

How does the relationship between incentives and customer experience manifest itself? A review and research agenda

Jack Chivers¹
Cranfield School of Management
Cranfield University
Cranfield, Bedfordshire MK430AL
Tel: +44 (0) 1293 426901
jack.chivers@cranfield.ac.uk

Monica Franco-Santos
Cranfield School of Management
Cranfield University
Cranfield, Bedfordshire MK430AL
Tel: +44 (0) 1234 750111 x3159
monica.franco@cranfield.ac.uk

Mike Bourne
Cranfield School of Management
Cranfield University
Cranfield, Bedfordshire MK430AL
Tel: +44 (0) 1234 754514
m.bourne@cranfield.ac.uk

¹ Corresponding author.

How does the relationship between incentives and customer experience manifest itself? A review and research agenda

Abstract

Organisations are increasingly using incentive schemes to align employees' behaviour with organisational, team and individual goals. This is despite the propensity of such schemes to produce a variety of outcomes, both intended and unintended. Given the consensus on the importance of customers to service organisations, it follows that the potential for employee incentives to impact interactions with customers is an important area of study. However, the literature concerning this matter paints a disjointed and, at times, contradictory picture of this subject. To identify, evaluate and synthesise the extant literature, we conduct a systematic literature review, including an in-depth thematic inductive analysis of the selected research concerning the relationship between employee incentive schemes and customers' experiences. We find 96 studies published in 38 peer-reviewed journals. Based on our insights from the literature, we develop a conceptual model of the incentives-customer experience relationship, along with recommendations for further research.

Word Count: 6978 (excludes tables and references)

How does the relationship between incentives and customer experience manifest itself? A review and research agenda

1. Introduction

Incentivising employees to align their behaviour with organisational goals continues to be a popular managerial practice (Fang and Gerhart, 2012; Good, Hughes and Wang, 2022). An incentive is a payment “contingent on performance that is awarded to individuals and/or groups either as permanent increments to base salary or as bonuses” (Perry, Engbers and Jun, 2009, p.42). Incentives are known to influence organizational outcomes (Gerhart, Rynes and Fulmer, 2009), and the range of outcomes that have received scholarly attention is wide (Cox, 2005). For instance, incentives are known to enable the ‘sorting’ of highly competent employees towards incentivised roles (Gerhart, Rynes and Fulmer, 2009; Gerhart and Fang, 2014; Lazear and Shaw, 2007). Incentives have also been found to engender certain dysfunctional consequences such as people’s lying and gaming behaviours (Hood, 2006; Jensen, 2003; Sundström, 2019), unexpected administration costs (Cox, 2005), reductions in the level of creativity in problem-solving (Huo, 2020), and increasing ethical costs (Fleischman et al., 2019). Despite our wealth of knowledge regarding incentives’ effects, research investigating the impact of incentives on customer-related matters is sparse and disjointed (Herhausen, De Luca and Weibel, 2018; Kim et al., 2019). In particular, the impact of incentives on customer experience has received limited attention. The way in which employees relate to customers and satisfy (or not) their expectations is critical to organisations (Brown and West, 2005; Parasuraman, Zeithaml and Berry, 1985). Customers’ experiences with an organisation shape their view of it as well as their future interactions (Lemon and Verhoef, 2016; Meyer and Schwager, 2007). Therefore, anything influencing the customer experience is relevant to organizational success (Kohli and Jaworski, 1990; Narver and Slater, 1990) and worthy of study. This includes incentive schemes.

Customer experience is a ‘multidimensional construct’ (Lemon and Verhoef, 2016). It refers to “the internal and subjective response customers have to any direct or indirect contact with a company” (Meyer and Schwager, 2007, p.118), including their contacts with employees. Customer experience is closely related to constructs such as customer satisfaction, customer orientation and customer service (Lemon and Verhoef, 2016; Meyer and Schwager, 2007). Because of these conceptual connections, closely investigating the fragmented and multidisciplinary research that, over the years, has somehow examined the relationship between incentives and customer-related constructs can help us set the foundations for further research in this area. To this end, the purpose of this study is to conduct a thorough review of extant literature focused on the understanding of the review question: *How does the relationship between incentives and customer-related outcomes manifest itself?* To address this question we conduct a systematic review (Tranfield, Denyer and Smart, 2003) incorporating an in-depth thematic inductive analysis following the approach suggested by Gioia et al. (2013). We adopt this approach to enhance the rigour, transparency and trustworthiness of our research. This approach helps us not only synthesise and consolidate extant knowledge about the relationship between incentives and customer-related constructs but also develop a new theoretical framework regarding the impact of incentives on customer experience.

This study contributes to previous business and management research in various ways. Firstly, it provides guidance on future avenues for research within the incentives literature regarding the need to research the multi-level changes such schemes can produce within

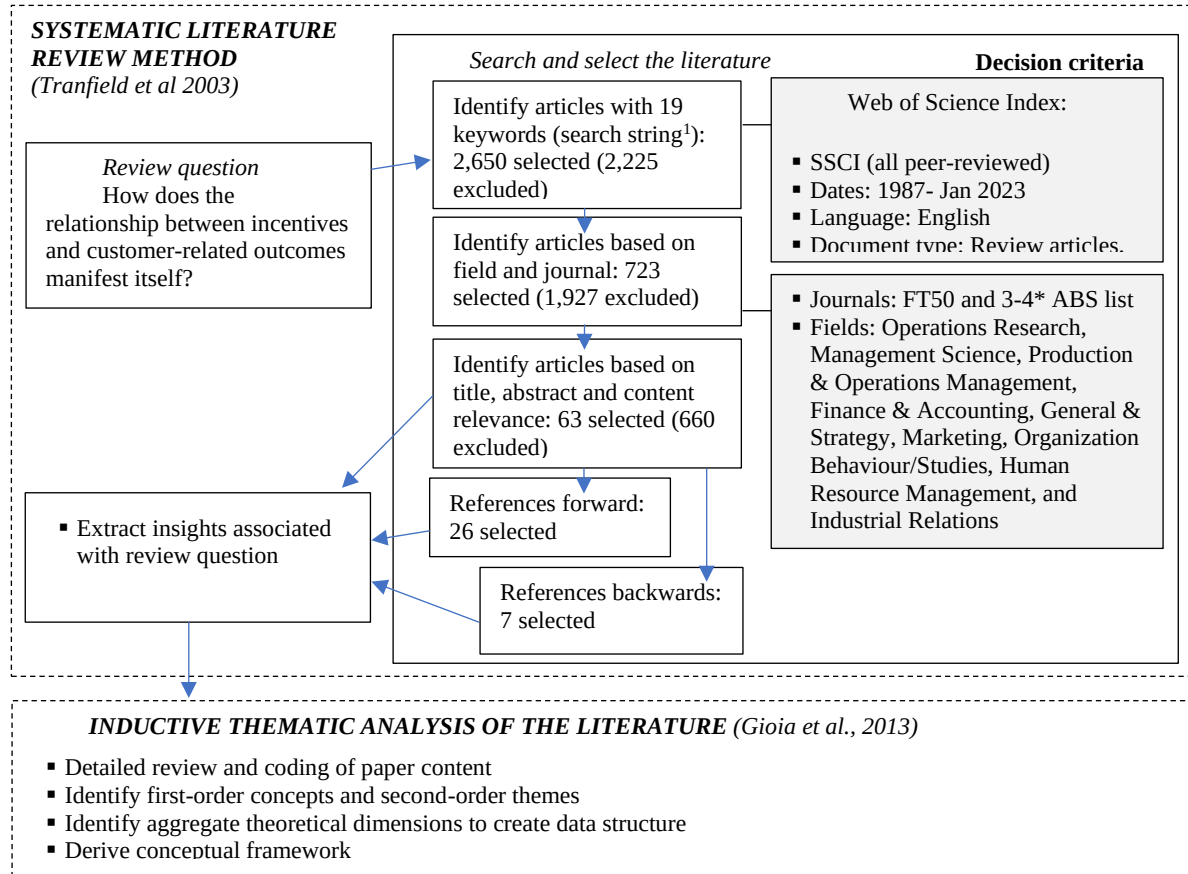
organisations, and their impacts on customers and other stakeholders both internal and external. Secondly, it adds to the literature on customers by showing their experience can be affected by employee incentive schemes. Given that the nature of those effects may vary from one situation to another, research on what influences the incentives – customer experience relationship would be of further value. Finally, our use of a thematic inductive analysis as part of this literature review shows the valuable insights that can be obtained via this approach. Accordingly, we believe the methodology used here can act as a guide for future literature reviews.

2. Literature review method

To examine the extant literature concerning incentives and their relationship to customer-related constructs, we undertook a Systematic Literature Review (SLR) method (Tranfield, Denyer and Smart, 2003), which is known for its rigour, transparency, and relevance (Kunisch et al., 2023). As an innovation, we incorporated a thematic inductive analysis following Gioia et al.'s (2013) approach. The reasoning for this was to follow a process that would enable an in-depth analysis of the literature, and then a further stage of evaluation of the key concepts and themes contained therein. By applying deductive and inductive techniques in series, a deeper and more comprehensive understanding of the current state of knowledge can thus be achieved (Mosonyi, Empson and Gond, 2020).

Consistent with the SLR method (Tranfield, Denyer and Smart, 2003), our work is focused on addressing the question: *How does the relationship between incentives and customer-related outcomes manifest itself?* Figure 1 provides a graphic representation of the different steps followed to address this review question. To begin with, we selected a set of keywords to help us identify the relevant literature. Initially, our search string included ten terms relating to customer experience ("customer satisfaction*", "customer orientation*", "customer service*", "customer focus", "customer result*", "customer performance*", "customer outcome*", "customer behavior*", "customer relationship*", and "customer experience") and five relating to incentives ("compensation", "incentive*", "bonus*", "pay*" and "reward*"). However, the limited results obtained on the relationship between incentives and customer-related constructs led us to expand the scope of our work, incorporating studies in which incentives received secondary attention. To do so, we added nine more keywords regarding human resource and management control terms ("Organi*ation* Control*", "Manag* control*", "performance measure*", "performance management*", "human resource*", "people practice*", "personnel*", "people service*" and "HRM"). The final list of keywords is included in Figure 1. With this action, we wanted to ensure that relevant research was not omitted, as many scholars deem incentive schemes to be part of a wider system of control mechanisms—in the accounting and operations literature (Anderson and Oliver, 1987; Challagalla and Shervani, 1996; Joshi and Randall, 2001; Rodrigues, Coelho and Sousa, 2015)—and people management practices—in the human resource literature (Wright and Essman, 2021).

Figure 1: Review approach



¹ Search string:

("Organi*ation* Control*" OR "Manag* control*" OR "performance measure*" OR "performance management*" OR "Compensation" OR "incentive*" OR "bonus*" OR "pay*" OR "reward*" OR "human resource*" OR "people practice*" OR "personnel*" OR "people service*" OR "HRM") AND ("customer satisfaction*" OR "customer orientation*" OR "customer service*" OR "customer focus" OR "customer result*" OR "customer performance*" OR "customer outcome*" OR "customer behavio*" OR "customer relationship*" OR "customer experience")

With our extended search string, we identified relevant literature within the Web of Science database. Web of Science was chosen due to its comprehensive range of journals and its extensive referencing tools that enable users to search for papers that reference those already identified as relevant as part of a downstream and upstream snowballing process. Papers were considered relevant if, upon reading their title, abstract, and content, they considered a potential relationship between an employee incentive scheme and customer experience. It is important to note that to be selected, the paper did not have to have the incentive-customer experience relationship as the primary focus of the paper, but this relationship needed to be considered as part of the research work. To ensure “methodological quality” (Okoli, 2015, p.896) in our review, we excluded papers that were not peer-reviewed, those without a Social Sciences Citation Index (SSCI) ranking, and those that were not published by journals that: a) appear in the current Financial Times FT 50 papers list, or b) those without an ABS (Association of Business Schools) ranking of 3, 4, or 4*, hence only those papers published in journals considered to be “highly regarded”, “top”, or “world elite” were considered valid. The latter criteria were further restricted on the basis of relevance to

papers published by journals within the following subject areas: Finance & Accounting, General & Strategy, Marketing, Operations Research, Management Science, Production & Operations Management, Organization Behaviour/Studies, Human Resource Management, and Industrial Relations. Additionally, for practical reasons, we excluded papers not available in English.

Once an initial list of 63 selected papers had been obtained, downstream and upstream snowballing were applied to identify papers that referenced those in the selected list or were referenced in the selected list. The papers identified in this manner were then subject to our quality and relevance criteria. The downstream and upstream snowballing processes yielded a further 26 papers bringing the final list of selected papers to 96. Once those papers had been obtained, we recorded meta-data relating to a range of research characteristics (see Table 1). This information enabled us to present a picture of the ‘what’ was done, ‘where’, ‘when’, and ‘by/on whom’ within the literature.

Table 1: Selected literature

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
1	Ahn, Hwang, Kim	2010	Fin/ Acc	Emp	Quant	Sec data	Asia	Employees	Sat	Indv Fin	▪ Incentive schemes utilising behaviour-based controls may not be effective if managers do not accurately assess employee behaviours, or if employees do not believe their performance will be accurately rated. If managers do not or cannot accurately grade performance, then outcome-based controls should be used instead.
2	Anderson, Oliver	1987	Mkt	Con	n/a	n/a	n/a	n/a	Ori	NS NS	▪ Different types of control can influence customer orientation, with behaviour-based controls increasing it.
3	Atanasova, Senn	2011	Mkt	Emp	Mix	Interv., Survey	Various	Employees	SerQ	Team NS	▪ Incentive schemes utilising outcome-based controls can support team performance and hence enhance customer service.
4	Babakus, Yavas, Karatepe et al.	2003	Mkt	Emp	Quant	Survey	Asia	Employees	SerQ	NS NS	▪ Incentive schemes, plus training and empowerment, impact customer service. This happens via job satisfaction and Affective Organisational Commitment.
5	Baik, Kim, Patel	2019	Mkt	Emp	Quant	Sec data	Asia	Managers, employees	SerQ	NS NS	▪ Incentive schemes used as part of High-Performance Work Systems can indirectly increase customer service via increases in work servitisation. The relationship is affected by complexity and environmental dynamism.
6	Banker, Chang, Pizzini	2004	Fin/ Acc	Emp	Quant	Exper	USA	Other: MBA Students	Sat	Indv NS	▪ Incentive schemes that use the Balanced Scorecard need to consider the weighting given to different measures. Measures that are perceived as linking to firm strategy will be given more weight by users. Customer satisfaction can be supported by incentive schemes that use the scorecard, but it must be perceived by employees as important.
7	Banker, Huang, Natarajan	2011	Fin/ Acc	Emp	Quant	Sec data	Various	Other: Orgs	Rela	Indv Fin	▪ Long-term Incentive schemes work best when long-term activities lead to observable benefits to the firm. They can drive long-term orientated behaviour in managers.
8	Banker, Lee, Potter	1996	Fin/ Acc	Emp	Quant	Sec data	USA	Salespeople	SerQ	Indv Fin	▪ Incentive schemes utilising outcome-based controls can increase sales figures via improved customer service.
9	Banker, Lee, Potter et al.	1996	GM/ Strg	Emp	Quant	Sec data	USA	Salespeople	SerQ	Indv Fin	▪ The context an incentive scheme exists within can determine which type of control (outcome or behaviour-based) is most appropriate.
10	Banker, Potter, Srinivasan	2000	Fin/ Acc	Emp	Mix	Sec data, Interviews	USA	Employees, managers	Sat	Indv Fin	▪ Incentive scheme compensation can be based in part on non-financial performance measures. Doing so can enhance performance in these areas, e.g., customer satisfaction. Non-financial performance measures can be future-specific; hence a long-term orientation is required.
11	Batt, Colvin	2011	GM/ Strg	Emp	Quant	Sec data	USA	Managers	Sat	Indv Fin	▪ Customer satisfaction can be lowered because of high staff turnover resulting from the use of short-term incentive schemes.
12	Benet, Deville, Raies, Valette- Florence	2022	Mkt	Emp	Quant	Survey	Europe	Managers	Sat	NS Vari	▪ Incentive schemes should be designed with an awareness of the customer orientation the firm or business unit is attempting to encourage. This may be influenced by the market the organisational is operating within. Doing this will help the scheme support organisational aims. The use of non-financial measures can help to support a focus on customer satisfaction and service quality.
13	Bettencourt, Brown	1997	Mkt	Emp	Quant	Survey	USA	Employees, managers	SerQ	Indv Fin	▪ Compensation and rewards impact employee perceptions of fairness. This impacts their level of extra-role behaviour, which in turn affects customer service behaviours.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
14	Bolander, Zahn, Loe, Clark	2017	OB/HR	Emp	Quant	Exper	USA	Other: Undergrad. students	EthB	Indv Fin	▪ Incentive schemes can increase unethical levels of behaviour during times of consistent failure. Attempting to remind employees of the importance of customer orientation at this point will actively increase unethical behaviour and decrease customer orientation. Hence incentives can adversely affect customer orientation via an indirect relationship.
15	Browning	2006	OB/HR	Emp	Quant	Survey	Africa	Employees	SerQ	NS NS	▪ The design of incentive schemes is important else they will not affect customer service due to employees not understanding how to achieve the rewards, and not perceiving a link between their actions and potential rewards. Rewards must be valued by employees to be effective.
16	Cadogan, Lee, Tarkiainen, Sundqvist	2009	Mkt	Emp	Quant	Survey	Europe	Managers	EthB	NS NS	▪ Incentive schemes utilising behaviour-based controls are directly linked to levels of ethical behaviour. No such link is found for schemes utilising outcome-based controls. As ethical behaviour is linked to customer orientation, behaviour-based schemes can help to avoid the unforeseen consequences of incentive schemes.
17	Calabrese, Spadoni	2013	Ops	Emp	Quant	Sec data	Various	Employees	SerQ	Indv Fin	▪ Incentive schemes utilising activity-based controls can support customer satisfaction. A direct relationship between service quality-based incentives and perceived service quality is found to be partially supported by the research.
18	Carpenter, Whitman, Amrhein	2021	GM/Strg	LitRev	LitRev	Meta-Analysis	n/a	n/a	Sat	NS NS	▪ Incentive schemes are indirectly linked to customer satisfaction via their inclusion within strategic HR management practices which reduce Counterproductive Work Behaviour, which would usually reduce customer satisfaction. Also, incentives can influence perceptions of organisation justice. If these are negative, they can negatively affect customer satisfaction via increased counterproductive behaviours. Hence incentives can be linked to unethical or counterproductive behaviour.
19	Chand	2010	OB/HR	Emp	Quant	Survey	Asia	Managers, employees, customers	Sat	NS Vari	▪ Incentive schemes can impact service quality levels, which in turn would impact levels of customer satisfaction. As service quality is subjective, the context within which a scheme exists may influence its impacts.
20	Chao, Shih	2018	OB/HR	Emp	Quant	Survey	Asia	Managers	SerQ	Indv Fin	▪ Incentive schemes may impact customer service, but this depends on the environment they exist within. The relationship between HR management practices, including incentives, and performance is complex and depends on many factors.
21	Chu, Desai	1995	Mkt	Con	n/a	n/a	n/a	n/a	Sat	NS NS	▪ Incentive schemes can lead to short-term orientation. Basing them on customer satisfaction can reduce this tendency. This also supports high levels of customer satisfaction.
22	Conduit, Mavondo	2001	Mkt	Emp	Quant	Survey	Austra	Employees, managers	Ori	NS NS	▪ Incentive schemes can support internal customer orientation, and hence external market orientation.
23	Cravens, Ingram, LaForge et al.	1993	Mkt	Emp	Quant	Survey	USA	Executives	Ori	Indv Fin	▪ Incentive schemes utilising behaviour-based controls can strongly affect customer orientation.
24	Cropanzano, Bowen, Gilliland	2007	GM/Strg	Con	n/a	n/a	n/a	n/a	Sat	NS NS	▪ Incentive schemes indirectly affect customer satisfaction via employee perceptions of organisational justice.
25	de Chernatony, Cottam	2009	Mkt	Emp	Qual	Grou. Theory	Europe	Executives, Managers, Employees	SerQ	NS NS	▪ Interdepartmental cooperation can be supported by incentive schemes. The schemes should support the organisation's 'brand'. Schemes utilising behaviour-based controls can support customer service via internal cooperation.
26	DeCarlo, Lam	2016	Mkt	Emp	Mix	Interv., Surveys	USA	Managers, salespeople	Rela	Indv Fin	▪ Incentive schemes can impact salespeople's orientation towards either acquiring new customers, or for maintaining existing customer relationships. Incentives that reward customer acquisition (via commissions) may reduce customer service and relationship maintenance. Hence incentives can influence customer service and may have unforeseen consequences.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
27	Diaz-Fernandez, Lopez-Cabrales, Valle-Cabrera	2013	OB/HR	Emp	Quant	Survey	Europe	Managers, employees	Ori	Indv Fin	No support for a relationship between incentives and customer orientation is found. Employee competences may match different designs of incentive scheme (e.g., skills-based pay, performance-based pay).
28	Dikolli, Vaysman	2006	Fin/Acc	Con	n/a	n/a	n/a	n/a	Sat	NS NS	Incentive schemes should be forward-looking, hence focus on both short and long-term outcomes. Customer satisfaction is a long-term outcome that benefits the organisation. This helps direct employee (and manager) efforts in line with organisational objectives.
29	Ding, Beaulieu	2011	Fin/Acc	Emp	Quant	Exper	USA	Other: MBA students	Sat	Indv Fin	Incentive schemes utilising behaviour-based controls can indirectly lead to higher customer satisfaction. But these benefits may be reduced if too many measures are used in the scheme.
30	Donaldson	1995	Mkt	Emp	Quant	Survey	Europe	Executives	SerQ	Indv NS	Incentive schemes should be linked to customer service. This will then support customer service and customer orientation.
31	Dong, Yao, Cui	2011	Ops	Con	n/a	n/a	n/a	n/a	Rela	NS NS	Incentive schemes can be used to encourage specific behaviours such as customer acquisition.
32	Ernst, Hoyer, Krafft et al.	2011	Mkt	Emp	Quant	Survey	Europe	Managers	Rela	NS Vari	Incentive schemes can be designed to complement new products and so encourage the acquisition of new customers.
33	Evans, Landry, Li, Zou	2007	Mkt	Emp	Quant	Survey	USA	Salespeople	Ori	Indv Fin	Incentive schemes utilising outcome-based controls do not affect customer orientation, but schemes using behaviour-based controls do via the application of Process and Capability controls. This relationship is part of a larger one between employees' Organisational Sales-related Psychological Climate Perceptions, and their customer orientation, Sales Innovativeness, and Sales Supportiveness.
34	Farrell, Kadous, Towry	2008	Fin/Acc	Emp	Quant	Exper	USA	Other: Undergrad. students	SerQ	Indv Fin	Forward-looking, long-term Incentive schemes can positively influence employee behaviour with regards to customer service. Employees who already have a long-term orientation will not react as much as those who do not.
35	Feng, Wang, Prajogo	2014	Mkt	Emp	Quant	Survey	Asia	Employees, customers	Sat	NS NS	Incentive scheme rewards focused on service quality are directly related to customer service, and to customer satisfaction.
36	Ford, Heaton, Brown	2001	GM/Strg	Emp	Qual	Case Study	USA	Other: Orgs	SerQ	Indv Vari	Incentive schemes can support the building and sustaining of a service culture. Behaviour-based controls can support this via rewarding employees who build relationships with customers.
37	Gavino, Wayne, Erdogan	2012	OB/HR	Emp	Quant	Survey	USA	Salespeople	Ori	NS Fin	Employees are more concerned with the perceived fairness of incentive schemes than their existence or design. This can prevent schemes from affecting customer orientation levels if they are not implemented carefully.
38	Good, Hughes, Wang	2022	Mkt	Emp	Mix	Interv, Surveys	USA	Salespeople	Sat	Indv Fin	Incentive schemes that aim to support extrinsic motivation via the rewarding of tangible prizes, may fail to enhance customer service and satisfaction as they will not increase the intrinsic motivation of the employees.
39	Goodale, Kuratko, Hornsby	2008	Ops	Emp	Mix	Interv, Surveys	USA	Employees	SerQ	Indv Fin	In order to use behaviour-based controls, a firm must have ways of overseeing the work done by employees. If this is possible then customer service levels can be improved via an incentive scheme that utilises such controls.
40	Gulati	2007	GM/Strg	Con	n/a	n/a	n/a	n/a	Cent	NS NS	Incentive schemes can encourage cooperation between business units. This is best done via incentives that focus on customer-focused behaviour. Schemes should also reward employees who develop generalist skills. They can do this via behaviour-based controls.
41	Hartline, Ferrell	1996	Mkt	Emp	Quant	Survey	USA	Managers, employees, customers	SerQ	Indv Fin	Incentive schemes that utilise behaviour-based controls can provide rewards based on customer orientation.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
42	Hartline, Maxham, McKee	2000	Mkt	Emp	Quant	Survey	USA	Employees, managers	Ori	Indv NS	▪ Incentive schemes utilising behaviour-based controls can help align employee behaviour with organisational aims. Therefore, they can support a customer orientated strategy. However, too many formalised controls can hinder customer orientation.
43	Hauser, Simester, Wernerfelt	1994	Mkt	Con	n/a	n/a	n/a	n/a	SerQ	NS NS	▪ Incentive schemes should be linked to sales and customer satisfaction to decrease short-termism. This will result in improved customer service via employee motivation and customer satisfaction.
44	Hauser, Simester, Wernerfelt	1996	Mkt	Con	n/a	n/a	n/a	n/a	SerQ	NS NS	▪ Incentive schemes that utilise outcome-based controls can lead to high levels of customer service.
45	Hauser, Simester, Wernerfelt	1997	Mkt	Con	n/a	n/a	n/a	n/a	EthB	NS NS	▪ Despite the risk of unintended consequences of Incentive schemes, they should use outcome-based controls. This avoids prohibitive costs from overseeing behaviour-based schemes. Cultural norms, peer-pressure, or punishments can prevent unethical behaviours resulting from schemes.
46	Herhausen, De Luca, Weibel	2018	GM/ Strg	Emp	Quant	Survey	Various	Managers, employees	Ori	NS NS	▪ Incentives should be individually focused to enable employees to associate customer orientation with their own performance. This will increase intrinsic motivation; employees will want to offer better service to customers as their own satisfaction increases.
47	Heskett, Jones, Loveman et al.	1994	GM/ Strg	Con	n/a	n/a	n/a	n/a	Sat	NS NS	▪ Incentive schemes can be used to support both company priorities and internal service quality. This can lead to improved customer service.
48	Horwitz, Neville	1996	OB/ HR	Con	n/a	n/a	n/a	n/a	SerQ	NS NS	▪ Employee empowerment is an important factor in good customer service, and outcome-based incentive schemes support this. Behaviour-based schemes can also be used to directly reward good customer service.
49	Inderst, Ottaviani	2009	Econ	Con	n/a	n/a	n/a	n/a	EthB	NS NS	▪ Whilst incentive schemes can boost sales, customers may suspect salespeople on commission may act unethically to get sales. Outcome-based incentives are needed to incentivise salespeople to get more sales, but supervision is then required to avoid unethical behaviour. At some point, the costs of supervision exceed the benefit of it, then the organisation will become tolerant of mis selling.
50	Inderst, Ottaviani	2012	Fin/ Acc	Con	n/a	n/a	n/a	n/a	EthB	NS NS	▪ If customers are aware incentive schemes are being paid to salespeople, they will adjust their buying behaviour to mitigate the risk of unethical behaviour. Firms will decide whether the cost of increasing ethical behaviour within salesforces is worth the cost incurred.
51	Ittner, Larcker, Meyer	2003	Fin/ Acc	Emp	Mix	Sec data, Interv	USA	Managers	Sat	Indv Fin	▪ The Balanced Scorecard can help measure and reward performance on longer-term, non-financial, subjective, behaviour-based measures. However, users may revert to trusting short-term, financial, objective, outcome-based measures over time. How an incentive scheme is implemented is an important factor in its effectiveness.
52	Jaworski, Kohli	1993	Mkt	Emp	Quant	Survey	USA	Managers	MO	Indv Fin	▪ Incentive schemes will support market orientation if they focus on customer satisfaction and building customer relationships.
53	Jiang, Lepak, Hu et al.	2012	GM/ Strg	LitRev	LitRev	Meta-Analysis	n/a	n/a	SerQ	NS NS	▪ Incentive schemes can impact employee motivation which in turn can influence service quality.
54	Joseph, Kalwani	1998	Mkt	Emp	Quant	Survey	USA	Salespeople	Sat	Indv Fin	▪ Incentive schemes can help to improve levels of customer satisfaction. Most schemes use outcome-based controls.
55	Joshi, Randall	2001	Mkt	Emp	Quant	Survey	North America	Salespeople	Ori	Indv Fin	▪ Incentive schemes are one of the organisational controls that are needed to support customer orientation.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
56	Kalra, Shi, Srinivasan	2003	Ops	Con	n/a	n/a	n/a	n/a	Sat	NS NS	▪ Incentive schemes should focus on customer satisfaction as this reduces the risk of overselling. Conversely, sales-based incentives can lead to overselling. Hence incentives may cause unintended consequences. These need to be considered when designing the scheme.
57	Khan, Khwaja, Olken	2016	Econ	Emp	Quant	Case Study	Asia	Employees	Sat	Indv Fin	▪ No direct relationship between incentive schemes and customer satisfaction was found. Incentive schemes can however produce unexpected, and possibly unethical, effects.
58	Kim, Sudhir, Uetake et al.	2019	Mkt	Emp	Quant	Sec data	North America	Salespeople	EthB	Indv Fin	▪ Incentive schemes should reward both customer acquisition and customer retention activities. If this is not done, incentives to acquire customers can lead to unethical behaviour. Incentives should be based on teams, rather than individuals, as this will reduce the likelihood of unethical activities.
59	Kraus, Lind,	2010	Fin/Acc	Emp	Qual	Interv	Europe	Executives	Sat	NS Vari	▪ Incentive schemes may use outcome-based controls due to those measures being of more interest to the external market. Different managers may have different opinions and knowledge of different measures.
60	Kumar, Sunder, Leone	2014	Mkt	Emp	Quant	Sec data	USA	Salespeople	SerQ	Indv Vari	▪ Incentive schemes increase a salesperson's future value to an organisation as better customer service can be provided as part of a customer relationship management practice. However, the impact of both financial and non-financial incentives is greater in the short-term than the long-term.
61	Lam	2012	Mkt	Emp	Quant	Survey	Various	Managers, salespeople	SerQ	Indv Vari	▪ Incentive schemes with a competitive element can help to engender a competitive climate. This can align with competitive salespeople, who are more likely to engage in discretionary activities, including offering enhanced customer service.
62	Li, Murphy	2012	OB/HR	Emp	Quant	Survey	Various	Salespeople	EthB	NS Fin	▪ Higher percentages of compensation paid via fixed pay (as opposed to incentive schemes) do not reduce unethical sales behaviours. This conclusion holds across several geographical locations.
63	Lytle, Hom, Mokwa	1998	Mkt	Emp	Mix	Interv, Surveys	USA	Employees, managers	SerQ	Indv NS	▪ Organisations should provide incentives to support a service orientation. Rewards should be based on service levels within business units. Incentive schemes that support service orientation will help enhance high service levels.
64	Majchrzak, Wang	1996	GM/Str g	Emp	Mix	Sec data, Interv	USA	Employees	Sat	Vari Vari	▪ Incentive schemes should not focus on individual performance. They should be designed to match business unit goals.
65	Malina, Norreklit, Selto	2007	Fin/Acc c	Emp	Mix	Case Study	USA	Managers	Sat	NS Fin	▪ Incentive schemes utilising behaviour-based controls can increase levels of customer satisfaction. The organisational context within which a scheme is used affects the way it is perceived by employees.
66	Marginson, McAulay, Roush et al.	2010	Fin/Acc c	Emp	Quant	Survey	Various	Managers	Sat	NS Vari	▪ Incentive scheme utilising financial measures are not found to lead to short-termism. Non-financial measures can do so if they are used to measure against pre-set standards. Hence short-termism may occur depending on how standards are used.
67	Miao, Evans	2012	Mkt	Emp	Quant	Survey	USA	Managers, salespeople	SerQ	NS NS	▪ Designing an incentive scheme so that it incorporates the appropriate combination of control types is important. Doing this correctly can support employee performance and enhance customer service.
68	Miao, Evans	2013	Mkt	Emp	Quant	Survey	USA	Managers, employees	SerQ	NS NS	▪ Incentive schemes should include a combination of different control types. This will deliver the best value to the firm and to customers. The control types used within incentive schemes interact with each other, as well as job satisfaction and stress, to influence customer service, hence an indirect relationship between incentives and service exists. Some combinations of control types are effective, and others are not.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
69	Mohammad, Darwish, Singh et al.	2021	GM/Strg	Emp	Quant	Survey	Africa	Managers	SerQ	NS NS	No support is found for a link between Incentive schemes, as one of several HR management practices, and service quality.
70	Morrison	1996	OB/HR	Con	n/a	n/a	n/a	n/a	SerQ	NS NS	Incentive schemes should encourage Organisational Citizenship Behaviours, this will then improve customer service. Rewards should therefore be tied to organisational-level performance measures, they should not be based on behaviour-specific criteria.
71	Murphy, Li	2012	Mkt	Emp	Quant	Survey	Various	Salespeople	SerQ	NS Fin	Incentive-based pay may increase affective commitment and hence customer service. This situation varies depending on the national culture within which the scheme is being used.
72	Panagopoulos, Rapp, Pimentel	2020	Mkt	Emp	Quant	Survey	Europe	Managers	SerQ	NS NS	Incentive schemes should reward both sales (via outcome-based controls) and service (via behaviour-based controls). This will enable the incentives to support both of these activities. If service is not incentivised, then unethical behaviours may result from too much focus on sales/outcomes.
73	Paul, Anantharaman	2003	OB/HR	Emp	Quant	Survey	Asia	Employees	Ori	Vari NS	Incentive schemes are one of the HRM practices that can affect customer orientation levels. Use of the Balanced Scorecard can facilitate this process.
74	Peterson, Luthans	2006	OB/HR	Emp	Quant	Exper	USA	Employees	Sat	Team Fin	Behaviour-based Incentive schemes were found to increase customer satisfaction. Short-term Incentive schemes had a greater impact on profit, customer service, and employee turnover, though over time long-term incentives became as productive. Incentives based on financial measures were more productive due to them increasing organisational commitment. Hence employee perceptions of the value of the incentive is important.
75	Piercy, Cravens, Lane	2009	Mkt	Emp	Quant	Survey	Europe	Managers	MO	NS NS	Incentive schemes utilising behaviour-based controls are an important tool for supporting market orientation. For behaviour-based controls to be effective, managers must have or develop competences to manage them.
76	Plakoyiannaki, Tzokas, Dimitratos et al.	2008	GM/Strg	Emp	Qual	Case Study	Europe	Executives, Managers, Employees	SerQ	NS Vari	Organisational circumstances can impact the effectiveness of incentive schemes. Behaviour-based controls can help support customer service but may confuse employees if it sends conflicting messages. Hence controls must align with organisational practice and culture.
77	Prasad, Steffes	2002	Mkt	Con	n/a	n/a	n/a	n/a	SerQ	NS NS	Incentive schemes utilising outcome-based controls can increase customer service quality. Targets need to provide clear goals for employees to work towards.
78	Rodrigues, Coelho, Sousa	2015	Mkt	Emp	Quant	Survey	South America	Employees	Sat	Indv NS	Incentive schemes can be indirectly related to customer service and satisfaction via employee goal orientation. Incentives utilising different types of control will have different impacts depending on specific employee goal orientations. Hence incentive schemes should be designed to account for differing employee goal orientations.
79	Rogg, Schmidt, Shull, et al.	2001	GM/Strg	Emp	Quant	Survey	USA	Managers	Sat	NS Fin	Incentive schemes are an example of the HR management practices that can indirectly impact customer satisfaction via changing levels of customer orientation produced by changes in organisational culture.
80	Roman, Munuera	2005	Mkt	Emp	Quant	Survey	Europe	Salespeople	EthB	Indv Fin	Incentive schemes should include a mix of outcome-based and behaviour-based controls and should include long-term measures that support the building of customer relationships. Reward schemes can be a determinant of unethical behaviour, with outcome-based schemes generating more of this.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
81	Rubel, Prasad	2016	Mkt	Con	n/a	n/a	n/a	n/a	Rela	NS NS	▪ Incentive schemes can impact customer retention and/or acquisition according to their design. Schemes are more effective when they are designed to account for levels of employee risk aversion. Schemes should use outcome-based controls as behaviour-based controls are too difficult and expensive to monitor.
82	Ruekert	1992	Mkt	Emp	Quant	Survey	USA	Employees	Ori	NS Fin	▪ Incentive schemes that support market orientation and customer orientation will increase their levels.
83	Schepers, Falk, de Ruyter et al.	2012	Mkt	Emp	Quant	Survey	Various	Managers, employees	SerQ	NS NS	▪ Employees may not need incentives to encourage them to provide good customer service. Stewardship control can drive extra-role behaviours which can lead to improved customer service. Employees who work best under Customer Stewardship Controls will provide poorer customer service if Agency control is also included.
84	Schrock, Hughes, Zhao et al.	2021	Mkt	Emp	Mix	Interv, Surveys	USA	Managers, salespeople	SerQ	Indv Fin	▪ Incentive schemes can drive higher performance from salespeople if they are designed to appeal to different types of competitiveness: self or others.
85	Shaw, Gupta, Delery	2001	GM/ Strg	Emp	Quant	Survey	USA	Managers, employees, customers	Sat	Vari Fin	▪ Team-based Incentive schemes can enable higher levels of customer satisfaction than schemes targeted at an individual level.
86	Silva, Coelho, Lages et al.	2020	Mkt	Emp	Quant	Survey	Europe	Employees	SerQ	NS NS	▪ Incentive schemes are one of five HR practices that contribute to successful service recovery actions. They are not sufficient alone, but need to be combined with other practices, including customer orientation, teamwork, empowerment, and training.
87	Sun, Hsu, Wang	2012	OB/ HR	Emp	Quant	Survey	Asia	Managers, employees	SerQ	NS NS	▪ Incentive schemes can support a Commitment to Service Quality. This improves job performance, including customer service. Frontline employees and managers need to be aligned regarding the importance of service quality, with incentives reinforcing and/or motivating desirable behaviours.
88	Sung, Choi, Kang	2017	OB/ HR	Emp	Quant	Sec data	Asia	Executives, managers, employees	SerQ	NS Fin	▪ Incentive schemes can affect customer service directly, and indirectly via employee commitment levels. Employees must perceive the scheme to be fair for positive effects to result. Environmental turbulence can impact scheme effectiveness.
89	van der Borgh, de Jong, Nijssen	2019	Mkt	Emp	Quant	Survey, Sec data	Various	Employees	SerQ	Team NS	▪ Incentive schemes should be focused on individuals rather than on team performance. This will help employees balance customer and co-worker directed behaviours.
90	van Raaij, Stoelhorst	2008	Mkt	Con	n/a	n/a	n/a	n/a	MO	NS NS	▪ Organisations can support market orientation by designing incentive schemes that reward market-driven behaviour. Hence behaviour-based incentives can be used to support a market orientation strategy.
91	Widmier	2002	Mkt	Emp	Quant	Survey	USA	Salespeople	SerQ	NS Fin	▪ Incentive schemes based on customer satisfaction motivate employees to provide better customer service. These effects vary due to employee personality traits (empathic concern levels). Sales-based rewards decrease customer orientation.
92	Wieseke, Kraus, Ahearn et al.	2012	Mkt	Emp	Quant	Survey	USA	Salespeople	Sat	NS Fin	▪ Incentive schemes utilising behaviour-based controls can lead to enhanced customer satisfaction, but worse sales performance. Schemes utilising outcome-based controls have the opposite effect.
93	Yan, Li, Cheng	2020	Ops	Emp	Quant	Survey	Asia	Managers, employees	SerQ	NS NS	▪ Incentive schemes are part of Service-Oriented HR Management. They are also directly related to financial and service performance. A service-oriented organisational culture further supports both of those relationships. To raise employee enthusiasm, excellent service should be incentivised.
94	Yang, Jaramillo, Liu et al.	2021	Mkt	Emp	Quant	Survey	Asia	Employees	Ori	Indv NS	▪ Incentive schemes can adversely impact customer orientation if they are awarded by an abusive supervisor. In this circumstance the reward will create confusion in the employee. Hence incentive schemes can have unforeseen impacts, and the implementation of a scheme, and the context within which it exists, is important.

	Author(s)	Year	Field*	Type*	Method*	Data*	Location	Participants	Customer-related outcomes*	Incentives: Unit Reward*	Key insights
95	Zang, Liu, Zheng, et al.	2020	Mkt	Emp	Quant	Survey	Asia	Salespeople	Ori	NS Fin	Using different combinations of control types in incentive schemes can support customer orientation. Some combinations of control types (e.g., Activity and Capacity) adversely impacts behavioural customer orientation. Hence there is a direct relationship between incentives and customer orientation, but it is complex and depends on the design of the scheme.
96	Zhou, Albuquerque, Grewal	2021	Mkt	Emp	Mix	Sec data, Interv	USA	Other: Orgs	SerQ	Team Fin	Incentives schemes can affect not only employee behaviour via increased service levels, but also the behaviour of firms competing in the same market.

* **Field:** Marketing (Mkt), General Management/Strategy (GM/Strg), Organizational Behaviour/Human Resources (OB/HR), Economics (Econ), Operations and Production Management (Ops); **Type of research:** Empirical (Emp), Conceptual (Con); **Method:** Quantitative (Quant), Qualitative (Qual), Mixed Methods (Mix); **Customer-related outcomes:** Service Quality (SerQ), Customer Satisfaction (Sat), Customer Orientation (Ori), Ethical / Unethical Behaviour (EthB), Customer Relationships (Rela), Market Orientation (MO), Customer Centricity (Cent); **Incentives – Unit:** Individuals (Indv), Teams (Team), Various (Vari), Not specified (NS); **Incentives – Reward:** Financial (Fin), Various: financial & non-financial (Vari), Not specified (NS)

Having used the SLR methodology to identify relevant literature, we then applied a thematic inductive analytical approach to derive key codes and themes contained within. As Rojon et al. (2021) observe, that many literature reviews need more clarity regarding the method they select to analyse their literature sample. To avoid this, we identified and used the technique advocated by Gioia et al. (2013) for conducting inductive analysis as this provides a rigorous and transparent process for researchers to follow. A similar example of this approach to a systematic literature review is given by Mosonyi et al. (2020). To this end, at minimum, we read in full the 96 selected papers four times. On the first reading, tentative codes were generated to capture salient points raised by the authors concerning any relationship between incentives and the customer experience. The second reading allowed these codes to be consolidated to ensure subjects raised across multiple papers were consistently coded. This resulted in 72 codes being applied to the 96 papers. We used these codes as a basis for the generation of the first-order themes contained within the literature, with codes that duplicate points being eliminated. This process led us to the derivation of 34 first-order themes. A third reading of the papers checked the appropriateness of those themes, and aided our generation of second-order themes that apply a theoretical lens to aid us in understanding and explaining the phenomenon. As recommended by Gioia (2021) we continued our second-order analysis by refining the themes to the level of aggregate dimensions. At this second-order level we applied our own knowledge of the extant literature beyond the sample of papers, for example findings specific to employee incentives without a consideration of customers, to inform this analysis. We conducted a fourth reading of the papers to appraise the data structure of first and second-order themes and dimensions we arrived at, and to confirm our belief that it describes and explains the relationship between incentives and the customer experience. This data structure then informed the building of our conceptual model of the relationship.

3. FINDINGS

3.1 Descriptive findings

We found the relevant literature to be primarily comprised of empirical works, with quantitative research methods being the most commonly used approach. The papers were published across 38 journals, covering several fields of knowledge. Research subjects were commonly either managers, salespeople, or other organisational employees, and a range of outcomes that affect the customer experience were considered. However papers did not tend to focus on the incentive – customer experience relationship, instead considering aspects of it alongside other matters such as HRM controls and levels of ethical behaviour. The key characteristics of the identified relevant literature are given in table 2.

Table 2: Insights regarding research characteristics

Paper Type (Count)	Method (Count)	Dates (Count)	Knowledge field (Count)	Location (Count)*	Customer-related outcome (Count)*	Incentives (Count)*	Participants (Count)*
Empirical (76)	Quantitative (61)	Pre-1992 (1)	Marketing (49)	USA (35)	Service Quality (33)	Individual (34)	Employees (15)
Conceptual (18)	Survey (44)	1992-2002 (27)	General & Strategy (14)	North America (2)	Customer Satisfaction (21)	Team (4)	Salespeople (15)
Lit. Review (2)	Archival (10)	2003-2012 (41)	Finance & Accounting (13)	Asia (13)	Customer Orientation (12)	Various (5)	Managers (13)
	Experiment (5)	2013-2022 (27)	Org. Behav. & HRM (12)	Europe (12)	Ethical/Unethical Behav. (5)	Not Specified (33)	Various (23)
	Meta-Analysis (2)		Other (8)	Africa (2)	Customer Relationships (3)	-----	Other (10)
	Mixed methods (11)			South America (1)	Market Orientation (2)		
	Qualitative (4)			Australasia (1)		Short-term (30)	
	Case Study (2)			Multiple countries (10)		Long-term (2)	
	Interviews (1)					Various (3)	
	Grounded T. (1)					Not Specified (41)	
	Literature Review (2)						
	Conceptual (18)						

* Empirical Papers only

3.2 Content Findings

Having identified the relevant literature and described the data characteristics, we now present the insights extracted from the thematic inductive analysis undertaken. The purpose of this analysis was to surface key themes from the literature, with these being used to develop a graphical representation of the papers' content. To this end, and following Gioia et al.'s (2013) approach, we analysed the text of the 96 selected papers and identified 34 first-order themes. Those were combined with our own assessment of the underlying narrative presented by the papers to produce second-order themes. Finally, these were distilled into aggregate dimensions. Table 3 shows the first-order and second-order themes as well as the overall aggregate dimensions resulting from this inductive analysis procedure. We use the remainder of this section of the review to explain these findings in greater detail.

Table 3: Insights from inductive thematic analysis

Aggregated Dimension	Second-order themes	First-order themes	Content assessment	Exemplary text
Scheme underpinning assumptions	Beliefs	▪ Employees are assumed to act rationally	Consensus	▪ “Traditional control systems are rooted in agency theory, which regards employees as rational, opportunistic actors and advises managers to control them formally through monitoring and rewarding, in line with clear, preset goals” (Schepers et al., 2012, p.1)
Scheme aims	Delivering Goals	▪ Incentives should support organisational goals, and strategy	Consensus	▪ “organizations can use control mechanisms to influence the goal orientations of their employees in a manner that is consistent with organizational priorities” (Rodrigues, Coelho and Sousa, 2015, p.364) ▪ “Assessment and reward strategies need to be brand-centered rather than sales/performance centered to encourage on-brand behavior” (de Chernatony and Cottam, 2009, p.299)
		▪ Incentives support short and/or long-term goals	Tension (mixed)	▪ “incorporating forward-looking measures also leads to a significant increase in the farsighted efforts of long-horizon employees beyond those gained from simply providing the measures alone” (Farrell, Kadous and Towry, 2008) ▪ “Our results do not support the enduring orthodoxy that financial measures create short-termism, and nor do our results support the proposition that using non-financial measures will impact the short-termism caused by financial measures” (Marginson et al., 2010, p.365)
		▪ Incentives support customer acquisition and/or retention ('Hunters' & 'Farmers')	Tension (mixed)	▪ “Multidimensional incentives in which incentives balance current acquisition and future maintenance performance are an effective managerial solution” (Kim et al., 2019, p.763) ▪ “salespeople who are high in prevention focus can be managed into becoming more hunting-oriented through compensation plans that emphasize customer acquisition given our results indicating that prevention-focused salespeople who are farmers by design become more hunting oriented in response to such plans” (DeCarlo and Lam, 2016, p.435)
	Influencing Behaviour	▪ Incentives should support valued behaviours	Consensus	▪ “to raise the enthusiasm of employees, managers should reward employees who offer excellent services reliably and consistently” (Yan, Li and Cheng, 2020, p.11)
Scheme design	Design attributes	▪ Design should consider scheme costs	Consensus	▪ “When the sales force requires steeper incentives (for example, as competition for customers intensifies), ensuring compliance with a given standard becomes more costly for the firm. Faced with a higher marginal cost of compliance, the firm gradually becomes more permissive toward potential misselling” (Inderst and Ottaviani, 2009, p.902)

Aggregated Dimension	Second-order themes	First-order themes	Content assessment	Exemplary text
		Incentive design impacts its effectiveness	Consensus	“However, the case study organization needed to articulate coherent and clear performance criteria in order to avoid employee confusion with respect to the content of behaviour-based control systems.” (Plakoyiannaki et al., 2008, p.287)
		Different types of control have different effects	Consensus	“The results of this study also show that sales control styles have significant main effects on role ambiguity, salesperson knowledge, and intrinsic motivation” (Miao and Evans, 2012, p.189)
		Incentives should apply behaviour-based and/or outcome-based control methods	Tension (mixed)	“It appears that in the market oriented company, higher levels of sales manager behavior-based control influences the selling and non-selling salesperson skills prioritized by the sales manager” (Piercy, Cravens and Lane, 2009, p.464) “these results provide compelling evidence that the interactive effects of outcome control, activity control, and capability control must be considered beyond their main effects to better understand the complex nature and consequences of sales control systems” (Miao and Evans, 2013, p.87)
		Incentives should use financial and/or non-financial measures	Tension (mixed)	“Therefore, in practice, a top manager in a big hotel favoring a luxury customer orientation should consider using manager incentive systems based on non-financial performance measurements (such as customer satisfaction or service quality) to improve overall customer satisfaction, which in turn improves financial performance.” (Bénet et al., 2022, p.325) “this is the first study to explore and demonstrate that both financial and nonfinancial incentive motivators contingently administered by trained managers significantly improved desirable business-unit outcomes (profitability, customer service, and employee turnover)” (Peterson and Luthans, 2006, p.163)
		Incentives should use objective and/or subjective measures	Consensus	“Our results suggest that the overall negative aspects of subjective performance measures can be suppressed if we fix just one aspect—their lack of discriminability” (Ahn, Hwang and Kim, 2010, p.415) “The high level of subjectivity in the balanced scorecard plan led many branch managers to complain about favoritism in bonus awards and uncertainty in the criteria being used to determine rewards.” (Ittner, Larcker and Meyer, 2003, p.725)
		Incentives should use measures tied to organisational goals	Consensus	“Customer-centric companies live by a set of values that put the customer front and center, and they reinforce those values through cultural elements, power structures, metrics, and incentives that reward customer-focused, solutions-oriented behavior.” (Gulati, 2007, p.103)
		Incentive measures should be aligned with a Balanced Scorecard	Tension (mixed)	“Further analysis revealed that CBSC had little impact on corporate control.” (Kraus and Lind, 2010, p.275)

Aggregated Dimension	Second-order themes	First-order themes	Content assessment	Exemplary text
Interactions (multi-level change)	Human interactions	▪ Incentives should focus on individuals and/or teams	Tension (mixed)	“Finally, our quantitative and qualitative analyses indicate that implementation issues may be far more important to the success or failure of balanced scorecard systems than the scorecard's technical attributes” (Ittner, Larcker and Meyer, 2003, p.754) “The tendency of evaluators to rely on common measures does not necessarily undermine the role of the BSC in reinforcing business strategy because evaluators also rely on strategically linked performance measures” (Banker, Chang and Pizzini, 2004, p.22) ▪ “our findings show that managers can curb unwanted imbalance situations by emphasizing the individual over the group-based component in their incentive scheme.” (van der Borgh, de Jong and Nijssen, 2019, p.339) “Rewarding unit performance is important because it prevents employees from placing their individual or functional needs above customers' needs.” (Majchrzak and Wang, 1996, p.97) ▪ “Thus, alternating incentive structures to account for salesperson individual differences seems prudent.” (Schrock et al., 2021, p.1216)
		▪ Incentives should be designed with an awareness of who is being incentivised	Consensus	
		▪ Management and supervision practices impact incentive scheme effectiveness	Consensus	▪ “Our research, drawing on a contingent self-regulation impairment perspective, suggests that contingent reward and contingent punishment are two contingency factors that work the opposite directions in the context of abusive supervision.” (Yang et al., 2021, p.558)
		▪ Employees may resist incentive schemes	Consensus	▪ “focusing behavior on retail sales can lead to a feeling of intense competition among sales consultants which, in turn, can result in resentment that they are being 'used' by management.” (Banker, Lee and Potter, 1996, p.198)
	Interactions with other practices	▪ Incentives affect employee motivation	Consensus	▪ “The pay-for-performance effects on motivation are readily apparent in these representative statements from the interview data.” (Malina, Norreklit and Selto, 2007, p.970)
		▪ Incentives need to be perceived as equitable by employees	Consensus	▪ “The effect of incentive pay on employee commitment was positive only when employees perceived high organizational fairness.” (Sung, Choi and Kang, 2017, p.301)
		▪ Incentives are part of a system of HR practices	Consensus	▪ “Thus, we expect that strategic HRM practices (e.g., valid and selective selection systems, training and development initiatives, performance evaluation, pay for performance) are negatively associated with unit-level CWB.” (Carpenter, Whitman and Amrhein, 2021, p.1505)
		▪ Incentives are part of a system of organisational controls	Consensus	▪ “From a conceptual perspective, the literature has long held that there is a relationship between design choices for MCS (delegation, performance measurement types, and incentive systems) and organizational performance” (Bénet et al., 2022, p.318)

Aggregated Dimension	Second-order themes	First-order themes	Content assessment	Exemplary text
Customer-related outcomes	Context interactions	▪ Incentives must be combined with other practices to be effective	Consensus	▪ “These results suggest that no single managerial practice per se is sufficient for achieving both types of behaviors. Instead, these behaviors are contingent on the presence (or absence) of multiple managerial practices, which supports the arguments of studies that argue that companies must simultaneously invest in multiple domains to obtain the best results.” (Silva et al., 2020, p.1597)
		▪ Incentives support Customer Relationship Management	Consensus	▪ “Finally, our findings indicate that CRM reward systems do facilitate CRM processes.” (Ernst et al., 2011, p.301)
		▪ Incentives can be influenced by the environment external to the organisation	Consensus	▪ “Our analysis showed that the effects of incentive pay on employee commitment were positive (not negative) for firms operating under high turbulence but negative for firms operating under low turbulence.” (Sung, Choi and Kang, 2017, p.301)
		▪ The organisation's external environment may be influenced by the scheme	Insufficient evidence	▪ “Therefore, the on-time bonus not only improves the service reliability of United Airlines but also motivates its competitor, Southwest, to improve in this market.” (Zhou, Albuquerque and Grewal, 2021, p.395)
		▪ Incentives' effects may be mitigated by other factors	Consensus	▪ “Our findings point out the importance of considering the size, number of stars, and customer orientation when making choices regarding the extent of delegation and the type of performance measurements to be used in front-office staff incentive systems.” (Bénet et al., 2022, p.325)
	Intended outcomes	▪ Incentives cause employees to act in ways desired by the organisation	Tension (mixed)	▪ “As such, compensation can provide an important boundary effect of regulatory focus in that, despite the a priori preferences of prevention-focused salespeople for safer, less risky activities (e.g., a farming orientation) may be over- ridden by their motivations to engage in behaviors (e.g., hunting) that increase their probability of making quota.” (DeCarlo and Lam, 2016, p.434) “However, the result show that rewards and benefits were not significantly linked with organisational performance” (Mohammad et al., 2021, p.132)
		▪ Incentives cause employees to act in ways that are beneficial to customers	Tension (mixed)	▪ “An aligned rewarding mechanism for reinforcing or motivating appropriate service behaviours should also be considered as part of the incentive system.” (Sun, Hsu and Wang, 2012, p.1476) “Firms do not have to exclusively look to increasing incentives, contests, and compensation to motivate, thinking they cannot impact the inherent attractiveness of the sales task in the minds of their subordinates.” (Good, Hughes and Wang, 2022, p.288)
		▪ Incentives affect the customer experience	Tension (mixed)	▪ “Pay, rewards and development have no significant impact on service behaviour.” (Browning, 2006, p.1334) “Our results suggest that customer satisfaction emanates from satisfied employees and excellent customer service, which can be further

Aggregated Dimension	Second-order themes	First-order themes	Content assessment	Exemplary text
		▪ Incentives are linked directly/indirectly to the customer experience	Tension (mixed)	enhanced by empowerment, reward and training.” (Feng, Wang and Prajogo, 2014, p.133) ▪ “A direct effects model in which HR practices affect outcomes directly as well as indirectly indicated no support for the direct link between HR practices and customer satisfaction.” (Rogg et al., 2001, p.444) “We explore these effects and find that firms that balance service- and sales-related elements in their sales force metrics, incentives, data, and tools achieve superior performance.” (Panagopoulos, Rapp and Pimentel, 2020, p.97)
		▪ Incentives improve collaboration between business units	Insufficient evidence	▪ “All bonuses are tied directly to these customer satisfaction data, so employees are encouraged to cooperate across internal boundaries.” (Gulati, 2007, p.105)
	Unintended outcomes	▪ Incentives may have unforeseen consequences ▪ Incentives cause ethical/unethical behaviour	Consensus	▪ “Instead, in such contexts incentives can increase the bargaining power of the civil servant with respect to the taxpayer, leading to potentially less desirable outcomes.” (Khan, Khwaja and Olken, 2016, p.267) ▪ “if top management wish to reduce the likelihood of unethical activity in their sales teams, they must make clear that the behaviours of salespeople are important inputs into front line sales managers’ performance evaluations and reward structures” (Cadogan et al., 2009, p.928)
		▪ Incentives affect behaviour outside of the organisation	Insufficient evidence	▪ “the expectation of mis-selling reduces customers’ willingness to pay” (Inderst and Ottaviani, 2009, p.885)

3.2.1 *Underpinning assumptions*

Whilst the literature encompasses many fields of knowledge and methodological approaches to research, certain assumptions are commonly used by the authors to inform and support their work. A widespread example of this is the notion that employees are rational actors who will base their decisions and actions on logic. Explicit acknowledgement of this claim is rare, Schepers et al (2012, p.1) provide an example of that. The assumption is used in both conceptual papers (Hauser, Simester and Wernerfelt, 1994, 1996, 1997; Inderst and Ottaviani, 2009, 2012) and empirical works (Goodale, Kuratko and Hornsby, 2008; Sung, Choi and Kang, 2017). Another frequently made assumption within the literature is the belief that increasing employees' extrinsic motivation will impact their performance. Some authors assume that incentivising desired behaviours will positively impact employee behaviour (Malina, Norreklit and Selto, 2007; Silva et al., 2020), whereas others posit it can drive unforeseen, often undesirable results such as higher staff-turnover (Batt and Colvin, 2011), short-termism (Banker, Huang and Natarajan, 2011), and levels of unethical behaviour (Román and Munuera, 2005).

3.2.2 *Scheme aims*

Most scholars have paid close attention to what incentive schemes aim to achieve and the impact this can have on customers. A point of consensus is the claim that schemes should support the wider goals of the organisation. For instance, most conceptual (Gulati, 2007; Heskett et al., 1994) and empirical (Banker, Chang and Pizzini, 2004; de Chernatony and Cottam, 2009) papers emphasise the importance of influencing employees' actions to align with the needs of the organisation in supporting higher levels of customer service and satisfaction.

Differing views exist as to whether incentives should support short or long-term goals. Ittner et al (2003) propose using the Balanced Scorecard to align rewards to subjective, non-financial measures to avoid short-termism, though they find the success of this approach depends on the effective implementation of the resulting incentive scheme. Farrell et al. (2008) support long-term goals as a means to positively influence employee behaviour with regards to customer service, as do Batt and Colvin (2011), who claim long-term goals lower staff turnover and hence improve customer satisfaction. However, other authors argue that both short and long-term goals can successfully be combined and incentivised, for instance by using monetary incentives that balance short-term performance-based incentives with longer-term measures (Dikolli and Vaysman, 2006), using financial incentives as these were found not to increase short-termism (Marginson et al., 2010), and using both financial and non-financial incentives to influence short and long-term performance behaviours respectively (Peterson and Luthans, 2006). A point of consensus amongst these authors is the need to encourage employees to consider longer-term implications of their behaviour (potentially building customer relationships founded on high levels of service), rather than just working to achieve short term goals (e.g. sales targets).

3.2.3 *Scheme design*

While several papers consider scheme aims, the design of the scheme is an even more popular subject. Guidance is provided as to what should be considered when designing incentives, including the scheme costs (Hauser, Simester and Wernerfelt, 1996) and employee goal orientations (specifically learning or performance orientations) (Rodrigues, Coelho and Sousa, 2015). As with aims, there are areas of disagreement in the literature, for example, whether incentives should be team-based (Atanasova and Senn, 2011; Majchrzak

and Wang, 1996; Shaw, Gupta and Delery, 2001) or focus on individuals (van der Borgh, de Jong and Nijssen, 2019; Herhausen, De Luca and Weibel, 2018), with both options being proposed as leading to positive customer experience outcomes.

Two topics which receive considerable attention are the measures used in schemes and the types of controls they are based on. The first of these has several strands of discussion around the optimum combination of measures based on whether they are objective or subjective (Ahn, Hwang and Kim, 2010; Ittner, Larcker and Meyer, 2003), or financial or non-financial (Banker, Potter and Srinivasan, 2000; Bénet et al., 2022). Many of the papers that consider what measures should be used in incentives discuss the Balanced Scorecard (Kaplan and Norton, 1992). Whilst this is often advocated as a means to combine various measures, including those non-financial and subjective ones that some authors promote (Banker, Potter and Srinivasan, 2000), several studies show that the scorecard may not lead to the desired results regarding customer outcomes if management focuses too heavily on short-term, financial, objective metrics (Ittner, Larcker and Meyer, 2003; Kraus and Lind, 2010). However, Malina et al (2007) find that there may be perceived benefits of using scorecard measures in incentives if they support the culture management wishes to propagate; for example, a focus on high levels of customer satisfaction.

The second topic to engender high levels of discussion is the type of controls used when designing incentives. This discourse is built upon the work done by Anderson and Oliver (Anderson and Oliver, 1987; Oliver and Anderson, 1994) on outcome-based and behaviour-based controls. Further work by Jaworski (1988), Cravens et al. (1993), and Challagalla and Shervani (1996) developed their ideas with the later splitting behaviour-based controls into capability and ability-based ones. These categorisations are used by several authors to research if and how different combinations of control types used in incentives lead to different results. Conclusions reached on this matter include: output controls do not influence customer orientation though behaviour-based controls do (Evans et al., 2007), and different types of control can interact with each other, as well other factors such as employee job satisfaction and stress levels, to affect levels of customer service (Miao and Evans, 2012, 2013) and customer orientation (Zang et al., 2020). Although the different combinations of outcome and behaviour-based controls advocated by these authors suggest more research would be useful to identify other factors in the relationships studied, they do all share the view that there are complex relationships between the control types used and the effectiveness of the scheme.

3.2.4 Scheme interactions

Moving past the scheme attributes, we come to their interactions as a further source of focus. Unsurprisingly, schemes are found to influence the employees they target. Several authors find that monetary rewards motivate people to achieve higher levels of customer service and satisfaction (Hauser, Simester and Wernerfelt, 1994; Peterson and Luthans, 2006; Sung, Choi and Kang, 2017). However, others claim these effects are generally short-term (Kumar, Sunder and Leone, 2014). We also found differing views on how schemes may affect levels of intrinsic motivation to act in customer-focused ways. Herhausen et al (2018) find improved employee satisfaction from having their performance validated will increase these levels, but Good et al (2022) caution that incentives that aim to boost extrinsic motivation via rewards may have the opposite effect.

Aside from being rational actors and desiring fairness, employees also potentially possess many other attributes that can affect the success of a scheme. Customer orientation levels have already been mentioned and are considered by many authors (Bénet et al., 2022; Hartline, Maxham III and McKee, 2000; Silva et al., 2020). Other examples include

employee levels of: self-efficacy (Hartline and Ferrell, 1996), affective commitment (Babakus et al., 2003; Lam, 2012), competitiveness (Lam, 2012), individualism/collectivism (Li and Murphy, 2012), tendency to organisational citizenship behaviours (Sun, Hsu and Wang, 2012; Wieseke et al., 2012), and counterproductive work behaviours (Carpenter, Whitman and Amrhein, 2021). Throughout the literature a theme emerges of these factors not only being affected by incentive schemes, but of the inverse also being true and schemes themselves being influenced by their subjects' characteristics. This is therefore a complex area and one which many papers recommend further research on.

Looking beyond employees, there are other elements of an organisation that the literature shows will interact with an incentive scheme. For example, HR practices in use can sit alongside incentive schemes to further influence the behaviour of employees. These practices include training (Ruekert, 1992; Yan, Li and Cheng, 2020), recruitment and selection (Mohammad et al., 2021), empowerment (Feng, Wang and Prajogo, 2014; Horwitz and Neville, 1996), and performance appraisals (Batt and Colvin, 2011; Paul and Anantharaman, 2003). Many authors (Browning, 2006; Chao and Shih, 2018; Miao and Evans, 2013) make reference to the HRM 'Black Box' concept when commenting on the difficulty of describing relationships between these HR practices and the resulting impacts on people's behaviour, and how this can in turn affect the customer experience.

The final aspect of organisational interaction with incentives considered by the literature is how managers implement and influence them. Schemes must be perceived as being administered fairly for benefits to be realised (Bettencourt and Brown, 1997; Prasad and Steffes, 2002). Managers competences (Ahn, Hwang and Kim, 2010; Piercy, Cravens and Lane, 2009) and moods (Ding and Beaulieu, 2011) also influence scheme outcomes. Several authors comment on how schemes using the Balanced Scorecard may be undermined by a lack of understanding by management on how to successfully balance different performance measures (Banker, Chang and Pizzini, 2004; Ittner, Larcker and Meyer, 2003; Kraus and Lind, 2010).

3.2.5 *Scheme outcomes*

Having considered the attributes and the interactions of incentive schemes, we can now appraise what the literature says about the influence of incentives on customer experience. Again, we encounter a state of discord. Looking at the impact of incentives on employee behaviour relating to customers, some papers find evidence that desired changes, and hence a better customer experience, are achieved. This can be due to increased organisational citizenship behaviour achieved via rewarding employees based on "overall firm performance rather than specific service-oriented behaviors" (Morrison, 1996, p.507), increased employee adaptability driven by behaviour-based controls that align with organisational culture (Hartline and Ferrell, 1996), and increased intrinsic motivation leading to higher levels of customer orientation produced by individually-focused incentives that enable employees to associate customer orientation with their own performance. This latter point is one that the authors themselves note to be "a different and novel interpretation of the role and importance of performance-contingent rewards" (Herhausen, De Luca and Weibel, 2018, p.549).

Other scholars do not share this conclusion. For example, Malina et al (2007) find no empirical evidence of payments successfully impacting customer experience with a Balanced Scorecard-based incentive scheme. Murphy and Li (2012) find sales manager effectiveness is no higher when remuneration is incentive-based rather than fixed, and Schepers et al (2012) conclude that controls based on Stewardship theory (Davis, Schoorman and Donaldson, 1997) may drive customer experience influencing extra-role behaviours that incentives will not. Not all authors come down on one side or the other of this discussion

though. Calabrese and Spadoni (2013) state that a trade-off exists between service productivity and service quality, and thus schemes will need to balance the desire for both behaviours.

The customer experience outcomes identified by the literature include increasing levels of customer service (Goodale, Kuratko and Hornsby, 2008; Lytle, Hom and Mokwa, 1998; Schrock et al., 2021), customer satisfaction (Chu and Desai, 1995; Cropanzano, Bowen and Gilliland, 2007; Rogg et al., 2001), and the quality of a long term relationship between employees and a customer (Banker, Huang and Natarajan, 2011; DeCarlo and Lam, 2016; Rubel and Prasad, 2016). However, some papers do not find evidence of this relationship (Browning, 2006; Khan, Khwaja and Olken, 2016; Mohammad et al., 2021). While they only account for a tenth of the overall list of selected papers, these papers demonstrate that a relationship cannot be assumed in all circumstances. Of the papers that do find a positive relationship, some conclude that there is a direct cause-and-effect link between an incentive and the customer experience (Feng, Wang and Prajogo, 2014; Sung, Choi and Kang, 2017) whilst others find that the relationship between incentives and customer experience indicators is indirect. For instance, this relationship has been found to be mediated by phenomena such as organisational culture (Rogg et al., 2001), employee perceptions of organisational justice (Carpenter, Whitman and Amrhein, 2021; Cropanzano, Bowen and Gilliland, 2007), team structure (Atanasova and Senn, 2011), and levels of employee job satisfaction and stress (Miao and Evans, 2013).

In addition to their impact on employee behaviour and customer experience, the literature also identifies the potential for schemes to have unintended consequences. The examples found are detrimental in nature, including increased staff turnover due to the impact of sorting (where employees who do not believe they will achieve incentive targets leave) (Batt and Colvin, 2011), lower levels of employee customer orientation if incentive rewards are allocated by an abusive supervisor (Yang et al., 2021), increases in unethical employee behaviours (Bolander et al., 2017; Khan, Khwaja and Olken, 2016), and lower levels of customer service if incentivised employees actually work better under stewardship-based controls (as opposed to agency-based ones) (Schepers et al., 2012).

Furthermore, some papers find that incentives can affect the behaviour of those outside the organisation. For example, a scheme could lead to improved customer service levels and hence put pressure on competitors in the market to respond in kind. As per Zhou et al (2021), this took place when United Airlines instigated a financial incentive program for employees to reward them when flights departed on time. The scheme was so successful that competitors reacted and were able to reduce their own flight delays as well.

In sum, the literature analysed supports the existence of a relationship between employee incentives and customer-related outcomes, however, it also shows that this relationship is highly contextual—i.e., its effects seem widely variable and largely unpredictable due to the numerous interacting factors that influence it. This insight does not imply that this relationship is inexplicable as we are beginning to understand the conditions that enable or hinder it. Nevertheless, this evidence suggests that focusing our investigative efforts on the general question of whether incentives improve customer experience as a whole may have little utility. Instead, it seems more fruitful to concentrate on examining the processes incentives induce to generate the various customer outcome or on providing explanations that address phenomena such as multifinality (i.e., similar incentive forms which under certain circumstances lead to dissimilar customer outcomes) and equifinality (i.e., dissimilar incentive forms which under certain circumstances lead to similar customer outcomes).

3.3 Theoretical underpinnings

Given the variety of fields the papers come from, and the different aspects of incentives and customer-related outcomes they consider, it is not surprising that a wide range of theories are used to explain the investigated phenomena. Whilst most papers only adopt one single theory, there are some that combine two or more theories as the basis for the research conducted. We found that the most commonly applied theory within the literature selected was Agency Theory (Eisenhardt, 1989; Jensen and Meckling, 1976). It was most often to be found when authors discussed the need for incentives (Banker, Potter and Srinivasan, 2000; Ittner, Larcker and Meyer, 2003), or when consideration was given to the types of controls that schemes should use to achieve their aims (Anderson and Oliver, 1987; Goodale, Kuratko and Hornsby, 2008). Agency theory's application within the literature coincides with the belief that incentives are a method for influencing employee behaviour. The theory considers an 'agency relationship' between a principal and an agent in which it is assumed that the interests of each party diverge and, as such, the principal must either find a way to oversee the performance of the agent, which may be costly or impractical to do, or must find other ways, for example using incentives, to ensure they act as desired. Despite concerns that Agency theory's assumption that principal-agent interests will always diverge is an oversimplification (Morris and Fenton-O'Creevy, 1996), and the existence of other theories that seek to rectify this (Bosse and Phillips, 2016; Chawla, 2016; Davis, Schoorman and Donaldson, 1997; Hernandez, 2012), it remains the dominant paradigm in compensation research, including incentive research (Larkin, Pierce and Gino, 2012, p.1194).

Despite Agency theory's economics-based popularity, much work has been done based on alternative, psychology-based, approaches which consider incentives to be a potential tool for motivating people towards better performance (Cameron and Pierce, 1994; Deci, Koestner and Ryan, 1999; Jenkins Jr. et al., 1998; Perry, Engbers and Jun, 2009). Expectancy theory (Vroom, 1964) is commonly used as a basis for this (Evans, Margheim and Schlacter, 1982; House, 1971; Park and Sturman, 2012; Smith et al., 2008) and according to Steel and König (2006, p.891) "*has long been the dominant paradigm and has proven value*". When applied to the matter of the behavioural changes initiated by incentives and the outcomes of these, the theory is used to consider not just the valence of the rewards offered but the likelihood of them being obtained by employees, which in turn connects to the importance of perceived fairness in the scheme (DeCarlo and Lam, 2016; Miao and Evans, 2013). It is worth noting, however, that Expectancy theory's reliability has been questioned (Lloyd and Mertens, 2018) with many authors challenging its assumption that people act in a highly rational way (van Doorn et al., 2010; Downes and Choi, 2014; He et al., 2021; House, 1996).

Goal setting theory (Locke and Latham, 1989) is another widely used theory for informing research on incentives from a motivational perspective (Blazevic et al., 2013; Linderman, Schroeder and Choo, 2006; Marsden, 2004). This theory is commonly used when control types and/or the scheme basis for performance measurement is examined (Evans et al., 2007; Schepers et al., 2012). As goals will be determined according to the measures chosen for a scheme, it serves as a link between the scheme's design and the behavioural changes it drives. Its use however must be balanced against criticism that it fails to account for subconscious feelings (Latham and Pinder, 2005).

The other most widely applied theoretical basis is that of Contingency theory (Otley, 1980, 2016). Authors apply this to support the view that the 'fit' of a scheme with the environment it exists within is important to its success (Banker et al., 1996; Chao and Shih, 2018). The environment includes both the organisation in question, and the wider

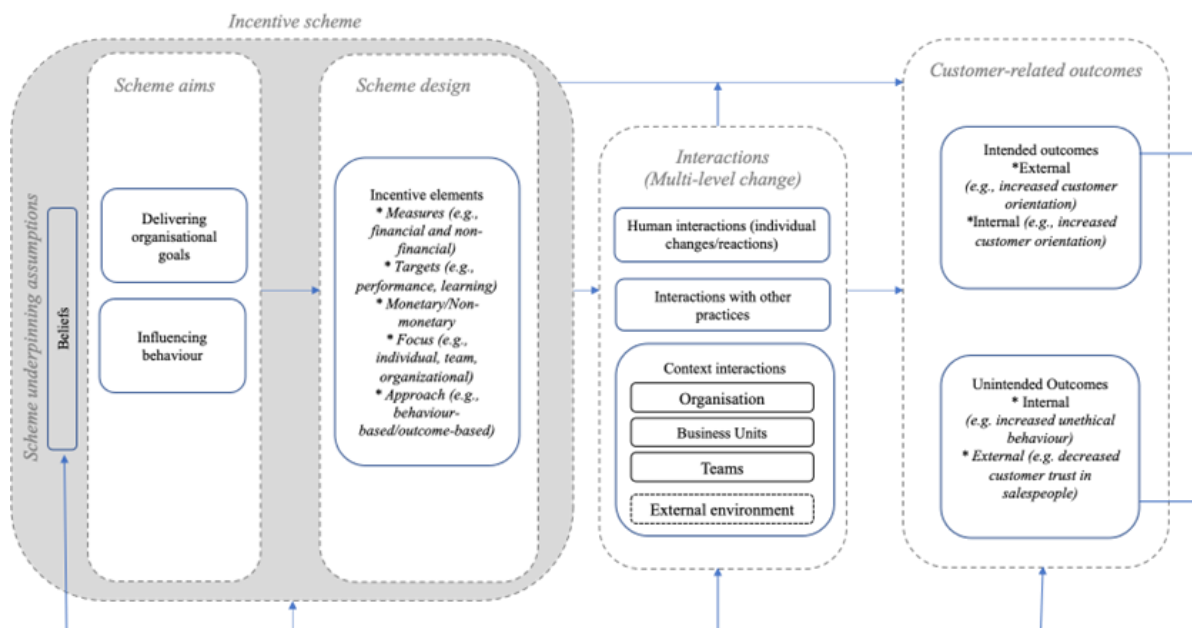
competitive, regulatory, cultural, and stakeholder contexts external to that organisation (Banker et al., 1996).

4. The relationship between incentives and customer experience

Based on the thematic inductive analysis findings, we now develop an integrated framework explaining how incentives are likely to relate to customer experience. This framework is shown in Figure 2. The framework is derived from the literature identified during the inductive analysis, with its formation following the aggregate dimensions determined within that work. The *form* and *aims* of incentive schemes are underpinned by deeply held *beliefs* regarding human behaviour, the nature of organizational performance, and the problem the incentive scheme is meant to address. Incentive designers' beliefs shape the identification and selection of the goals incentivise by the payment scheme. These may include maximising sales, building long-term customer relationships, expanding market share, and so forth. These goals provide a basis for ascertaining the behaviours desired from employees. The nature of these goals and expected behaviours together with internal and external contextual or environmental influences explain the specific *design characteristics* of the incentive scheme, including its measures, targets, and payments. The relationship between these constructs is primarily informed by Agency theory's (Eisenhardt, 1989; Jensen and Meckling, 1976) insights on how to balance the need to oversee the behaviour of agents with the costs of so doing. Indeed, Agency theory provides a theoretical underpinning to much of the literature and so is relevant throughout the model. Goals setting theory provides guidance about the likely impact different aspects of the incentive scheme (e.g., selected goals, measures, targets and pay) will have on individuals' behaviour and ultimately performance.

The designed incentive scheme, with its underpinning assumptions, triggers *interactions* at multiple levels both within and outside the organisation. These are complex interactions, not necessarily linear, and involve phenomena occurring within and among people, organisational systems (including HRM practices and other control mechanisms), and beyond the organisational boundaries. The complexity of these phenomena has similarities to the 'Back Box' concept used in HRM literature as mentioned above. The interactions produced by the scheme will result in one or more customer-related outcomes. These outcomes may be either internal or external to the organisation, and either intended or unintended. A scheme may produce several outcomes, belonging to more than one of those categorisations. Expectancy theory can help explain ways internal outcomes may be influenced by employee perceptions and experiences. Contingency theory is applicable for explaining how the relationships between the scheme and its context lead to its intended outcomes, although this theory is silent about unintended effects. Finally, a feedback loop exists from these outcomes and the other parts of the model to reflect the complex and bi-directional nature of these phenomena. This point captures the importance of considering that incentive outcomes impact how future or existing schemes are created as well as the way in which they interact with their environment. Over time they are also able to influence designers core assumptions.

Figure 2: Conceptual framework



5. Discussion

5.1 Implications for research

Based on a thorough descriptive and content analysis of 96 articles, we developed an integrative framework that explains how the relationship between incentive schemes and customer outcomes manifests itself. The fact that the literature selected includes papers from over four fields of study looking at seven different customer outcomes is illustrative of a body of work that lacks cohesion. This is indicative of the lack of research conducted specifically on the link between incentives and customer experience. Many papers that do consider it do so only as part of a wider research question, for example ‘how do HRM practices affect service behaviour?’ (Browning, 2006), or ‘what are the determinants of ethical behaviour in salespeople?’ (Román and Munuera, 2005). It was this that necessitated the scope of the SLR process to be set wide enough to capture the relevant contributions to the subject matter. Although the selected papers do contain many useful insights, including a generally held view that a relationship between incentives and customer experience does exist, there is a clear need for further research that focuses specifically on this matter.

Looking at the literature that does exist, it is notable that so few works use qualitative methods in their research. Research upon many of the concepts within the literature results in mixed findings. This suggests that there are factors that mediate or moderate the relationship in ways we do not yet understand. Identifying and investigating these will likely require more than another survey being issued. Directly engaging with the participants of incentive schemes could lead to deeper insights into this subject. Additionally, given the discussion around short and long-term measures being used, more longitudinal research may be valuable in further investigating scheme outcomes over time.

Given that the literature shows that the incentive-customer experience relationship can be affected by national cultures (Li and Murphy, 2012; Murphy and Li, 2012), there would be value in having more research conducted outside of USA. Specifically, only four of the 96 papers included research based in the UK, with these only looking at service quality or

market orientation as customer-related outcomes. There is scope for more work to be conducted in countries under-represented within the research, especially with a focus on outcomes that have yet to be studied in those contexts, for example, customer orientation or customer centricity.

Across the literature, we can see a reliance on Agency theory as a conceptual basis for the existence of incentive schemes. While this is a widely used and respected theory, it can paint an unnecessarily confrontational picture of the relationship between principals (management) and agents (employees) where the former cannot trust the latter to act in their interests. Stewardship theory suggests this may not always be the case, yet only Schepers et al (2012) make use of this concept. As they do not find evidence of the incentive–customer experience relationship this suggests its existence may depend on the existence of a principle-agent relationship in the organisation, rather than a principle-steward relationship. More research is needed to investigate this. Of the other commonly applied theories, both the assumption of rational behaviour by employees inherent in Expectancy theory, and Goal-setting theory's inability to account for the subconscious element of people's response to targets, lay the reliance on these works open to challenge. Research that moves away from these 'safe' foundations to use a wider perception of employees as complex, 'messy' individuals who may act in unforeseen ways could shed light on new areas of knowledge which the literature, with its reliance on mid-20th century thinking, may have missed.

If most theories used in the literature have restrictive assumptions around them, Contingency theory may suffer from the opposite issue. Whilst it is informative to conclude the context, 'fit', and environment around an incentive scheme are important, this prompts more questions than answers. To understand the implications of what Contingency theory tells us, we need further research to determine how these factors mitigate the main relationship under investigation.

5.2 Implication for practice

From a practitioner perspective, we will mention three specific areas where the literature is lacking sufficient rigor. Although salespeople and other customer-facing employees are commonly used as subjects in the research, these are not the only people who can impact the customer experience. Employees working in support centres and functions, such as Finance, HR, IT, Facilities, and so forth are essential to the smooth running of an organisation. Also, concepts such as Market Orientation or Customer Centricity depend on all employees realising the importance of customers. Therefore, the lack of research on incentive schemes targeted at these groups is a significant omission.

Given the recent examples of damaging behaviour at financial institutions that was enabled and/or initiated by incentive schemes (e.g. Wells Fargo in 2016, GlaxoSmithKline in 2015) (Park, Park and Barry, 2021) it would be germane for research to be conducted on potential regulatory consequences of the unintended outcomes of incentives. These consequences would likely impact customers via rules on selling practices, requirement for consent, or other mandated steps. Finally, the multi-level changes that incentives bring to an organisation and its environment (including stakeholders such as shareholders and capital providers) warrant further investigation. As shown in the conceptual model, these form a crucial link between the creation of incentive schemes and their outcomes. While scheme effects on employees have been researched, the way they impact organisations throughout their structure, and beyond, remains fertile ground for future researchers to learn about and understand.

Finally, in Table 4, we offer the following suggestions for potential research questions that could fill gaps in the current knowledge. These have been grouped based on key points in the conceptual framework where greater understanding of the incentives – customer experience relationship would be of most value.

Table 4: Future Research Directions

Research Gap Location	Potential Research Question	Possible Approach
Scheme Interactions - Customer Experience	1) To what extent do employee perceptions of an incentive scheme impact their level of customer orientation?	Investigate potential correlations between how employees perceive aspects of an incentive scheme (e.g., objectivity, fairness, desirability of rewards) and their level of customer orientation.
	2) What impact do contingent factors of an employee incentive scheme have on the customer experience outcomes?	Identify and consider how the context a scheme operates within may affect the likelihood of intended or unintended, and internal or external, customer experience outcomes. The contextual factors could include geographical location, cultural norms, employee demographics and/or attributes, and customer demographics.
	3) What differences exist between the customer experience outcomes of an employee incentive scheme at different levels of an organisation?	Compare how individuals or teams being incentivised react to the scheme from a customer experience perspective, to how management react, and identify and investigate any discrepancies.
Customer Experience – Scheme Attributes	1) What differences exist between organisational reactions to incentive schemes depending on the type of customer experience outcome produced?	Investigate when organisations assess the customer experience-related results of incentives to potentially adjust the scheme, future schemes, or organisational aims as a whole, are differing weights given to results that were intended/unintended, internal/external.
	2) How do organisations react to changes made to the regulatory environment cause by customer experience-related outcomes of employee incentive schemes?	Examine how an organisation accounts for regulatory changes that potentially impact its incentive scheme(s). These reactions could be specific to the scheme and its participants, or wider in nature, for example, driving cultural and/or structural changes.
Scheme Attributes – Scheme Interactions	1) To what degree do different types of control better align to different levels of an organisation when used in employee incentive schemes, from a customer experience perspective?	Assess whether better customer experience-related outcomes are obtained from designing incentives using different types of control (e.g., behaviour-based, outcome-based) dependant on what part of the organisational is being incentivised. For example, do customer-facing employees and middle-management react differently to different control types.
	2) What differences exist between how teams and individuals react from a customer experience perspective to incentive schemes with differing timescales?	Appraise whether long-term incentives will produce different effects on customer experience if they are based on team performance instead of individually focused. Hence will changing membership of the team over time influence the effectiveness of the scheme.

6. CONCLUSION

The dual questions of how to efficiently direct employee behaviour towards organisational goals, and how to provide a positive experience for customers that encourages repeat custom, are key to the success of many organisations. We conducted a review of the literature that considers the relationship between these areas in the form of employee incentive schemes and the customer experience. By undertaking a thematic inductive analysis of the contents of peer-reviewed papers published in high-quality journals, we have identified both the key findings of the literature, and significant omissions from the research conducted to date. We are not aware of any example of this having been previously undertaken.

The consensus within the literature is that a relationship between employee incentive schemes and the customer experience does exist. However, beyond this there is a wide range of views on how the relationship functions. We have developed a conceptual model of the relationship that shows the mitigating factors that affect it and reflects the importance of the performance measures and types of control chosen for a scheme. The finding that schemes drive multi-level changes within organisations is also an important insight into what produces the range of foreseen and unforeseen changes that are internal and external to organisations. There is a need for further research on the nature of these changes, impacts on non-customer-facing employees, unforeseen external outcomes, and other areas insufficiently explored by the literature.

Whilst we believe this paper makes a meaning contribution to our knowledge of this area, it does have limitations that should be recognised. In choosing to restrict the selected literature to peer-reviewed papers we have omitted the so-called 'grey' literature (Okoli, 2015) that exists beyond this criteria. It is possible that further insights on the subject could be gleaned from this, often practitioner-based, option. Additionally, we restricted our search to papers available in English. Again, further insights may be available to future researchers who move past this boundary. Finally, our use of inductive analysis to interrogate the literature could be challenged as lacking transferability beyond the selected research considered here. Whilst the use of Gioia et al's (2013) approach to the analysis provides structure and a repeatable process, those with a highly interpretivist perspective may feel our conclusions cannot be applied to other domains.

Despite these matters, we contend this paper advances our understanding of the relationship between employee incentive schemes and the customer experience, and highlights avenues for further research. Given the importance of each of these subjects, we are confident that academics and practitioners alike will benefit from such work.

7. References

- Ahn, T.S., Hwang, I. and Kim, M.I. (2010) 'The Impact of Performance Measure Discriminability on Ratee Incentives', *Accounting Review*, 85(2) Seoul Natl Univ, Seoul 151, South Korea, pp. 389–417.
- Anderson, E. and Oliver, R.L. (1987) 'Perspectives on Behavior-Based Versus Outcome-Based Salesforce Control Systems.', *Journal of Marketing*, 51(4) American Marketing Association, pp. 76–88.
- Atanasova, Y. and Senn, C. (2011) 'Global customer team design: Dimensions, determinants, and performance outcomes', *Industrial Marketing Management*, 40(2), pp. 278–289.

Babakus, E., Yavas, U., Karatepe, O.M. and Avci, T. (2003) 'The effect of management commitment to service quality on employees' affective and performance outcomes', *Journal of the Academy of Marketing Science*, 31(3) Univ Memphis, Memphis, TN 38152 USA, pp. 272–286.

Banker, R.D., Chang, H.S. and Pizzini, M.J. (2004) 'The balanced scorecard: Judgmental effects of performance measures linked to strategy', *Accounting Review*, 79(1) Univ Texas Dallas, Dallas, TX 75230 USA, pp. 1–23.

Banker, R.D., Huang, R. and Natarajan, R. (2011) 'Equity Incentives and Long-Term Value Created by SG&A Expenditure', *Contemporary Accounting Research*, 28(3) Temple Univ, Philadelphia, PA 19122 USA, pp. 794–+.

Banker, R.D., Lee, S.-Y. and Potter, G. (1996) 'A field study of the impact of a performance-based incentive plan', *Journal of Accounting and Economics*, 21(2), pp. 195–226.

Banker, R.D., Lee, S.-Y., Potter, G. and Srinivasan, D. (1996) 'Contextual Analysis Of Performance Impacts Of Outcome-Based Incentive Compensation', *Academy of Management Journal*, 39(4) Academy of Management, pp. 920–948.

Banker, R.D., Potter, G. and Srinivasan, D. (2000) 'An Empirical Investigation of an Incentive Plan that Includes Nonfinancial Performance Measures.', *Accounting Review*, 75(1) American Accounting Association, pp. 65–92.

Batt, R. and Colvin, A.J.S. (2011) 'An employment systems approach to turnover: human resources practices, quits, dismissals, and performance', *Academy of Management Journal*, 54(4), pp. 695–717.

Bénet, N., Deville, A., Raïes, K. and Valette-Florence, P. (2022) 'Turning non-financial performance measurements into financial performance: The usefulness of front-office staff incentive systems in hotels.', *Journal of Business Research*, 142, pp. 317–327.

Bettencourt, L.A. and Brown, S.W. (1997) 'Contact employees: Relationships among workplace fairness, job satisfaction and prosocial service behaviors', *Journal of Retailing*, 73(1), pp. 39–61.

Blazevic, V., Hammedi, W., Garnefeld, I., Rust, R.T., Keiningham, T., Andreassen, T.W., Donthu, N. and Carl, W. (2013) 'Beyond traditional word-of-mouth.', *Journal of Service Management*, 24(3), pp. 294–313.

Bolander, W., Zahn, W., Loe, T. and Clark, M. (2017) 'Managing New Salespeople's Ethical Behaviors during Repetitive Failures: When Trying to Help Actually Hurts.', *Journal of Business Ethics*, 144(3) Springer Nature, pp. 519–532.

van der Borgh, M., de Jong, A. and Nijssen, E.J. (2019) 'Balancing Frontliners' Customer- and Coworker-Directed Behaviors When Serving Business Customers.', *Journal of Service Research*, 22(3), pp. 323–344.

Bosse, D.A. and Phillips, R.A. (2016) 'Agency theory and bounded self-interest.', *Academy of Management Review*, 41(2) Academy of Management, pp. 276–297.

Brown, D. and West, M. (2005) 'Rewarding Service? Using Reward Policies to Deliver Your Customer Service Strategy', *WorldatWork Journal*, 14(4) Scottsdale: WorldatWork, pp. 22–31.

Browning, V. (2006) 'The relationship between HRM practices and service behaviour in South African service organizations', *International Journal of Human Resource Management*, 17(7), pp. 1321–1338.

Cadogan, J.W., Lee, N., Tarkiainen, A. and Sundqvist, S. (2009) 'Sales manager and sales team determinants of salesperson ethical behaviour', *European Journal of Marketing*, 43(7–8) Univ Loughborough, Sch Business, Loughborough, Leics, England, pp. 907–937.

Calabrese, A. and Spadoni, A. (2013) 'Quality versus productivity in service production systems: an organisational analysis', *International Journal of Production Research*, 51(22)

Univ Roma Tor Vergata, Dept Enterprise Engn, Rome, Italy, pp. 6594–6606.

Cameron, J. and Pierce, W.D. (1994) 'Reinforcement, Reward, and Intrinsic Motivation: A Meta-Analysis', *Review of Educational Research*, 64(3) University of Alberta, Canada, pp. 363–423.

Carpenter, N.C., Whitman, D.S. and Amrhein, R. (2021) 'Unit-Level Counterproductive Work Behavior (CWB): A Conceptual Review and Quantitative Summary', *Journal of Management*, 47(6) Rutgers State Univ, Piscataway, NJ USA, pp. 1498–1527.

Challagalla, G.N. and Shervani, T.A. (1996) 'Dimensions and Types of Supervisory Control: Effects on Salesperson Performance and Satisfaction.', *Journal of Marketing*, 60(1) American Marketing Association, pp. 89–105.

Chao, M. and Shih, C.T. (2018) 'Customer service-focused HRM systems and firm performance: evidence from the service industry in Taiwan', *International Journal of Human Resource Management*, 29(19) Chang Gung Univ, Dept Hlth Care Management, Taoyuan, Taiwan, pp. 2804–2826.

Chawla, V. (2016) 'Workplace spirituality governance: impact on customer orientation and salesperson performance.', *Journal of Business & Industrial Marketing*, 31(4), pp. 498–506.

de Chernatony, L. and Cottam, S. (2009) 'Interacting contributions of different departments to brand success', *Journal of Business Research*, 62(Spring International Conference on Brand Management 2007), pp. 297–304.

Chu, W. and Desai, P.S. (1995) 'Channel coordination mechanisms for customer satisfaction.', *Marketing Science*, 14(4) INFORMS: Institute for Operations Research, p. 343.

Cox, A. (2005) 'The outcomes of variable pay systems: Tales of multiple costs and unforeseen consequences', *International Journal of Human Resource Management*, 16(8), pp. 1475–1497.

Cravens, D.W., Ingram, T.N., LaForge, R.W. and Young, C.E. (1993) 'Behavior-based and outcome-based salesforce control systems.', *Journal of Marketing*, 57(4) American Marketing Association, p. 47.

Cropanzano, R., Bowen, D.E. and Gilliland, S.W. (2007) 'The management of organizational justice', *Academy of Management Perspectives*, 21(4), pp. 34–48.

Davis, J.H., Schoorman, F.D. and Donaldson, L. (1997) 'Toward a stewardship theory of management.', *Academy of Management Review*, 22(1) Academy of Management, pp. 20–47.

DeCarlo, T.E. and Lam, S.K. (2016) 'Identifying effective hunters and farmers in the salesforce: a dispositional-situational framework', *Journal of the Academy of Marketing Science*, 44(4), pp. 415–439.

Deci, E.L., Koestner, R. and Ryan, R.M. (1999) 'A meta-analytic review of experiments examining the effects of extrinsic rewards on intrinsic....', *Psychological Bulletin*, 125(6), p. 627.

Dikolli, S. and Vaysman, I. (2006) 'Contracting on the Stock Price and Forward-Looking Performance Measures.', *European Accounting Review*, 15(4) Routledge, pp. 445–464.

Ding, S.J. and Beaulieu, P. (2011) 'The Role of Financial Incentives in Balanced Scorecard-Based Performance Evaluations: Correcting Mood Congruency Biases', *Journal of Accounting Research*, 49(5) Univ Ottawa, Ottawa, ON K1N 6N5, Canada, pp. 1223–1247.

van Doorn, J., Lemon, K.N., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P.C. (2010) 'Customer engagement behavior: Theoretical foundations and research directions', *Journal of Service Research*, 13(3) University of Groningen, Groningen, Netherlands, pp. 253–266.

Downes, P.E. and Choi, D. (2014) 'Employee reactions to pay dispersion: A typology of existing research.', *Human Resource Management Review*, 24(1), pp. 53–66.

Eisenhardt, K.M. (1989) 'Agency Theory: An Assessment and Review.', *Academy of*

Management Review, 14(1) Academy of Management, pp. 57–74.

Ernst, H., Hoyer, W.D., Krafft, M. and Krieger, K. (2011) ‘Customer relationship management and company performance-the mediating role of new product performance’, *Journal of the Academy of Marketing Science*, 39(2) Otto Beisheim Sch Management WHU, D-56179 Vallendar, Germany, pp. 290–306.

Evans, K.R., Landry, T.D., Li, P.-C. and Zou, S. (2007) ‘How sales controls affect job-related outcomes: the role of organizational sales-related psychological climate perceptions.’, *Journal of the Academy of Marketing Science*, 35(3) Springer Nature, pp. 445–459.

Evans, K.R., Margheim, L. and Schlacter, J.L. (1982) ‘A Review of Expectancy Theory Research in Selling.’, *Journal of Personal Selling & Sales Management*, 2(2) Taylor & Francis Ltd, p. 33.

Fang, M. and Gerhart, B. (2012) ‘Does pay for performance diminish intrinsic interest?’, *International Journal of Human Resource Management*, 23(6) Routledge, pp. 1176–1196.

Farrell, A.M., Kadous, K. and Towry, K.L. (2008) ‘Contracting on contemporaneous versus forward-looking measures: An experimental investigation’, *Contemporary Accounting Research*, 25(3), pp. 773–802.

Feng, T.W., Wang, D. and Prajogo, D. (2014) ‘Incorporating human resource management initiatives into customer services: Empirical evidence from Chinese manufacturing firms’, *Industrial Marketing Management*, 43(1) Northwestern Polytech Univ, Sch Management, Xian 710072, Shaanxi, Peoples R China, pp. 126–135.

Fleischman, G.M., Johnson, E.N., Walker, K.B. and Valentine, S.R. (2019) ‘Ethics Versus Outcomes: Managerial Responses to Incentive-Driven and Goal-Induced Employee Behavior’, *Journal of Business Ethics*, 158(4) Springer Netherlands, pp. 951–967.

Gerhart, B. and Fang, M. (2014) ‘Pay for (individual) performance: Issues, claims, evidence and the role of sorting effects.’, *Human Resource Management Review*, 24(1), pp. 41–52.

Gerhart, B., Rynes, S.L. and Fulmer, I.S. (2009) ‘Pay and Performance: Individuals, Groups, and Executives’, *The Academy of Management Annals*, 3(1), pp. 251–315.

Gioia, D. (2021) ‘A Systematic Methodology for Doing Qualitative Research.’, *Journal of Applied Behavioral Science*, 57(1), pp. 20–29.

Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2013) ‘Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology.’, *Organizational Research Methods*, 16(1), pp. 15–31.

Good, V., Hughes, D.E. and Wang, H. (2022) ‘More than money: establishing the importance of a sense of purpose for salespeople’, *Journal of the Academy of Marketing Science*, 50(2) Grand Valley State Univ, Seidman Coll Business, 50 Front Ave SW, Grand Rapids, MI 49504 USA, pp. 272–295.

Goodale, J.C., Kuratko, D.F. and Hornsby, J.S. (2008) ‘Influence factors for operational control and compensation in professional service firms’, *Journal of Operations Management*, 26(5) Univ Oregon, Lundquist Coll Business, Eugene, OR 97403 USA, pp. 669–688.

Gulati, R. (2007) ‘Silo busting - How to execute on the promise of customer focus’, *Harvard Business Review*, 85(5), pp. 98–+ WE-Social Science Citation Index (SSCI).

Hartline, M.D. and Ferrell, O.C. (1996) ‘The Management of Customer-Contact Service Employees: An Empirical Investigation.’, *Journal of Marketing*, 60(4) American Marketing Association, pp. 52–70.

Hartline, M.D., Maxham III, J.G. and McKee, D.O. (2000) ‘Corridors of Influence in the Dissemination of Customer-Oriented Strategy to Customer Contact Service Employees.’, *Journal of Marketing*, 64(2) American Marketing Association, pp. 35–50.

Hauser, J.R., Simester, D.I. and Wernerfelt, B. (1994) ‘Customer Satisfaction Incentives.’, *Marketing Science*, 13(4) INFORMS: Institute for Operations Research, p. 327.

- Hauser, J.R., Simester, D.I. and Wernerfelt, B. (1996) 'Internal Customers and Internal Suppliers.', *Journal of Marketing Research (JMR)*, 33(3) American Marketing Association, pp. 268–280.
- Hauser, J.R., Simester, D.I. and Wernerfelt, B. (1997) 'Side payments in marketing.', *Marketing Science*, 16(3) INFORMS: Institute for Operations Research, p. 246.
- He, W., Li, S.-L., Feng, J., Zhang, G. and Sturman, M.C. (2021) 'When Does Pay for Performance Motivate Employee Helping Behavior? The Contextual Influence of Performance Subjectivity.', *Academy of Management Journal*, 64(1) Academy of Management, pp. 293–326.
- Herhausen, D., De Luca, L.M. and Weibel, M. (2018) 'The Interplay Between Employee and Firm Customer Orientation: Substitution Effect and the Contingency Role of Performance-Related Rewards', *British Journal of Management*, 29(3) Univ St Gallen, Inst Mkt, Dufourstr 40a, CH-9000 St Gallen, Switzerland, pp. 534–553.
- Hernandez, M. (2012) 'Toward an understanding of the psychology of stewardship.', *Academy of Management Review*, 37(2) Academy of Management, pp. 172–193.
- Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser Jr., W.E. and Schlesinger, L.A. (1994) 'Putting the Service-Profit Chain to Work.', *Harvard Business Review*, 72(2) Harvard Business School Publication Corp., pp. 164–170.
- Hood, C. (2006) 'Gaming in Targetworld: The Targets Approach to Managing British Public Services.', *Public Administration Review*, 66(4) Wiley-Blackwell, pp. 515–521.
- Horwitz, F.M. and Neville, M.A. (1996) 'Organization design for service excellence: A review of the literature', *Human Resource Management*, 35(4), pp. 471–492.
- House, R.J. (1971) 'A Path Goal Theory of Leader Effectiveness.', *Administrative Science Quarterly*, 16(3) Administrative Science Quarterly, pp. 321–339.
- House, R.J. (1996) 'Path-goal theory of leadership: Lessons, legacy, and a reformulated theory.', *Leadership Quarterly*, 7(3) Elsevier B.V., p. 323.
- Huo, K. (2020) 'Performance incentives, divergent thinking training, and creative problem solving', *Journal of Management Accounting Research*, 32(1), pp. 159–176.
- Inderst, R. and Ottaviani, M. (2009) 'Misselling through Agents', *American Economic Review*, 99(3) Univ Frankfurt, IMFS, D-60054 Frankfurt, Germany, pp. 883–908.
- Inderst, R. and Ottaviani, M. (2012) 'How (not) to pay for advice: A framework for consumer financial protection', *Journal of Financial Economics*, 105(2) Bocconi Univ, Milan, Italy, pp. 393–411.
- Ittner, C.D., Larcker, D.F. and Meyer, M.W. (2003) 'Subjectivity and the Weighting of Performance Measures: Evidence from a Balanced Scorecard.', *Accounting Review*, 78(3) American Accounting Association, pp. 725–758.
- Jaworski, B.J. (1988) 'Toward a Theory of Marketing Control: Environmental Context, Control Types, and Consequences.', *Journal of Marketing*, 52(3) American Marketing Association, pp. 23–39.
- Jenkins Jr., G.D., Gupta, N., Gupta, A. and Shaw, J.D. (1998) 'Are Financial Incentives Related to Performance? A Meta-Analytic Review of Empirical Research.', *Journal of Applied Psychology*, 83(5) American Psychological Association, pp. 777–787.
- Jensen, M.C. (2003) 'Paying People to Lie: The Truth about the Budgeting Process', *European Financial Management*, 9(3), pp. 379–406.
- Jensen, M.C. and Meckling, W.H. (1976) 'Theory of the firm: managerial behavior, agency costs and ownership structure.', *Journal of Financial Economics*, 3(4), pp. 305–360.
- Joshi, A.W. and Randall, S. (2001) 'The indirect effects of organizational controls on salesperson performance and customer orientation', *Journal of Business Research*, 54(1), pp. 1–9.
- Kaplan, R.S. and Norton, D.P. (1992) 'The Balanced Scorecard--Measures That Drive

Performance.’, *Harvard Business Review*, 70(1) Harvard Business School Publication Corp., pp. 71–79.

Khan, A.Q., Khwaja, A.I. and Olken, B.A. (2016) ‘Tax Farming Redux: Experimental Evidence On Performance Pay For Tax Collectors.’, *Quarterly Journal of Economics*, 131(1) Oxford University Press / USA, pp. 219–271.

Kim, M., Sudhir, K., Uetake, K. and Canales, R. (2019) ‘When Salespeople Manage Customer Relationships: Multidimensional Incentives and Private Information’, *Journal of Marketing Research*, 56(5) Univ N Carolina, Kenan Flagler Business Sch, Mkt, Chapel Hill, NC 27599 USA, pp. 749–766.

Kohli, A.K. and Jaworski, B.J. (1990) ‘Market Orientation: The Construct, Research Propositions, and Managerial Implications.’, *Journal of Marketing*, 54(2) American Marketing Association, pp. 1–18.

Kraus, K. and Lind, J. (2010) ‘The impact of the corporate balanced scorecard on corporate control-A research note’, *Management Accounting Research*, 21(4), pp. 265–277.

Kumar, V., Sunder, S. and Leone, R.P. (2014) ‘Measuring and Managing a Salesperson’s Future Value to the Firm’, *Journal of Marketing Research*, 51(5) Georgia State Univ, Ctr Excellence Brand & Customer Management, J Mack Robinson Coll Business, Atlanta, GA 30303 USA, pp. 591–608.

Kunisch, S., Denyer, D., Bartunek, J.M., Menz, M. and Cardinal, L.B. (2023) ‘Review Research as Scientific Inquiry’, *Organizational Research Methods*, 26(1) Aarhus University, Herning, Denmark ; , Cranfield, UK ; , Chestnut Hill, MA, USA ; , Geneva, Switzerland ; , Columbia, SC, USA ; Aarhus University, Herning, Denmark: SAGE PUBLICATIONS, INC. PP - Thousand Oaks, pp. 3–45.

Lam, L.W. (2012) ‘Impact of competitiveness on salespeople’s commitment and performance’, *Journal of Business Research*, 65(9), pp. 1328–1334.

Larkin, I., Pierce, L. and Gino, F. (2012) ‘The psychological costs of pay-for-performance: Implications for the strategic compensation of employees.’, *Strategic Management Journal (John Wiley & Sons, Inc.)*, 33(10), pp. 1194–1214.

Latham, G.P. and Pinder, C.C. (2005) ‘Work motivation theory and research at the dawn of the twenty-first century.’, *Annual Review of Psychology*, 56(1) Annual Reviews Inc., pp. 485–516.

Lazear, E.P. and Shaw, K.L. (2007) ‘Personnel Economics: The Economist’s View of Human Resources.’, *Journal of Economic Perspectives*, 21(4) American Economic Association, pp. 91–114.

Lemon, K.N. and Verhoef, P.C. (2016) ‘Understanding Customer Experience Throughout the Customer Journey’, *Journal of Marketing*, 80(MSI Conference) Boston Coll, Carroll Sch Management, Mkt, Chestnut Hill, MA 02167 USA, pp. 69–96.

Li, N. and Murphy, W.H. (2012) ‘A Three-Country Study of Unethical Sales Behaviors’, *Journal of Business Ethics*, 111(2) George Mason Univ, Sch Management, Fairfax, VA 22030 USA, pp. 219–235.

Linderman, K., Schroeder, R.G. and Choo, A.S. (2006) ‘Six Sigma: The role of goals in improvement teams’, *Journal of Operations Management*, 24(6), pp. 779–790.

Lloyd, R. and Mertens, D. (2018) ‘Expecting More Out of Expectancy Theory: History Urges Inclusion of the Social Context.’, *International Management Review*, 14(1) American Scholars Press, pp. 24–37.

Locke, E.A. and Latham, G.P. (1989) *A Theory of Goal Setting and Task Performance*. Englewood Cliffs, NJ: Prentice-Hall.

Lytle, R.S., Hom, P.W. and Mokwa, M.P. (1998) ‘SERV*OR: A managerial measure of organizational service-orientation’, *Journal of Retailing*, 74(4) Abilene Christian Univ, Coll Business Adm, Abilene, TX 79699 USA, pp. 455–489.

- Majchrzak, A. and Wang, Q.W. (1996) 'Breaking the functional mind-set in process organizations', *Harvard Business Review*, 74(5), pp. 92-WE-Social Science Citation Index (SSCI).
- Malina, M.A., Norreklit, H.S.O. and Selto, F.H. (2007) 'Relations among measures, climate of control, and performance measurement models', *Contemporary Accounting Research*, 24(3) Univ Colorado, Denver, CO 80202 USA, pp. 935-+.
- Marginson, D., McAulay, L., Roush, M. and Van Zijl, T. (2010) 'Performance measures and short-termism: an exploratory study', *Accounting and Business Research*, 40(4) Cardiff Business Sch, Cardiff, S Glam, Wales, pp. 353–370.
- Marsden, D. (2004) 'The role of performance-related pay in renegotiating the “effort bargain”: the case of the british public service.', *ILR Review*, 57(3) Sage Publications Inc., pp. 350–370.
- Meyer, C. and Schwager, A. (2007) 'Understanding customer experience', *Harvard Business Review*, 85(2) Strateg Alignment Grp, Portola Valley, CA USA, pp. 116-+ WE-Social Science Citation Index (SSCI).
- Miao, C.F. and Evans, K.R. (2012) 'Effects of formal sales control systems: A combinatory perspective', *International Journal of Research in Marketing*, 29(2), pp. 181–191.
- Miao, C.F. and Evans, K.R. (2013) 'The interactive effects of sales control systems on salesperson performance: a job demands-resources perspective', *Journal of the Academy of Marketing Science*, 41(1) Clarkson Univ, Sch Business, Potsdam, NY 13699 USA, pp. 73–90.
- Mohammad, T., Darwish, T.K., Singh, S. and Khassawneh, O. (2021) 'Human Resource Management and Organisational Performance: The Mediating Role of Social Exchange', *European Management Review*, 18(1) Granville Coll, 725-570 Dunsmuir St 7th Floor, Vancouver, BC V6B 1Y1, Canada, pp. 125–136.
- Morris, T.J. and Fenton-O'Creevy, M. (1996) 'Opening up the black box: a UK case study of top managers' attitudes to their performance related pay.', *International Journal of Human Resource Management*, 7(3) Routledge, pp. 708–720.
- Morrison, E.W. (1996) 'Organizational citizenship behavior as a critical link between HRM practices and service quality', *Human Resource Management*, 35(4), pp. 493–512.
- Mosonyi, S., Empson, L. and Gond, J.P. (2020) 'Management Consulting: Towards an Integrative Framework of Knowledge, Identity, and Power', *International Journal of Management Reviews*, 22(2) Queen Mary Univ London, Sch Business & Management, London E1 4NS, England, pp. 120–149.
- Murphy, W.H. and Li, N. (2012) 'A multi-nation study of sales manager effectiveness with global implications', *Industrial Marketing Management*, 41(7) George Mason Univ, Sch Management, Fairfax, VA 22030 USA, pp. 1152–1163.
- Narver, J.C. and Slater, S.F. (1990) 'The effect of a market orientation on business profitability.', *Journal of Marketing*, 54(4) American Marketing Association, pp. 20–35.
- Okoli, C. (2015) 'A Guide to Conducting a Standalone Systematic Literature Review.', *Communications of the Association for Information Systems*, 37, pp. 879–910.
- Oliver, R.L. and Anderson, E. (1994) 'An empirical test of the consequences of behavior-and outcome-based sales control systems.', *Journal of Marketing*, 58(4) American Marketing Association, p. 53.
- Otley, D.T. (1980) 'The contingency theory of management accounting: achievement and prognosis.', *Accounting, Organizations & Society*, 5(4), pp. 413–428.
- Otley, D.T. (2016) 'The contingency theory of management accounting and control: 1980–2014.', *Management Accounting Research*, 31, pp. 45–62.
- Panagopoulos, N.G., Rapp, A. and Pimentel, M.A. (2020) 'Firm Actions to Develop an

Ambidextrous Sales Force', *Journal of Service Research*, 23(1) Ohio Univ, Coll Business, Dept Mkt, Ralph & Luci Schey Sales Ctr, 209 Copeland Hall, Athens, OH 45701 USA, pp. 87–104.

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985) 'A Conceptual Model of Service Quality and Its Implications for Future Research.', *Journal of Marketing*, 49(4) American Marketing Association, pp. 41–50.

Park, S. and Sturman, M.C. (2012) 'How and What You Pay Matters: The Relative Effectiveness of Merit Pay, Bonuses and Long-Term Incentives on Future Job Performance.', *Compensation & Benefits Review*, 44(2), pp. 80–85.

Park, T.-Y., Park, S. and Barry, B. (2021) 'Incentive Effects on Ethics', *Academy of Management Annals*, 16(1), pp. 297–333.

Paul, A.K. and Anantharaman, R.N. (2003) 'Impact of people management practices on organizational performance: analysis of a causal model.', *International Journal of Human Resource Management*, 14(7) Routledge, pp. 1246–1266.

Perry, J.L., Engbers, T.A. and Jun, S.Y. (2009) 'Back to the Future? Performance-Related Pay, Empirical Research, and the Perils of Persistence.', *Public Administration Review*, 69(1) Wiley-Blackwell, pp. 39–51.

Peterson, S.J. and Luthans, F. (2006) 'The Impact of Financial and Nonfinancial Incentives on Business-Unit Outcomes Over Time', *Journal of Applied Psychology*, 91(1) American Psychological Association, pp. 156–165.

Piercy, N.F., Cravens, D.W. and Lane, N. (2009) 'Sales management control level and competencies: Antecedents and consequences', *Industrial Marketing Management*, 38(4) Univ Warwick, Warwick Business Sch, Coventry CV4 7AL, W Midlands, England, pp. 459–467.

Plakoyiannaki, E., Tzokas, N., Dimitratos, P. and Saren, M. (2008) 'How critical is employee orientation for customer relationship management? Insights from a case study', *Journal of Management Studies*, 45(2) Aristotles Univ, Thessaloniki, Greece, pp. 268–293.

Prasad, A. and Steffes, E. (2002) 'Internal Marketing at Continental Airlines: Convincing Employees that Management Knows Best.', *Marketing Letters*, 13(2) Springer Nature, pp. 75–89.

Rodrigues, L.C.A., Coelho, F. and Sousa, C.M.P. (2015) 'Control mechanisms and goal orientations: evidence from frontline service employees', *European Journal of Marketing*, 49(3–4) Univ Coimbra, Fac Econ, Coimbra, Portugal, pp. 350–371.

Rogg, K.L., Schmidt, D.B., Shull, C. and Schmitt, N. (2001) 'Human resource practices, organizational climate, and customer satisfaction', *Journal of Management*, 27(4) Michigan State Univ, Dept Psychol, E Lansing, MI 48824 USA, pp. 431–449.

Rojon, C., Okupe, A. and McDowall, A. (2021) 'Utilization and development of systematic reviews in management research: What do we know and where do we go from here?', *International Journal of Management Reviews*, 23(2), pp. 191–223.

Román, S. and Munuera, J.L. (2005) 'Determinants and consequences of ethical behaviour: an empirical study of salespeople.', *European Journal of Marketing*, 39(5/6), pp. 473–495.

Rubel, O. and Prasad, A. (2016) 'Dynamic Incentives in Sales Force Compensation', *Marketing Science*, 35(4) Univ Calif Davis, Davis, CA 95616 USA, pp. 676–689.

Ruekert, R.W. (1992) 'Developing a market orientation: An organizational strategy perspective.', *International Journal of Research in Marketing*, 9(3), pp. 225–245.

Schepers, J., Falk, T., de Ruyter, K., Jong, A. de and Hammerschmidt, M. (2012) 'Principles and Principals: Do Customer Stewardship and Agency Control Compete or Complement When Shaping Frontline Employee Behavior?', *Journal of Marketing*, 76(6) American Marketing Association, pp. 1–20.

- Schrock, W.A., Hughes, D.E., Zhao, Y.H., Voorhees, C. and Hollenbeck, J.R. (2021) 'Self-oriented competitiveness in salespeople: sales management implications', *Journal of the Academy of Marketing Science*, 49(6) Michigan State Univ, Eli Broad Coll Business, N341 North Business Complex, E Lansing, MI 48824 USA, pp. 1201–1221.
- Shaw, J.D., Gupta, N. and Delery, J.E. (2001) 'Congruence between technology and compensation systems: Implications for strategy implementation', *Strategic Management Journal*, 22(4) Chicago: Wiley Periodicals Inc., pp. 379–386.
- Silva, G.M., Coelho, F., Lages, C.R. and Reis, M. (2020) 'Employee adaptive and proactive service recovery: a configurational perspective', *European Journal of Marketing*, 54(7), pp. 1581–1607.
- Smith, R., Jayasuriya, R., Caputi, P. and Hammer, D. (2008) 'Exploring the role of goal theory in understanding training motivation.', *International Journal of Training & Development*, 12(1) Wiley-Blackwell, pp. 54–72.
- Steel, P. and König, C.J. (2006) 'Integrating theories of motivation.', *Academy of Management Review*, 31(4) Academy of Management, pp. 889–913.
- Sun, P.C., Hsu, W.J. and Wang, K.C. (2012) 'Enhancing the commitment to service quality through developmental and rewarding systems: CSQ consistency as a moderator', *International Journal of Human Resource Management*, 23(7), pp. 1462–1480.
- Sundström, A. (2019) 'Exploring Performance-Related Pay as an Anticorruption Tool', *Studies in Comparative International Development*, 54(1), pp. 1–18.
- Sung, S.Y., Choi, J.N. and Kang, S.C. (2017) 'Incentive Pay and Firm Performance: Moderating Roles of Procedural Justice Climate and Environmental Turbulence', *Human Resource Management*, 56(2) Nanjing Univ, Org Behav & Human Resource Management, Nanjing, Jiangsu, Peoples R China, pp. 287–305.
- Tranfield, D., Denyer, D. and Smart, P. (2003) 'Towards a Methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review.', *British Journal of Management*, 14(3) Wiley-Blackwell, pp. 207–222.
- Vroom, V.H. (1964) *Work and Management*. New York: Wiley.
- Wieseke, J., Kraus, F., Ahearne, M. and Mikolon, S. (2012) 'Multiple Identification Foci and Their Countervailing Effects on Salespeople's Negative Headquarters Stereotypes', *Journal of Marketing*, 76(3) Ruhr Univ Bochum, Bochum, Germany, pp. 1–20.
- Wright, P.M. and Essman, S.M. (2021) 'Carrots, sticks, and performance: is it commitment, or commitment plus control?', *Academy of Management Perspectives*, 35(2) Univ South Carolina, Darla Moore Sch Business, Columbia, SC 29208 USA, pp. 208–218.
- Yan, K.N., Li, G. and Cheng, T.C.E. (2020) 'The impact of service-oriented organizational design factors on firm performance: The moderating role of service-oriented corporate culture', *International Journal of Production Economics*, 228 Xi An Jiao Tong Univ, Sch Management, State Key Lab Mfg Syst Engr, Key Lab, Minist Educ Proc Control & Efficiency Eng, 28 Xianning West Rd, Xian 710049, Peoples R China
- Yang, Z.Y., Jaramillo, F., Liu, Y.H., Ye, W.L. and Huang, R. (2021) 'Abusive supervision in retailing: the mediating role of customer orientation and the moderating roles of contingent reward and contingent punishment', *European Journal of Marketing*, 55(2) Univ North Carolina Greensboro, Greensboro, NC USA, pp. 543–564.
- Zang, Z., Liu, D., Zheng, Y. and Chen, C. (2020) 'How do the combinations of sales control systems influence sales performance? The mediating roles of distinct customer-oriented behaviors.', *Industrial Marketing Management*, 84, pp. 287–297.
- Zhou, C., Albuquerque, P. and Grewal, R. (2021) 'Competition and Firm Service Reliability Decisions: A Study of the Airline Industry', *Journal of Marketing Research*, 58(2) Univ South Carolina, Darla Moore Sch Business, Mkt, Columbia, SC 29208 USA, pp. 377–399.

