

# RISS International Seminar on Empirical Micro Analysis

The Research Institute for Socionetwork Strategies, Kansai University

## "Delegations, Centralization, and Their Impact on Productivity in Industrial Salesforce" (Co-authored with Richard Tang and Mrinal Ghosh)

**Speaker: Desmond Lo (Santa Clara University)**

**Discussant: Kenji Matsui (Kobe University)**

**Abstract:** In complex environments fraught with information asymmetry between the firm and the salesperson, theory suggests that the firm should delegate decision-making authorities to the salesperson. However, it is unclear the relationship between different types of sales-related authorities, how their interaction impacts productivity, and what type of salesperson is likely to secure the most gains from receiving those authorities. Using proprietary data on salespeople selling industrial equipment, we find that firms delegate both pricing and tasking authorities (i.e., the choice of customer prospects and product offerings) when salespeople have information advantage; otherwise, firms centralize. More importantly, our data indicate their complementarity. That is, higher sales productivity is achieved only when pricing and tasking authorities are either delegated or centralized as a bundle rather than treating them independently. We also find that salesperson's experience enhances their complementary effect. Our results provide theoretical insights and managerial guidance on when, how, and to whom should firms allocate sales-related decision rights.

**DATE** June 28 (Wed.), 2017 17:30-19:00

**VENUE** Multimedia Laboratory, RISS 6th Floor, Senriyama Campus,  
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