2026.0038

In outcome based Sales force control system the salesperson is motivated in getting sales, serving customers, delivering products and many other goals as well. The salesperson is thus motivated in the desired direction, where as in behaviour based Sales force control system the salespersons are motivated in different direction. There is often an overlapping of the scope of the goals. Before designing and implementing these Sales force controls system appropriate objectives should be considered for a company.

Majority of organizations exists for profits and making profit is an important function of these organisations. Hence Sales plays a very important role in the functioning of, for -profit organisation, as sales are directly related to profit. In fact the success of for-profit organization is dependent on sales. All this makes controlling the activities of sales force an important function. Control in very simple terms refers to check the desired and actual performance and taking corrective steps and checking deviations. Control is the direction in which the flow of activities are allowed or checked.

Control is basically a name of process consisting of 4 steps. These steps are (a) Creating performance standards (b) recording performances (c) evaluating actual and desired performance (d) taking corrective action. The first step of control requires planning. The planning should be about sales objectives which are derived from basic goals and objectives of a particular company. These basic goals and objectives pave the way for sales department to see where they want to reach.

Although many types of classification of sales force control system are there but one classification given by Anderson and Oliver is a major breakthrough in research. He classified Sales force control system as Behaviour based control system and outcome based control system. Behaviour based control system (BBCS) is the control system where more monitoring of salespeople by the management is there. More managerial supervision to direct salespeople is there. In Behaviour based control system, more use of subjective and more complex methods based on salesperson aptitudes are there and product knowledge, no of calls, their sales strategies etc to evaluate and compensate salesperson are there. (Anderson and Oliver 1987). In behaviour based control system compensation is paid as fixed salary. In outcome based control system salesperson works under less monitoring, less of managerial direction to direct sales people and use of objective measures of outcome to evaluate and compensate the sale person. Incentives are given to salespeople based on their sales target. In outcome based control the salesperson are expected to make sales and provide profits to the company and their compensation is in terms of commission and allowances. This classification of Anderson and Oliver based on outcome and behaviour based control system forms the basis of various types of compensation system prevalent in India. In India the most common type of compensation system is a fixed salary plus commission. Still there are companies where only salary is given to sales persons and some companies also pay only commission to their salespersons.

2. Literature Review

Zoha F, and Azam, K (2016) reviewed the studies and found out that the effect of supervisory behaviour on job satisfaction. The study holds implications for sales managers. They need to take due care in choosing the right kind of sales force control system and supervisory behaviour as it will have impact on job satisfaction which is the most important factor in affecting sales force performance.

Rene Y. D. (1998) Found out that through the development of a conceptual framework of sales force control, it is suggested that management should select the most appropriate control devices characterized along three main dimensions (centralized-decentralized, outcome-behaviour-based, and quantitative-qualitative), depending on management's sales force selling and control objectives and on the availability and/or costs of relevant information.[2]

Rene, Y. D and Xavier, M C found out (2011) and proposed model considers the structure of the system by analyzing its actual components and relationships, rather than as a black box. The advantage is to be able to better understand the SFCS structure objectively rather than relying on salespeople's or managers' perceptions of the characteristics of the system. As can be noted, the impact of personal, organizational, and environmental characteristics on the SFCS have been mentioned (Cravens et al. 1992), but no specific variables and relationships with the various aspects of a SFCS have been specified. Although there should be some impact of those variables, they still need to be specified and empirically investigated. [3]

Mohammed, S, C. (2007) found out that the findings indicated that to the extent that Supervisors engaged in positive motivational behaviour, salespersons' intrinsic motivations were increased, which, in turn, increased their performance.[4]

Benet , Z.A, Marin-Garcia JA and Kuster, I (2017) found out that High levels of behaviour based and outcome based control simultaneously (high control system) are associated with favourable salesperson consequences regarding job satisfaction, role ambiguity, role conflict, turnover intentions, and organizational commitment .Hybrid systems with elements from outcome- and behavior-based, are the most common choice between firms.[5[

Steven, P B, Kenneth, Evans, Murali ,K,M and Challagala, G found out(2013) and discussed that the need to adapt research in three substantively related but paradigmatically diverse research domains (salesperson motivation, control systems, and compensation) in light of the evolving selling

 DOI : 10.35291/2454-9150.2026.0038

environment. A key objective is to suggest the desirability of integrating these literatures, which, ultimately, all seek to inform management regarding how salespeople and sales organizations can be encouraged to become more productive. The authors maintain that specification of the right goals and metrics constitutes a fundamental common denominator across the three literatures. [6]

3. Customer Orientation and Customer Relationship Management

CRM is defined as building long term mutually satisfying relationship between the company and its customers. It is at least ten times easier and quite profitable to sell a product to satisfied customers than to make new customers. Internet has made the loyalty of customers of greater importance. Since meeting customer satisfaction profitably is the only solution to increased competition so customer orientation becomes even more important.

Previous studies have defined an SFCS as "an organization's set of procedures for monitoring, directing, evaluating, and compensating its employees" (Anderson and Oliver 1987)

In efforts to increase sales force Productivity, management must motivate salespeople to pursue specific challenging goals that benefit the organisation. What it means is that, that the personal goals should be appropriately aligned with organisational objectives. Gollwitzer and Bargh(1996) refers to the personal goals as directors of action and consider them the most elemental units of psychology of motivation. These goals (personal) of the salespeople are important for the study of motivation in relation to control system and compensation.

What managers want is, to properly guide, compensate and control salespeople. The salesperson wants their carrier goals to be fulfilled. The organisational goals of sales unit along with personal goals and compensation are not static but dynamic. The Managers should constantly motivate, direct and control salespeople. This dynamic nature of organisational goals and personal goals leads to role overload. In order to properly motivate, guide and control salespeople and made to understand the organisational goals of the sales unit. Organisational goal clarity can work more positively in enhancing the productivity of salespersons.

Financial compensation is widely regarded as a key driver of sales force motivation, revenue and profit in Industries that rely hugely on personal selling e.g. Pharmaceutical industry. Financial compensation is widely acknowledged as a key driver of sales force motivation, revenue and profit in industries like Pharmaceuticals. A variety of compensation plans involving differing proportions of fixed salary and variables (sales based commissions and bonus pay is seen in practice today). Surveys of practice over the years have shown that the most common form of sales force compensation plans combines a salary with Quota based commissions or Bonus plan. The optimal choice and design of compensation plan however remain a perennial challenge for most companies.

Quotas are Quantitative objectives assigned to sales organisational unit-individual sales persons. There are many objectives for using sales quotas. Quotas are tools and techniques for directing and controlling sales activities. Let us now discuss objectives in using sales quotas.

1. To use as quantitative performance standards

Quotas are means to determine who (Salespersons) are doing what, in achieving sales related activities. Territorial sales potential and territorial sales quotas are standards for measuring sales performance.

2. To bring sales and expenses under control

Control over expenses and profitability is brought under control through sales quotas. Some companies reimburse sales expenses only to a certain percentage of sales volume, the expense quota being expressed as a percentage of sales. Others set dollar expense quotas and appraise sales person in part by their success in staying with the assigned expense limit. Others establish quotas for dollars profit or profit percentage of sales. Budget Quotas shift the emphasis from making sales to increasing profitability.

3. To Motivate desired performance

Quotas motivate sales personnel, distributive outlets and others engaged in sales operations to achieve assigned performance levels. Quotas are a mean by which it can be explained to the salesperson that what Performance is expected out of it. Quotas are the means by which controls can be exercised by the management on sales personnel.

4. To use in connection with sales contests

Performance against Quota is the main basis for making awards in sales contests. Sales contests are a powerful means, if all contestants feel that they have an equal chance of winning.

4. Quotas and its Types

Quotas are of four types (1) Sales volume Quotas (2) Budget Quotas (3) Activity Quotas and combination Quotas.

4.1 Sales Volume Quotas

When Quotas are expressed as Sales volume then it is known as Sales Volume Quotas. It is an important standard for appraising the performance of individual salespersons, other units of sales organisation and Distributive outlets. Sales volume quotas are set for geographical areas, product lines or Marketing channels or for one or more of these in combination with any unit of sales organisation. The exact design depending upon what facet of the selling operation management want to appraise or motivate. The Sales

 DOI : 10.35291/2454-9150.2026.0038

ISSN : 2454-9150 Vol-12, Issue-04, July 2026

Volume Quotas are of three types as follows (1) Dollars sales volume Quotas, Unit sales volume quotas and point sales volume quotas. Let us take them one by one.

(I) Dollar Sales Volume Quotas:

Companies selling broad product lines set sales volume Quotas in dollars rather than in units of products. These Companies meet complications in setting unit Quotas and in evaluating sales performance for individual products.

(II) Unit Sales Volume Quotas:

Sales volume Quotas in units of products are used in two Situations. One in which the prices fluctuate considerably. The second situation occurs with narrow product lines sold at stable prices.

(III) Point Sales Volume Quotas:

Some companies often use sales volume quotas in Points. Companies use point sales volume quotas because of problems in using dollar or unit volume quotas.

4.2 Budget Quotas

Budget quotas are set for various units in the sales organisation to control expenses, Gross margin or net profit. Budget quotas are set for sales force to convey them the message that their job comprises of something more than obtaining sales volume. Expense Quotas keeps the sales volume quotas in line with profit. Expense quotas are levied with other types of quotas. Expense quotas are used most often with Sales volume Quotas. Budget quotas are of three types. Expense Quotas and Gross Margin or net Profit Quotas. Use of Gross Margin or net profit Quotas proves that net profit is more important and not sales always.

4.3 Activity Quotas

The Activity quotas are the Quotas that make the sales person aware about the importance of certain activities. A company using activity quotas starts by defining the important activities salesperson performs, and then it set target performance frequencies. Activity Quotas are set for total sales call, calls on particular classes of customers, calls on prospects, and number of new accounts, Missionary calls, product demonstrations, placements and erections of displays. Activity quotas are much used in insurance selling, where sales person must develop new contacts. They are also common in pharmaceutical industry, where medical representatives call on doctors and hospitals to explain new products and new applications of both old and new products.

Activity quotas permit management not only to control but to give recognition to salespersons for performing non selling activities and for maintaining contacts with customers who may buy infrequently but in substantial amount.

4.4 Combination and other Point System Quotas

Combination quotas control performance of both selling and Non Selling Activities. These quotas overcome the difficulty of using different measurement units to appraise different aspects of performance. Because performances against combination quotas are computed as percentages, these quotas are known as point system, the points being percentages.

5. Indian Pharmaceutical Industry

The beginning of Indian Pharmaceutical Industry started during the Colonial times, however domestic production soon picked up and Indian pharmaceutical industry became a success story. The Indian Pharmaceutical Industry is third largest in volume and 14th largest in value term. [8]. India is largest manufacturer of Generic medicines globally and is known for its affordable vaccines and generic medications. For the past nine years Indian pharmaceutical industry has grown at a compound annual growth rate of 9.43 %. Indian pharmaceutical Industry manufactures almost all types of medicines be it oral medicines, Generic drugs, injectibles, complex cardiac compound, heart valves, bulk drugs etc.

Over 50% of global demand for vaccines is met by India. Indian Pharmaceutical Industry has around 3000 drug companies and 10500 manufacturing units, many factors are responsible for the growth of pharmaceutical industry in India. India has very large pool of trained and professional workforce along with large pool of scientists, laboratories and engineers. Contract manufacturing and many other factors like favourable government policies have contributed to the growth of this industry. Over 80% of antiretroviral drugs used globally to combat AIDS are supplied by the Pharmaceutical industry of India. Indian Pharmaceutical industry is expected to touch US $ 130 billion in value by the end of 2030. According to the data of the government Indian pharmaceutical industry is worth $ 50 billion, with over 25 billion of value coming from exports.

The Indian pharmaceutical industry meets 20% of the global exports in Generic drugs. India has 120 US Food and Drugs administration approved plants outside United States. Indian drugs are perceived as having High Quality and are of low price.

6. Data Analysis and Interpretation

H01: There is no significant relationship between highly acceptable sales force control system and experience of salespersons.

 DOI : 10.35291/2454-9150.2026.0038

ISSN : 2454-9150 Vol-12, Issue-04, July 2026

Table No. 1

Highly acceptable sales force control system and experience of salespersons.	Experiences of MR	Mean value	Std. Deviation	F value	Significant value
	0-10 years	.81	.41	7.01	.03
	10-20 Years	1.57	.35		
	20-30 years	1.30	.08		

The above table no.1 shows the result of ANOVA Test used to ascertain the differences if they exist between highly acceptable sales force control system and experience of sales persons. It is shown in the table that the mean value in this case is 1.22, which shows neither agreement nor disagreement. The significant value in this case is .03 which is less than .05. Hence the null hypothesis is rejected and alternate hypothesis is accepted. Thus we can say that significant differences exists between highly acceptable sales force and experience of Salespersons.

H02: There is no significant relationship between assigning higher sales quotas to high risk takers and size of the organisation.

Table No. 2

Assigning higher sales quotas to high risk takers and size of the organisation.	Size of organisation	Mean value	Std. Deviation	F value	Significant value
	(Small) 0-5 crore	1.91	.52	.215	.801
	(Medium) 5-25 crore	2.51	1.37		
	(Large) 25 crore and above.	2.28	1.19		

The above table no.2 shows the result of ANOVA Test used to ascertain the differences; if they exist between customers oriented sales approach will lead to more sales and the size of the company. It is shown in the table that mean value is greater than 2, which indicates neither agreement nor disagreement. Further the result of ANOVA shows that the value of significance is .801 which is reater than .05 (95% confidence interval). Hence the Null hypothesis is accepted and alternate hypothesis is rejected thus we can say that significant differences exist between customers oriented sales approach will lead to more sales and the size of the company.

H03: There are no significant relationship between applying hybrid control leads to achieving more upper limits of quota attainment and experience of salespersons.

Table No. 3

Applying hybrid control leads to more upper limits of quota attainment and experience of salespersons.	Experiences of MR	Mean value	Std. Deviation	F value	Significant value
	0-10 years	2.71	.21	.501	.000
	10-20 Years	2.10	.59		
	20-30 years	3.02	1.17		
	Average	2.53	.85		

The above table no.3 shows the result of ANOVA test used to ascertain the differences, if they exists between applying hybrid control will leads salespersons to reach upper limits of sales quotas and experience of medical representatives. The mean value in this case is 2.53, which indicates agreement. Further the result of ANOVA Shows that the value of significance is. 000, which is less than .05(95% confidence interval). The Null hypothesis is therefore rejected and alternate hypothesis is accepted. Thus there is no significant differences between customers oriented sales approach will leads to more sales and the experience of Medical Representatives. Hence we can say that significant differences exists between customer oriented sales approach will lead to more sales and experience of medical Representatives.

H04: There is no significant relationship between applications of hybrid control leads to more customer oriented selling and size of the organisation.

Table No. 4

Customer oriented sales approach will leads to more sales and the nature of the organisation.	Nature of organisation	Mean value	Std. deviation	T value	Significant value
	Domestic	2.31	1.41	.558	.480
	Multinational	2.53	1.30		
	Average	1.42	1.40		

The above table no.4 shows the result of independent sample t test used to ascertain differences between customers oriented sales approach will leads to more sales and nature of organisation. It is shown in the table that multinational companies score more than domestic companies. However the value in both the case is near to 2, which indicates disagreement. Further the result of t test shows the value of significance is .480, which is higher than .05 (95% confidence interval). Thus the Null

DOI : 10.35291/2454-9150.2026.0038

Hypothesis has been accepted and alternate hypothesis is rejected.

H05: There is no significant relationship between by increasing the petrol allowance or by providing higher travelling Allowance in Delhi will ultimately lead to higher sales quota Attainment.

Table No.5

Increase in petrol allowance or TA will lead to Higher sales Quota Attainment in Delhi	Experiences of MR	Mean value	Std. Deviation	F value	Significant value
	0-10 years	1.40	.13	7.03	.001
	10-20 Years	1.53	.25		
	20-30 years	1.18	.22		

The above table no.5 shows the result of ANOVA test used to ascertain the differences between increasing petrol allowance or travelling allowance will lead to more quota attainment in Delhi. In general both behaviour based and outcome based controls are important for controlling Medical Representatives and experience of Medical Representatives. It is shown in the table that the score of respondents is near to 2, which indicates agreement, Further the value of significance is .001 which is lesser than .05 (95% confidence interval). Hence the null hypothesis is rejected and alternate hypothesis is accepted. Thus there exists significant differences between experience of medical representatives and by increasing petrol allowance higher quotas can be achieved

H06: There is no significant relationship between by considering inputs from sales force, higher sales quotas can be achieved and experience of medical representatives.

Table No. 6

By considering inputs from sales force, higher sales quotas can be achieved and experience of medical representatives .	Experiences of MR.	Mean value	Std. Deviation	F value	Significant value
	0-10 years	2.31	.41	.527	.003
	10-20 Years	2.50	.10		
	20-30 years	2.09	.36		

The above table no.6 shows the result of ANOVA test used to ascertain the differences between by considering inputs from sales force higher sales Quotas can be achieved and experiences of medical representativeness. The mean value in this case is 2.09 which indicates neither agreement nor Disagreement Further the result of ANOVA shows that value of significance is .003, which is less than .05. Hence we can say that there exists significant differences between considering inputs from salespersons will lead to higher sales quota achievement and experience of Salespersons. Thus we can say that the null hypothesis is rejected and alternate Hypothesis is accepted.

7. Findings of the Study

(1) There exists significant differences between highly acceptable sales force control system and experiences of salespersons

(2) There exists no significant relationship between assigning higher sales quotas to high risk takers and size of the organisation.

(3) There exists significant relationship between applying hybrid control leads to achieving more upper limits of quota attainment and experience of salespersons. .

(4) There is no significant relationship between applications of hybrid control leads to more customer oriented selling and size of the organisation

(5) There exists significant relationship between by increasing the petrol allowance or by providing higher travelling Allowance in Delhi will ultimately lead to higher sales quota Attainment

(6) There exists significant relationship between by considering inputs from sales force, higher sales quotas can be achieved and experience of medical representatives.

8. Conclusion

From Above results we can say that significant differences exists between highly acceptable sales force control system and experiences of salespersons. There exists significant relationship between applying hybrid control leads to achieving more upper limits of quota attainment and experience of salespersons. There exists significant relationship between by increasing the petrol allowance or by providing higher travelling Allowance in Delhi will ultimately lead to higher sales quota Attainment. There exists significant relationship between by considering inputs from sales force, higher sales quotas can be achieved and experience of medical representatives.

REFERENCES

[1] Anderson Erin and Oliver Richard L. (1987), "Perspectives on Behavior-Based Versus Outcome-Based Salesforce Control Systems," *Journal of Marketing*, 51 (October), 76–88.

[2] Rene , D. The Effects of Some Situational Variables on Sales Force Governance System Characteristics, Journal of Personal Selling and Sales Management, 18(Winter 1998), 17-30

[3] René Y. Darmon and Xavier C. Martin A New Conceptual Framework for the Study of Sales Force Control Systems (with XavierMartin), Journal of Personal Selling and Sales Management, 31, 3 (Summer, 2011), 297-310.

 DOI : 10.35291/2454-9150.2026.0038

[4] Mohammed, S. C. (2008) Enhancing motivation and work performance of the salespeople: The impact of supervisors' behavior . Global journal of Business Management.

[5] Benet-Zepf A1*, Marin-Garcia JA2 and Küster I (2017) Sales force Control Systems as Direct Antecedents of salesperson and Sales Unit Performance: A Literature Review Business and Economics Journal.

[6] Steven p. Brown, Murali Mantrala and Goutam Challagalla. (SEP. 2013)Adapting Motivation, Control, and Compensation Research to A New Environment. Journal of Personal Selling and Sales Management.

[7] Zoha. F. Behaviour Based Salesforce Control System for Most Effective Sales Organizations: A Review Based Article Asian Journal of Marketing · January 2015

[8] Pharma Industry | Department of Pharmaceuticals. Accessed on 21 December 2025

[9] Indianpharma.ficci.in assessed on 8 or 9 December 2025.

 DOI : 10.35291/2454-9150.2026.0038