

A Measurement Model of the Dimensions and Types of Informal Organizational Control: An Empirical Test in a B2B Sales Context

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Executive Summary

Sales organizations are replete with informal (i.e., unwritten and employee-driven) forms of organizational control (i.e., stakeholder attempts to align employees with organizational objectives). Limited research has shown that informal controls reduce dysfunctional behavior and role stress among salespeople. Extant research has also suggested that informal controls play an important role in the job satisfaction and performance of salespeople.

Despite this, marketing and management literatures have primarily focused on the theoretical development and empirical testing of formal, managerial forms of control. As such, it is not surprising that current measures of self, social, and cultural control are general measures that do not capture the full dimensionality of the constructs (i.e., information, rewards, and punishments aspects of informal controls). Without accounting for both the content (i.e., information) and use (i.e., reinforcement as rewards and punishments) of informal controls, it is difficult to understand whether and how these dimensions differentially influence salespeople.

In this research, the authors take initial steps to remedy this situation by: 1) defining nine distinct dimensional types of informal control based on Control Theory, 2) developing scales to capture the nine informal control constructs based on a qualitative field study with 28 B2B salespeople, 3) empirically validating the scales with tests of discriminant and nomological validity using survey data collected from a diverse panel of 750 B2B salespeople, and 4) showing that informal controls play significant and differential roles in the job satisfaction and performance of salespeople.

Results of standard scale development procedures provide evidence that the nine newly developed informal control scales have sound psychometric properties. In addition, self-rewards, social rewards, and cultural information were all found to have a positive relationship with a salesperson's level of job satisfaction. Self-punishments and cultural punishments were found to deflate job satisfaction. On the other hand, self-information, self-rewards, social rewards, and cultural information were all found to have a positive relationship with a salesperson's relative job performance, whereas self-punishments were found to have a negative relationship.

Findings give way to three key contributions to the literature. First, by distinguishing between each dimension for each type of informal control, we compliment prior work on formal controls and properly account for the way that informal control is likely to function in reality. Second, by proving a set of comprehensive measures for investigating the informal organizational environment, we enable future research on this important topic. Finally, by teasing out the nuanced effects of informal organizational controls, we show that while informal control is not always positive, it is highly influential among salespeople.

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