Abstract
Transaction Cost Analysis provides an appealing framework for examining the role of salary versus incentive compensation because it identifies a set of theoretical constructs for determining the appropriate balance between these components. However, there is no evidence on the performance impact of a compensation plan designed on the theoretical basis of TCA. This work analyses this impact through a sample of 108 salesforces operating in Spain. We consider variables as difficulty of replacing salespeople, uncertainty, output variables adequacy to measure salesforce performance and salesforce size to verify the relationship between the compensation design and the company and salesforce performance. Our results permit us to state that the TCA framework is appropriate for determining the success of a compensation plan for salespeople, specifically regarding salesforce outcomes.

Keywords
Transaction cost economics, Compensation, Sales force, Incentives.