DETERMINANTS OF SALESPERSON PERFORMANCE

Nasser Noor T. Ramayah Mohd Ameen S.M.A. Abdul Wahab

Abstract

This study examines the relationship between aptitude, skill level, role perception and personal factors towards salesperson performance. The bulk of the earlier research has been conducted in the developed countries, mostly American environment. A sample of 103 respondents were used in this study. The three independent variables investigated, all of them, skill/role perception, aptitude and personal factors turned out to be significantly related to the salesperson performance. Skill/role perception is found to be the most important variable in explaining the variance in salesperson performance. The results of this study would enhance the understanding of the determinants of salesperson performance for organizations in Malaysia which could be used as a guide line to increase their salespersons' performance. At the same time, it is also hoped that this study will encourage further marketing studies that are still comparatively lacking in Malaysia.

Keywords : Sales person performance, sales person job behavior, varimax rotation, reliability test

Introduction

Many people have unflattering attitude toward selling jobs and the people who do them for living. According to Arthur Miller in "Death of a Salesman" the words "selling" and "salesperson" tend to conjure up images of lonely losers and who spend most of their lives on the road or a fast-talking smoothness who will tell anybody anything to close a sale (Harold Hill, The Music Man). The selling profession's image has made it a convenient target for derogatory jokes, which, in turn have helped to reinforce the unsavory stereotypes.

The body of theory and research relevant for improving sales management practice grew dramatically throughout the 1970's (Churchill, Ford & Walker, 1990). On the positive side, public's perception of sales jobs have become more favorable over the vears and responses to the most recent surveys tend to view sales jobs as more challenging, requiring greater creativity and professionalism, and offering better financial rewards (Dubinsky, 1978).

Determinants of Salesperson Performance

It is widely recognized that as a subject of investigation, the individual at his or her workplace is of great importance to managers and researchers alike. Any attempt to understand and explain human behavior involves the problem of identifying its causes and constitution. Studies on human behavior require research and analysis which will lead to possible solutions.

These techniques are used to investigate the evidence that has been gathered on the determinants of salespeople performance. A research of the published and unpublished literature uncovered 116 articles that yielded 1653 reported associations between performance and determinants of that performance (Churchill, Ford, Hartley & Walker, 1985). The results indicated that the determinants can be ordered in the following way (1) Aptitude, (2) Skill Level, (3) Role Perception and (4) Personal Factors.

Purpose of the Study

Specifically, the purpose of this study is first, to substantiate the empirical link between performance of salesperson and the determinants of the sales people performance in the context of aptitude, skill, role perception and personal factors. Secondly, to contribute a more comprehensive understanding of the determinants of sales people performance and to help firms to solve the issues of declining performance of their sales people.

Literature Review

For the first 70 years of this century the practice of sales management resembled the practice of medicine by tribal witch doctors. Sales managers had to rely on large doses of folklore, tradition, intuition and personal experience in deciding how to motivate and direct the performance of the sales forces (Churchill et al., 1990). Few firms did any research to better understand the motives and behaviors of their own sales people. Sales managers got little information or guidance from marketing academicians. There was scant published theory and even less empirical research concerning the variables that influence one sales person to perform better than another (Bagozzi, 1978).

Fortunately the situation began to change about 20 years ago. Since the early 1970's an increasing volume of relatively sophisticated and informative research has focused on understanding why sales people behave as they do and identifying factors critical to their performance (Robertson & Chase, 1971). Today, nearly every issue of the major academic marketing journals contains at least one article of direct relevance to sales management and personal selling. Thus, substantial evidence has accumulated about the impact of different variables on a sales person job behavior and performance, namely: motivation, aptitude, skill level, role perception, personal factors and environmental and organizational variables. (Churchill et al., 1990)

The sales managers who are familiar

with this growing research evidence and best understand how these factors affect a salesperson's behavior has an advantage in planning and directing that behavior towards desired ends and in evaluating the results produced (Comer & Dubinsky, 1985).

Any stereotypes oversimplifies reality; thus, people tend to think of all sales jobs and sales people as being the same (Churchill et al., 1990). Actually, there are many different types of selling jobs requiring widely different training and skills and offering varying levels of compensation and opportunities for personal satisfaction and advancement.

Salesperson's Job Behavior and Performance Factors

Understanding the studies of salesperson performance can be extremely important to sales managers. Sales management involves three interrelated processes (Churchill et al., 1990):

1. The formulation of a strategic sales program

2. The implementation of the sales program

3. The evaluation and control of sales force performance.

Sales management is a dynamic function within an organization and is arguably the most influential factor in a company success or failure. Salespeople and their managers must be socially interactive because their jobs require sufficient knowledge of human behavior in order to deal effectively with others (Lancaster & Siminitias, 1991). To be effective, sales manager must understand why salespeople behave the way they do. Then policies and procedures can be designed to direct that behavior toward the desired objectives.

Churchill et al., (1990) suggests that five factors influences a salesperson's job behavior and performance.

1. Motivation. A salesperson cannot achieve a high level of job performance unless he or she is motivated to expend the necessary amount of effort. A person's motivation, in turn, is determined by the kind of rewards he or she expects to receive for achieving a given level of performance such as more pay or a promotion and by the perceived attractiveness of those anticipated rewards.

2. Aptitude. A salesperson's ability to perform the activities of his or her job is also influenced by the individuals personal characteristics, such as personality traits, intelligence and analytical ability. No matter how hard they try, some people are never successful at selling because they do not have the aptitude for the job. Of course, different kinds of sales jobs involve different tasks and activities, so a person with certain characteristics may be unsuited for one selling job but tremendously successful at another one.

3. *Skill Level*. Even when salespeople have the aptitude to do their jobs and an understanding of what they are expected to do, they must have the skills necessary to carry out the required tasks effectively. For instance, a salesperson must have a thorough knowledge of the product and how it works, how to make an effective

sales presentation and other sales skills.

4. Role perceptions. Before a salesperson can perform his or her job adequately, he or she must understand what the job entails and how it is supposed to be performed. The activities and behaviors associated with a particular job are defined largely by the expectations and demands of other people, both inside and outside the organization. Thus a salesperson's job or role is defined by the expectations and desires of his or her customers, sales manager, other company executives and family members. The sales person's ability to do the job well is partly determined by how clearly he or she understands those role expectations. Also, the salesperson may sometimes face conflicting demands, as when a customer wants a lower price but company management refuse to negotiate. The salespersons' ability to resolve such conflicts helps determine his or her success or failure on the job.

5. Environmental variables. Regardless of how highly motivated or competent a salesperson is, his or her ability to achieve a particular level of job performance is influenced and sometimes constrained by factors in the environment. The ability to reach a given sales volume for instance can be affected by such things as the market demand for the product being sold, the number and aggressiveness of competitors and the health of the economy. Similarly, other elements of a firm's marketing mix such as the quality of its products and the effectiveness of its advertising can affect a salesperson's ability to reach a high level of sales performance.

A sales manager can use several policies and procedures to influence the aptitude, skill levels, role perceptions and personal factors of the members of a sales force. Implementing a sales program involves designing the policies and procedures so that the job behavior and performance of each salesperson are shaped and directed toward the specified objectives and performance levels (Comer & Dubinsky, 1985).

The sales manager must decide what kinds of aptitude are required for the firms' salespeople to do the kind of selling involved and to reach the program's objectives. Recruiting techniques and selection criteria can then be developed to ensure that salespeople with the required abilities are hired (Moss, 1978).

Aptitude

The study of sales performance treats the sales aptitude of an individual largely as a constraints on the persons ability to perform the sales job. This assumes there is an adequate understanding of the role to be performed, learned skills and an absence of other constraints (Churchill et al., 1990). In other words, two people with equal role perceptions and skills might perform at very different levels because one has more aptitude or ability.

Aptitude and its impact on sales performance have historically received the greatest amount of research attention. Sales ability has been thought to be a function of such personal and psychological characteristics as follows (Weitz, 1987) :

1. Physical factors, such as age, height, sex and physical attractiveness.

2. Mental abilities, such as verbal intelligence and mathematical abilities. 3. Personal factors characteristics, such as empathy, ego, strength, sociability, aggressiveness and dominance.

Numerous studies have attempted to predict variations in sales performance using one or more of these aptitude variables. Many of the studies have found statistically significant relationships between the aptitude variables and performance.

Skill Level

Whereas role perception determine how well the salesperson knows what must be done in performing a job, and aptitude determines whether the person has the necessary native abilities, skill level refers to the individual's learned proficiency at performing the necessary tasks (Churchill et al., 1990). Aptitude, though, consists of relatively enduring personal abilities, while skills are proficiency levels that can change rapidly with learning and experience (Bragg, 1988).

Skills related to sales performance are (1) vocational skills, that is job and company specific skills; technical knowledge and vocabulary related to the firm's product line, knowledge of the company and its policies, (2) sales presentation, that is skills related to evaluating customer needs, presentation style, ability to handle objections and close the sale, (3) interpersonal, that is skills related to understanding, persuading and getting along with other people, (4) general management, that is skills related to organizing, directing and leading other people and (5) vocational esteem, which is the degree of liking or preference for tasks and activities associated with sales jobs (Ford, Walker, Churchill & Hartley, 1987; Houston, 1987).

The relative importance of each skills and the necessity of having other skills as well depends on the selling situation. It is likely that different kind of skills are needed for different types of selling tasks in various selling situations (Greenberg & Greenberg, 1983). The salesperson's past selling experience and the extensiveness of the firm's sales training programs does influence skill level.

Role Perception

The role attached to the position of salesperson in any firm represents the set of activities or behavior to be performed by any person occupying that position (Churchill et al., 1990). This role is defined largely through expectations, demands and pressures communicated to the salesperson by his or her role partners. These partners include persons both outside and within the individual's firm who have a vested interest in how the salesperson performs the job - top management, the individual's supervisor, customers and family members (Behrman & Perreault, 1984). The salesperson's perceptions of these expectations strongly influence the individual's definition of his or her role in the company and behavior on the job.

The role perceptions component has three dimensions: role accuracy, perceived role conflict and perceived role ambiguity. The term role accuracy refers to the degree to which the salesperson's perceptions of his or her role partners' demands particularly company superiors are accurate. Does what the salesperson think his superiors

want him to do on the job correspond to their actual expectations and demands? (Futrell & Parasuraman, 1984).

Perceived role conflict arises when a salesperson believes that the demands from two or more of his or her role partners are incompatible. Thus, he or she cannot possibly satisfy them all at the same time (Lucas, 1987). A saleswoman suffers from perception of conflict, for example, when a customer demands a delivery schedule or credit terms that the saleswoman believes will be unacceptable to her company superiors.

Perceived role ambiguity occurs when the salesperson feels he or she does not have the information necessary to perform his job adequately. The salesman may be uncertain about what some role partners expect of him in certain situations, how he should go about satisfying those expectations or how his performance will be evaluated and rewarded (Kohli, 1985).

The three role perception variables have psychological consequences for the individual salesperson. They can produce dissatisfaction with the job. All these effects can in turn produce higher turnover within the sales force and poorer performance.

Industrial salespeople are particularly vulnerable to role inaccuracy, conflict and ambiguity because of the nature of their jobs. Yet several personal and organizational variables can exert some impact on people's role perceptions. Fortunately, many of these variables can be controlled or influenced by sales management policies and methods, thus allowing the sales manager to influence the performance of individual salespeople (Teas, 1983).

Personal Factors

Personal factors is defined as enduring personal traits that reflect individual's consistent reactions to situations encountered in environment (Ford, Walker, Churchill & Hartley, 1987; Houston, 1987).

It is suggested by Churchill et al., (1990) that personal variables influences sales performance by directly facilitating or constraining performance. Unfortunately there has been less work investigating the personal variables.

Methodology

Based on the literature review, critical factors have been identified for the development of a theoretical framework. The framework postulates that aptitude, skill levels, role perception and personal factors determines salesperson's performance. The independent variables are as follows: aptitude, skill level, role perception and personal factors. The dependent variable is salesperson performance.

The proposed theoretical model will be tested in companies in Malaysia which includes Multi National Corporations, International Joint Venture companies and as well as local companies. Such testing will determine the validity of hypotheses that can be generated from the above said relationships. The results will serve as an invaluable insight into the state of current and future understanding of the determinants of salesperson performance.

Hypotheses

Based upon the initial framework

Figure 1

Theoretical Framework of Determinants of Salesperson Performance



model, the following hypotheses were developed and tested to achieve the study's objectives.

Proposition 1 : There is a positive relationship between aptitude and salesperson performance.

Proposition 2: There is a positive relationship between skill level and salesperson performance.

Proposition 3 : There is a positive relationship between role perception and salesperson performance.

Proposition 4 : There is a positive relationship between personal factors and salesperson performance.

Variables, Measures, and Measurement Scales

The independent variables are aptitude, skill level, role perception and personal factors. These variables were adopted from Churchill et al., (1990). Components were adapted from previous studies, measured on a 5 point Likert scale which ranged between Strongly Disagree and Strongly Agree and coded 1 to 5 respectively.

The questionnaire is adapted from Churchill et al., (1990) and made to suit the Malaysian context. The questionnaire is divided into 3 sections, Part 1 of this questionnaire focused on the dependent variable which is sales person performance. Part 2 of this questionnaire focused on the independent variable, that is the components affecting the salesperson performance. Finally in Part 3, there are a few questions directed to the respondent in order to enhance greater understanding about the re-

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Factor Analysis

A factor analysis with principal component method using varimax rotation was applied to all the variables. The factor analysis was done under the suspicion that there

measures used in this study were all acceptable.

Findings

A total of 103 individuals responded from the total target of 350. This represents

Tabel 1 Factor Loading

	Factor 1 Skill/Role Perception	Factor 2 Aptitude	Factor 3 Personal Factors
Question 17	0.53832		
Question 18	0.57904		
Question 19	0.55159		
Question 20	0_80060		
Question 21	0.76600		
Question 22	0.80733		
Question 23	0.67728		
Question 25	069846		
Question 13		0_77596	
Question 14		0.81035	
Question 15		0.80637	
Question 16		0,57581	
Question 24			0.78467
Ouestion 26			0.84479





a return rate of 29.43%. The 103 respondents were from 21 companies out of the total target of 70 companies. The key respondents for this study were all those involved in the sales line, that is the sales representatives, sales executives, account managers, assistant sales managers, and sales managers. All the returned questionnaires were re-

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Factor	Number of items	Items Dropped	Cronbach Alpha	
Skill/Role Perception (F1)	08			
Aptitude (F2)	04	(#	0.8145	
Personal Factors (F3)	02		0.7582	

 Tabel 2

 The Cornbach Alpha Reliability Coefficient

viewed and found to be valid for further analysis.

Of these 103 respondents, about 52.4% were from Malaysian organizations, 17.5% American organizations, 16.5% Japanese organizations and 13.6% European organizations. The respondents were from service based industry (50.5%) or retail industry (49.5%) with 48.5% receiving commission and 51.5% not receiving any commission. Most of the responding salesperson were Malay (43.7%), Chinese (30.1%), Indian (21.4%) and others (4.9%), and 87.4% from them were male and the rest being female (12.6%). All of the respondents had paper qualification; 64.1% degree holders, 18.4% masters and 16.5% diploma holders.

The majority of respondents were assistant sales managers 28.2%, account manager 27.2%, sales manager 23.3%, sales executive 16.5% and sales representatives 4.9%.

Descriptive Statistics

Means and standard deviations were obtained for the interval-scaled independent and dependent variables which are presented in Table 3.

It is important to mention again that all variables were tapped on a five-point scale. From the results, it may be seen that the mean of all four factors (variables) is rather high, that is more than average, with skill/role perception having the lowest

Table 3Descriptive Analysis

	Mean	Std. Deviation
Skill/Role Perception	4.01	0.50
Aptitude	4.30	0.51
Personal Factors	4.51	0.55
Performance	4.03	0.64

mean, 4.01 and personal factors having the highest mean, 4.51.

Hypothesis Testing

To test the hypothesis, multiple regression analysis was done. The results of regressing the three independent variables against Salesperson Performance can be seen in Table 4.

H1: There is a positive relationship between skill/role perception and salesperson performance.

H2: There is a positive relationship between aptitude and salesperson performance.

H3: There is a positive relationship between personal factors and salesperson performance.

Table 4 shows that 43.6 percent of the

variance (R-square) of the salesperson performance has been significantly explained by the three independent variables. Whereas the Durbin-Watson Test shows 1.79993 which shows no autocorrelation as it is in the range of 1.50 to 2.50.

The table above assists to see which among the three independent variables is the most important in explaining the variance in Salesperson Performance. The highest value in the Std. B column under Standardized Coefficients is 0.337672 for skill/ role perception which is significant at the 0.0016 level. The results mean that skill/ role perception is the most important variable in explaining the variance in salesman performance among the three variables. This is followed closely by aptitude (0.277380) and personal factors (0.174272). Positive values in the B values indicate that all three independent variables namely skill/role perception, aptitude and personal

Attributes	В	Std. B	Sig. T
Skill/Role Perception	0.428631	0.337672	0.0016
Aptitude	0.349384	0,277380	0,0043
Personal Factors	0.203553	0,174272	0.0570
R^2	0.43576		
Sig. F	0,0000		
Durbin-Watson	son 1,79993		

Table 4Results of Multiple Regression Analysis

factors have positive relationship towards sales person performance.

Discussion and Implications

The present study examines the relationship of three independent variables, namely skill level/role perception, aptitude and personal factors and its relationship with the dependent. This study is carried out in order to provide evidence that the independent variables have significant positive relationship with the salesperson performance.

Three hypotheses related to the determinants of salesperson performance were developed and tested. The finding in this study accepts Hypotheses 1, 2 and 3, which are, "there is significant positive relationship between skill level/role perception, aptitude and personal factors towards salesperson performance".

From the results of Multiple Regression Analysis, skill and role perception appears to be the most important variable in explaining the variance in salesperson performance followed by aptitude and lastly personal factors. The findings comply with Churchill et al. (1990), whereby aptitude, skill level, role perception and personal factors are important variables which determine the sales persons' performance.

The findings in this study concurs with previous research, that is role perception is found to be significant and has positive relationship (Behrman & Perreault, 1984), skill is significant and has positive relationship (Greenberg & Greenberg, 1983), aptitude is significant and has positive relationship (Bragg, 1988) and personal factors is also concluded as significant and has positive relationship (Churchill et al., 1990) towards sales person performance.

The findings reported here have practical as well as theoretical implications. On the practical side, there are implications for management policies. The findings could be used to enhance the sales team and their performance. The findings have theoretical implications as well which are skill/role perception, aptitude and personal factors found to be significant towards determining the sales persons' performance. This are the factors that companies should stress upon in order to have a stronger sales force.

Some psychologists suggest that a worker's overall level of self-esteem and perceived ability to perform necessary tasks are positively related to his or her aptitude, role perception, personal factors and skill level. Similarly, the salesperson's general intelligence and previous sales experience may influence the individual's perceived ability to improve performance through their own efforts. If these relationships are also true for salespeople, the characteristics may be useful supplementary criteria for the recruitment and selection of salespeople.

It is also quite important to note that bulk of the earlier research has been conducted in the developed environment countries, mostly America. This research has been carried out in the Malaysian environment to cater for Malaysian companies residing in Malaysia. The result of the questionnaire concludes that the key respondents basically have one voice, that is they do agree that the major determinants of sales person performance are aptitude, skill, role perception and personal factors. This is can be clearly studied from the pattern of mean. However, the result of regression shows skill and role perception is the main element in determining the sales people performance.

The present study has extended the literature on the determinants of salesperson performance. Firstly, the present study has substantiated the empirical link between aptitude, skill level/role perception and personal factors towards salesperson performance. The results support the proposition that all three independent variables do have significant positive relationship with salesperson performance. Ultimately, the study had also contributed to a more comprehensive understanding of the determinants of salesperson performance. Skill and role perception has emerged as a key determinants in influencing the salesperson performance.

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