

**THE RELATIONSHIP BETWEEN SALES SKILLS
AND SALESPERSON PERFORMANCE:
AN EMPIRICAL STUDY IN TELEKOM MALAYSIA**

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by

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DEDICATION

To My family.

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Grateful to Allah SWT and His Messenger Muhammad SAW, I finally managed to complete this dissertation.

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**PENGARUH KEMAHIRAN JUALAN JURUJUAL
KE ATAS PRESTASI JURUJUAL: KAJIAN EMPIRIKAL TERHADAP
JURUJUAL DI TELEKOM MALAYSIA**

ABSTRAK

Objektif kajian ini adalah untuk memahami pengaruh dimensi kemahiran jualan yang terdiri daripada kemahiran interpersonal, kemahiran kecekapan menjual, kemahiran teknikal dan kemahiran pemasaran terhadap prestasi jurujual. Tambahan pula, peranan komitmen ke atas organisasi sebagai pengaruh penyederhanaan juga dikaji. Kajian dilaksanakan terhadap jurujual-jurujual yang berkhidmat dengan Telekom Malaysia Berhad sahaja, dan berdasarkan dari pengetahuan pengkaji, kajian ini adalah merupakan kajian pertama yang pernah dilakukan terhadap jurujual-jurujual Telekom Malaysia Berhad. Berdasarkan daripada data seramai 114 responden jurujual-jurujual Telekom Malaysia Berhad yang telah diperolehi melalui pendekatan persampelan ketentuan, kemahiran interpersonal yang dimiliki oleh jurujual didapati mempengaruhi prestasi jurujual. Dapatan kajian juga telah mendedahkan bahawa kemahiran kecekapan menjual, kemahiran teknikal dan kemahiran pemasaran yang dimiliki oleh jurujual langsung tidak mempengaruhi prestasi jurujual. Merujuk kepada komitmen ke atas organisasi sebagai pembolehubah penyederhanaan, analisis regresi berhirarki 3-langkah telah dijalankan dan hasil kajian menunjukkan bahawa komitmen ke atas organisasi juga tidak mempengaruhi meningkatkan lagi prestasi jurujual.

THE RELATIONSHIP BETWEEN SALES SKILLS AND SALESPERSON PERFORMANCE: AN EMPIRICAL STUDY IN TELEKOM MALAYSIA

ABSTRACT

The objectives of this present study are to understand the influence of sales skills dimensions which are: interpersonal skills, salesmanship skills, technical skills and marketing skills on salesperson performance. In this study, the role of organizational commitment as a moderator to the relationship was also investigated. The study setting took place within a company namely Telekom Malaysia Berhad. To the best knowledge of the author, this study is the first ever empirical study conducted in Telekom Malaysia Berhad to explain the relationship between sales skills dimensions and salesperson performance to date. Based on the data of 114 respondents gathered from judgemental sampling of salespersons in Telekom Malaysia Berhad, effects of interpersonal skills was found to positively influence salesperson performance. Unexpectedly, the findings also revealed that salesmanship skills, technical skills and marketing skills do not influence salesperson performance. With regards to organizational commitment as a moderator, a 3-step hierarchical regression analyses was conducted and the results showed that organizational commitment does not moderate the relationship.

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Telecommunication services industry in Malaysia has undergone tremendous change - deregulation, new competition, and changing customers since late 1980s. Since then there are six new operators or service providers entering the market (International Telecommunications Union (ITU) Report, 2002; 2004). However, the industry consolidation in 2002 had resulted in only four key players in the industry, which are DiGi Telecommunications (DiGi), Maxis Communications (Maxis), TIME dotcom (TIME) and the incumbent, Telekom Malaysia (TM) (International Telecommunications Union (ITU), 2004). As a result of the consolidation, there has been more intense competition among these key players in order to gain the market share. Moreover, the competition becomes more severe when Malaysian Communications and Multimedia Commission (MCMC) continuously issues new licensees to smaller or niche players. As of 31 December 2005, there were 395 Applications Service Provider (ASP) licensees, 85 Network Facilities Providers (NFP) individual licensees and 94 Network Services Provider (NSP) individual licensees (MCMC Industry Performance Report, 2005). Competition will be further intensified when the domestic markets is further liberalized to allow participation of ASEAN registered companies in 2010 once telecommunication agreement rectified under AFTA commence (TM Annual Report, 2005).

With regard to overall contribution in the year 2004 and 2005, the telecommunications and multimedia industry contributed 9.7% and 10.2% to the country's GDP respectively. The GDP growth for Malaysia in 2005 was 5.3% as

opposed to 7.1% in 2004. In term of revenue, the industry garnered RM26.8 billion in 2005 as compared to RM24.5 billion in 2004. Overall growth in telecommunications and multimedia industry revenue in 2005 had moderated to 9% from 15% in 2004. Individually, the aggregate revenue for the four keys telecommunications service providers in 2005 as represented by TM, Maxis, DiGi and TIME amounted to RM23.6 billion, reflecting 8% increase from RM21.8 billion in 2004 (MCMC Industry Performance Report, 2004; 2005).

With respect to market share, TM continued to maintain its lead in market share with a revenue of RM13.9 billion and conquered 59% of total market share in 2005, compared to 62% and 61% in 2003 and 2004 respectively. Meanwhile, Maxis had continued to improve its market share to 27% from 26% in 2004 and 25% in 2003. Similarly, DiGi had also increased its market share to 12% from 10% in 2004 and 9% in 2003. However, TIME lost another 1% market share to 2% in 2005. As depicted in the statistics above, TM's market share had shrunk by 1% and 2% in 2004 and 2005 respectively, and TM also turned into modest 5% revenue year-on-year growth in 2005, as compared to 12.3% in 2004 (MCMC Industry Report, 2004; 2005; TM Annual Report, 2004; 2005).

At glimpse, the latest statistics on market share and business indicate that intense competition has influenced TM's business performance. The company can no longer rest on its laurels as competition will be getting stiffer in the future. The existing and future competitive market outlooks have created great pressure to the company to sell products or services so that the company not only can retain but also to further improve its market share. Moreover, selling products or services is the most important component of a business. With respect to this, sales groups are forced to work harder in order to provide the revenue stream that supports all of TM's business

activities. Furthermore, advances in technology results in organizations facing environment that are extremely complex and dynamic. Moreover, consumers are getting more intelligent and expect the best from the sellers to fulfill their demands (Atuahene-Gima & Micheal, 1998). Therefore, salespersons in sales groups are perhaps the most important individuals in the firm's marketing communication process since salespersons occupy a boundary position within the organization. They represent the organization to the customers, transact with them, scan and monitor the external environment (Sohi, 1996). The need to increase market share and be the preferred service providers or sellers have motivated the management to understand the factors underpinning the salesperson performance. Meanwhile, sales performance has been one of the commonly used variables or a proxy to gauge the salesperson performance (Morris, Davis, Allen, Avila & Chapman, 1991).

There are many reasons that contribute to salesperson performance. Nonetheless, it has been acknowledged that sales skills possessed by salesperson play pivotal roles towards sales performance. Sales skills had been found as one of the key individual-level determinants that contribute to salesperson performance (Churchill, Ford, Hartley, & Walker, 1985; Churchill, Ford, Walker, Johnston, & Tanner, 2000). Ingram, LeForge, Avila, Schwegker, and Williams (2004) added that turbulent business environment has even forced sales department to hire highly skilled salesperson as to ensure successful sales.

For many companies, their salespersons are the most important marketing tools in the interface between the companies and their customers. Operating at the interface between the organization and its environment, salespersons perform important boundary-spanning roles (Baldauf & Cravens, 2002). Good salespersons may offer substantial performance improvement in today's increasingly competitive

business environment. A top-quality salesperson who maximizes revenues from current existing customers and systematically identifies and manages new prospects well will allow a business entity to grow faster than its competitors (Futrell, 2006). Such efforts are particularly important in an environment where most valuable customers have many options and choices than ever before. Considering the pivotal role played by salesperson in ensuring continued growth of sales, therefore, hiring a highly skilled salesperson in sales organizations becomes critical (Churchill et al., 2000; Ingram et al., 2004; Futrell, 2006). Moreover, many researchers have emphasized the importance of salesperson's skills level on salesperson performance (Churchill et al., 1985; Churchill et al., 2000; Rentz, Shepherd, Tashachian, Dabholkar, & Ladd, 2002).

1.2 Gaps in Research

Salespersons' selling skills have long been identified as a determinant of salesperson performance (Churchill et al., 1985; 2000). Churchill et al. (1985) and Ford, Walker, Churchill, and Hartley (1988) who are credited with seminal work in this area found that besides aptitude, role perception, motivation, personality and organizational factors, sales skills also affecting salesperson performance. Moreover, in another study, Rentz et al. (2002) categorized selling skills into three dimensions namely interpersonal skills, salesmanship skills and technical skills. These sales skills dimensions had been found as predictors to salesperson performance. Furthermore, Ahearne and Schillewaert (2000) introduced marketing skills as other predictors to a salesperson performance.

With regards to this, although these sales skills dimensions have long been recognized as predictors of salesperson performance, unfortunately ever since its privatization to TM from formerly a government entity Jabatan Telekom Malaysia (JTM) in 1986, there have been so far no empirical researches conducted to ascertain the individual-level skills factors that contribute to the performance of TM's salespersons. Furthermore, most previous studies examining the influence of sales skills dimensions on salesperson performance were conducted on salespersons selling tangible products in a mixed or diverse industries setting, and salesperson selling intangible products in services industry in which mostly focus on insurance services industry. Thus, there is a remaining gap in the literature – there is no such research been conducted in TM and also in telecommunications industry in Malaysia. Therefore, this is the first study in TM that tries to explore this particular relationship.

Moreover, since the present study utilizing the four sales skills dimensions namely interpersonal skills, salesmanship skills, technical skills and marketing skills simultaneously as predictors to salesperson performance in a single study, it is anticipated that the findings from the study will enrich to the research base and literature on the relationship between these predictors and salesperson performance. From the reviewed articles, it shows that previous studies utilized different combination of predictors such as: aptitude, skill level, role perception, and personal factor (Nasser, Ramayah, & Mohd Ameen, 2001; Mohd Ameen, 2000); technical skills, salesmanship skills, and marketing skills (Ahearne & Schillewaert, 2000); and technical skills and salesmanship skills (Grant & Cravens, 1999; Katsikea & Skarmeas, 2003; Baldauf & Cravens, 1999).

1.3 Problem Statement

Given to the intense competition in the telecommunication industry, and in order to maintain and stimulate long-term growth and position itself as a leader in telecommunication industry in Malaysia, it is crucial for TM to examine the influence of sales skills dimensions on salesperson performance of TM's salespersons in which Churchill et al. (1985; 2000) and Ford et al. (1988) identified as one of individual-level skills that significantly contribute to salesperson performance. Furthermore, the statistics on market share and business performance from year 2004 to 2005 shows that intense competition in telecommunication industry in Malaysia has resulted in TM's domestic market share and business performance continue to slide 2% and 7.3% respectively (MCMC Industry Performance Report, 2005).

Besides, based on TM Business Plan 2004-2006 Report and TM Malaysian Business Performance Initiative Plan 2006 Report, it shows that year-on-year performance of gross sales of TM Malaysian Business continues to slide at an average of 6.1% per year from year 2004 to 2006 respectively. The reports also indicate that the contraction of the gross sales was due to the Sales Groups failed to achieve its yearly pre-set sales target ranging from 6.1% to 9.5% in the same business period (TM Business Plan 2004-2006 Report; TM Malaysian Business Performance Initiative Plan 2006 Report). Alarmingly, the reports also highlighted that if the same trend continues, TM Malaysian Business may suffer from losses in term of business profit in year 2007. With regards to this, in an effort to address the predicament, one of the performance improvement initiatives launched by the TM Management in August 2006 was to enhance the sales team capability in term of its basic skills and technical skills (TM Malaysian Business Performance Initiative Plan 2006 Report).

Salespersons are the most important marketing tools in the interface between the company and its customers (Baldauf & Cravens, 2002). Baldauf and Cravens (2002) added that a top-quality salesperson who maximizes revenues from current existing customers and systematically identifies and manages new prospects well will allow a business entity to grow faster than its competitors. As such, top-quality salespersons in TM may offer substantial business performance improvement in today's increasingly competitive environment. Therefore, knowledge on the determinants of salesperson performance, as proposed by Ingram et al. (2004) and Churchill et al. (2000) will help TM's management to formulate better sales management policies; innovative sales strategies; effective salesperson training and development programs; competitive rewards and recognitions initiatives; and selection and recruitment policies which in turn might result in enhancing salesperson performance in selling services lines offered by the company. Moreover, failing to ascertain the individual-level skills that contribute to salesperson performance of TM's salespersons do not augur well with TM's strategic objectives which are to stimulate and maintain long-term growth and continue to be a market leader of the industry.

Therefore, the present study arouses from a need to increased understanding of factors that contribute to salesperson performance of TM's salespersons. The present study coincides with the performance improvement initiative plan launched by TM Management in August 2006 in their effort to rejuvenate TM's domestic gross sales performance. The purpose of the present research is to examine the relationship between sales skills dimensions namely interpersonal skills, salesmanship skills, technical skills and marketing skills and salesperson performance and can thus utilize the findings of the present study to improve the performance of salespersons. As such,

with the current predicament faced by TM, the present study may assist TM Management to identify the sales skills dimensions required by TM's salespersons. Moreover, it is well noted from previous researches that organizational commitment of individuals has bearing effect on job performance (e.g. Benkhoff, 1997). Thus, it is believed that increasing the extent of organizational commitment as a moderator would further enhance the relationship between sales skills dimensions and salesperson performance.

1.4 Research Objectives

The problem statement discussed above leads to the following research objectives:

1. To determine the relationship between sales skills dimensions namely interpersonal, salesmanship, technical and marketing skills and the salesperson performance of TM's salespersons.
2. To ascertain the moderating effect of organizational commitment on the relationship between sales skills dimensions and salesperson performance.

1.5 Research Questions

The focus of the present study is to examine the relationship between salespersons' sales skills dimensions namely interpersonal skills, salesmanship skills technical skills and marketing skills on salesperson performance in an attempt to answer the following research questions:

1. Do interpersonal skills, salesmanship skills, technical skills and marketing skills affect salesperson performance?

2. Does organizational commitment moderates the relationship between the sales skills dimensions (interpersonal, salesmanship, technical and marketing skills) and salesperson performance?

1.6 Justification for the Study

Today, the service sector substantially influences Malaysia economy. With regards to this, government statistics shows that the telecommunications and multimedia services sector accounts for 10.2% to the country's GDP in year 2005 as compared to 9.7% in year 2004. In term of revenue, the industry garnered RM26.8 billion in year 2005 as compared to RM24.5 billion in 2004. While the sector is expected to grow, nonetheless, intense competition for market share is also anticipated because more new operators are expected to be in the picture in years to come as MCMC continues to issue new licenses (MCMC Industry Performance Report, 2005). Thus, it is a worth taking effort to conduct a research on an organization that operate in such a crowded and competitive industry, and as well as one of the important sectors in Malaysia economy. As such, TM being an incumbent, the biggest and the longest telecommunication operator in Malaysia was chosen as the location of the present study.

According to Baldauf and Cravens (2002) that salespersons are the most important marketing tools in the interface between the company and its customers. They represent the firm to the customers, transact with them, scan and monitor the external environment (Sohi, 1996). Thus, a top-quality salesperson may be able to maximizes revenues from existing customers and systematically identifies and manages potential prospects well will facilitate a business entity to grow faster than its competitors (Futrell, 2006). Hence, top-quality salespersons may offer substantial

business performance improvement in today's increasingly competitive environment. In this regards, salespersons in TM had been selected as the subjects of the present study. The present study was also the first ever empirical research conducted on salespersons in TM. Moreover, the present study will be a good opportunity to uncover some of the potential underlying reasons why TM experiences declining trends of 2% and 7.3% on its domestic market share and business performance respectively from 2004 to 2005 (MCMC Industry Performance Report, 2005). It is also worth to mention that TM strives for long-term growth and to maintain itself as a market leader in telecommunication business in Malaysia (TM Annual Report, 2005). Given the intense competition in the industry, thus, it is crucial for TM to examine the factors that could moderate the intense competition and the declining trends of its business performance.

Meanwhile, selling skills had been identified as one of individual-level skills that contribute to salesperson performance (Churchill et al., 1985). These sales skills dimensions include interpersonal skills, salesmanship skills, technical skills (Rentz et al., 2002) and marketing skills (Ahearne & Schillewaert, 2000). Most previous studies that examine the influence of sales skills dimensions on salesperson performance were conducted in Western countries, and no such research had been conducted in Malaysian's telecommunication industry, and in particular in TM. Therefore, the present study aims are to identify and understand factors that contribute to sales performance of TM's salespersons. Additionally, the present study utilizes organizational commitment as a moderator to the relationship between selling skills dimensions and salesperson performance since previous studies had found that it has bearing effect on job performance (e.g., Benkhoff, 1977). It is believed that by increasing the extent of organizational commitment as a moderator would further

enhance the relationship between sales skills dimensions (independent variable) and salesperson performance (dependent variable). There has been no empirical study being conducted using organization commitment to moderate the relationship between these variables.

Lastly, TM was chosen as the context of the study because the author is the employee of the company. The current predicament faced by TM motivates the author to discover the reasons associated with the declining trend in TM's business performance. In addition, being an employee of TM facilitates the author with numerous advantages to conduct the present study which includes; knowledge about the industry, knowledge about the company, accessible to the required information for the research, and at ease to get cooperation from the potential respondents and relevant units in the organizations. Besides, TM was chosen because it has sufficient numbers of required respondents to be sampled out in order to satisfy the objectives of the present study.

1.7 Significance of the Study

This study is significant because it will add to the small but growing theoretical and practical knowledge on the influence of sales skills dimensions on salesperson performance in services business environment.

Theoretical implications of the research include gaining understanding how sales skills dimensions impact salesperson performance. Furthermore, this study will fill in the gap in the salesperson performance research, and adds to the research base by utilizing marketing skills variable as a predictor and organizational commitment as a moderator on salesperson performance. Previous studies had mostly employed interpersonal skills, salesmanship skills, technical skills and organizational

commitment as predictors of salesperson performance. Moreover, to the best knowledge of the author, this is the first piece of empirical research done on the relationship between selling skills dimensions and salesperson performance in TM, and in the context of telecommunication business in Malaysia. Most of previous studies on this issue were conducted on salespersons and companies operate in Western countries, such as in Australia, Austria, United States of America and the United Kingdom (e.g., Baldauf, Cravens, & Piercy, 2001; Baldauf & Cravens, 2002; Ahearne & Schillewaert, 2000; Babakus, Cravens, Grant, Ingram, & LaForge, 1996). Meanwhile, in Malaysia, most previous studies were conducted in mixed industries setting (e.g., Mohd Ameen, 2000; Nasser, Ramayah, & Mohd Ameen, 2001) and insurance industry (e.g., Norazilah, 2004). The summary of the locations, industry and nature of products sold in the previous studies is shown in Appendix A. From Appendix A, it can be seen that most previous studies were related to tangible products. Researches on intangible products were mainly focus on insurance industry. Therefore, since most Western studies were conducted on salespersons selling tangible products, and studies conducted in Malaysian context were performed in mixed or diverse industry setting and insurance industry as opposed to the present study where salespersons under study were selling intangible products in telecommunications services industry, therefore, those findings were unique to the scope of the studies due to dissimilar kinds of business, environmental setting and industry structure that may limit the generalization of the findings to telecommunications service industry context in Malaysia.

Meanwhile, in marketing context, a product is anything that can be offered to a market that might satisfy a want or need. The two types of products most often sold are tangible (physical) and intangible (non-physical). Tangible products are products

that we can touch, taste or see. Intangible products are defined as products the customer cannot touch taste or see. Tangible products or goods are such as car, soap and a pair of shoes. A service is a non-physical or intangible product such as professional consultancy, telecommunications services, or an entertainment experience. Subscribing services do not result in the ownership of anything (Lovelock & Wright, 2002; Manning & Reece, 2004). The summary of selected reviewed articles related to the present study is as tabulated in Appendix A.

On the other hand, the practical significance of the present study lies in the extent to which the findings could provide empirical evidence on the sales skills dimensions that influence the salesperson performance of salespersons drawn from service industry company i.e. telecommunications services provider as opposed to previous studies where subjects were mainly drawn from company selling tangible goods (e.g., pharmaceutical and consumer products). Therefore, sales and human resources departments will be able to determine whether their sales groups or teams have the kind of sales skills that can lead to high performance. Furthermore, the study would be able to equip managers in the mentioned groups with a better understanding of the sales skills dimensions that are associated with high salesperson performance, thus, enable them to formulate relevant policies in training and development, selection and recruitment, and rewards and recognitions in preparation to alleviate the intense competitive environment in the telecommunications services business.

1.8 Scope of Research

The present study is conducted on Telekom Malaysia's salespersons of various levels in TM Malaysian Business and TM Celcom. The salespersons being studied include those who hold different sales position in Sales Division which include the General Manager of Sales Division, Assistant General Manager of Sales Division, Sales Manager and Sales Executive of which on one way or the other required to do sell initiatives regardless of their status in the Sales Division. The present study is confined to TM in order to find what are the selling skills dimensions that give significant impact on salesperson performance so that the findings can be utilized as a basis: to devise training and development policies; to formulate selection and recruitment policies; and to develop better rewards and recognitions initiatives so that the company be able to improve its salesperson performance levels as well as to boost sales performance of the organization. Also by confining the study to one organization, the possibility of differing culture, types of industry and industry structures are limited.

Primarily the present study is concerned with the relationship between sales skills dimensions and salesperson performance, and the moderating effect of organizational commitment. In the present study, selling skills dimensions, which are, interpersonal, salesmanship, technical and marketing skills are the independent variables, salesperson performance as dependent variable, and organizational commitment as moderating variable.

1.9 Organization Background

Telekom Malaysia Berhad (TM) is the largest telecommunication company in Malaysia. Listed on the Bursa Malaysia, state-controlled TM is the telecommunications incumbent. TM offers a comprehensive range of telecommunication services and solutions in fixed-line, mobile, data and broadband. The company is also a leading Internet Service Provider (ISP). Despite market deregulation in 1994, the company dominates the fixed-line voice, data and Internet sectors and has a considerable market share of the mobile communications market after its acquisition of Celcom Berhad in April 2003 (TM Annual Report, 2005; ITU, 2004). It was formerly a government agency, Jabatan Telekom Malaysia, prior to its corporatization and privatization in 1985. TM has officially changed its global brand from Telekom Malaysia to TM in April 2005 (TM Annual Report, 2005).

As one of the largest listed companies on Bursa Malaysia with operating revenue of more than RM13 billion in 2005, TM is driven to deliver value to its stakeholders in a highly competitive environment. The Group places emphasis on continuing customer service quality enhancements and innovations. Currently, with investments and operations in 12 countries around Asia and globally, TM is focused on sustainable growth in both the local and international markets (TM Annual Report, 2004; 2005).

On the domestic front, TM's principal activities are establishment, maintenance and provision of telecommunication and related services under the license issued by the Minister of Energy, Water and Communication. These services are provided through three primary units namely: (1) TM Malaysian Business which comprises of TM Retail, TM Wholesale and TM Net, (2) TM Celcom, and (3) TM International. TM Retail and TM Wholesale, a Strategic Business Units (SBUs)

within TM, are conducting the core telecommunications business which manages and provides fixed-line telephony and data products and services (TM Annual Report, 2005). The other three units namely TMNet, TM International and TM Celcom are wholly owned subsidiaries of TM. TM Group structure is depicted in Figure 1.1. In view of the interest of the present research only the two main groups namely TM Malaysian Business and TM Celcom are discussed thereafter.

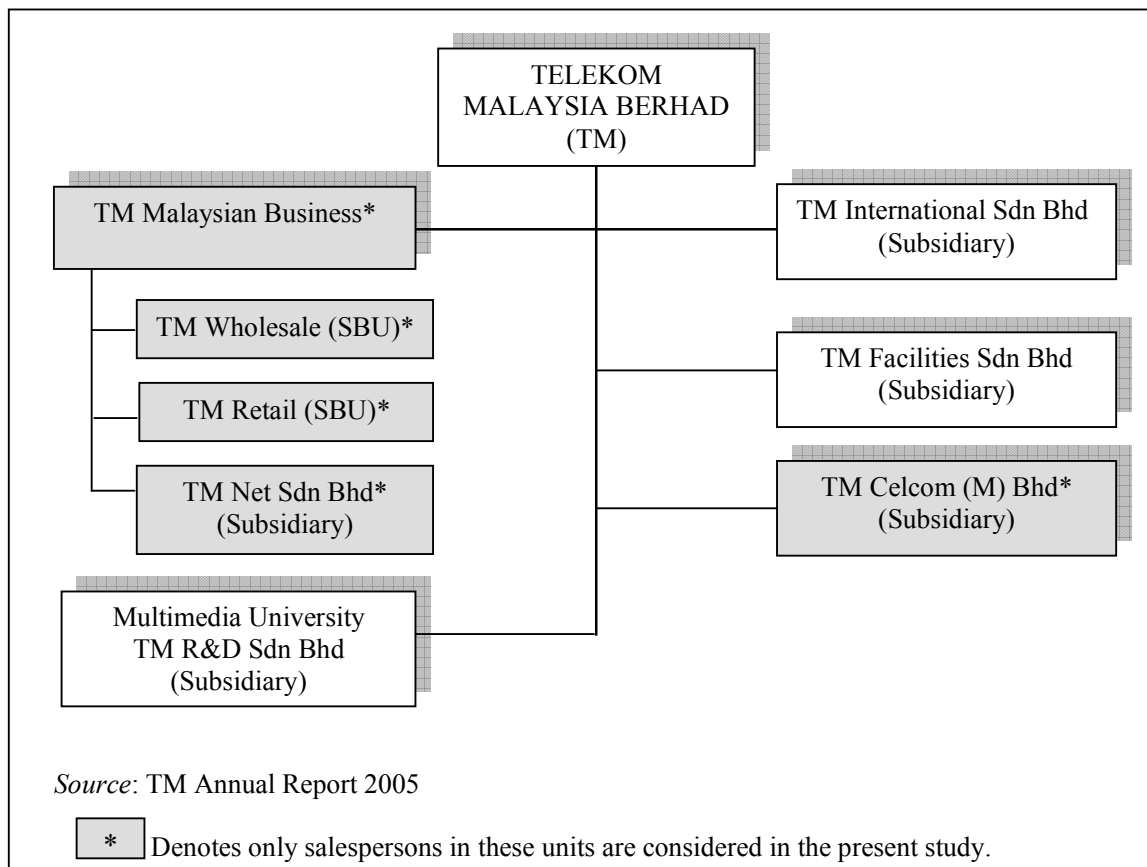


Figure 1.1 TM Group Structure

TM Wholesale is responsible for the provisioning of infrastructure access and network capacities to all licensed telecommunication operators while TM Retail is focusing on enhanced service and product delivery to end business and residential consumers. TMNet manages and develops new media business and ISP under the

flagship name of TMNet. These three groups are team-up to come under TM Malaysian Business. Meanwhile, TM Celcom manages and operates mobile business. These two groups are headed by a Chief Operating Officers (CEO) who report to the Group Chief Executive Officer (GCEO), and accordingly each group has its own marketing and sales functions (TM Annual Report, 2005).

In view of the relevancy to the present study, the thereafter discussions will only be focused on business related to TM Malaysian Business and TM Celcom. These two business units offer diverse products and services that can be categorized into nine which are: (1) telephony services; (2) cellular services, (3) data products and services, (4) conferencing services, (5) card services, (6) customer services, (7) internet and broadcast services, (8) satellite, maritime and radio services, and (9) specialized network services. There are more than 50 sub-products and services listed under these nine categories (TM Products and Services Manual, 2004/5). Sales activities of these products are under the purview of the respective sales group in TM Malaysian Business and TM Celcom.

With respect to sales functional unit, TM Retails has seven sales sub-units which are: (1) Business Sales, (2) Consumer Sales, (3) Corporate Sales, (4) Multinational Sales, (5) Government Sales, (6) Specialized Network Services, and (7) Broadcast Sales and Services. Meanwhile, TM Wholesale has two sales units which are Malaysian Markets Sales, and Global Market Sales. On the other hand, TM Net has two sales functions which are: (1) Access Sales and Services, and (2) Applications Sales and Services. Similarly, TM Celcom has two main sales functions which are: (1) Mobile Access Sales and Services, and (2) Mobile Value Added Sales and Services. Besides, TM Retails through its diverse sales units and outlets also undertakes the responsibility to conduct sale on some of the products portfolios listed

under TMNet (TM Product and Services Manual 2004/5; TM Annual Report, 2004; 2005).

1.10 Definition of Key Terms

The key terms used in the present study are briefly defined below. The sources of these variables and their dimensions will be explained in greater detail in Chapter 2 (Literature Review) and Chapter 3 (Research Methodology).

1.10.1 Salesperson Performance

Salesperson performance is defined as the extent to which a salesperson's contribution to achieving the organization's sales objectives. This performance constructs considers the results that can be attributed to the salesperson rather than factors (e.g. market potential, intensity of competition, brand image) affecting performance that are not controllable by salesperson (Churchill et al., 2000; Babakus et al., 1996).

1.10.2 Sales Skills

Sales skills refer to the individual's learned proficiency at performing the necessary sales tasks, and it includes learned abilities such as interpersonal skills, technical skills, salesmanship skills (Churchill et al., 2000; Ford et al., 1988), and marketing skills (Ahearne & Schillewaert, 2000). The present study focuses on these four sales skills dimensions.

1.10.3 Interpersonal Skills

Interpersonal skills refer to mental and communication algorithms applied during social communications and interactions to reach certain effects and result (Churchill et al., 2000; Rentz et al., 2002). The term interpersonal skills are used often in business contexts to refer to the measure of a person's ability to operate within business organizations through social communication and interactions and can be broadly categorized by three micro-skills namely: listening, empathy, and perceptive observation skills (Ford et al., 1988).

1.10.4 Salesmanship Skills

Salesmanship skills refer to skill in selling or skill in persuading people to buy (Manning & Reece, 2004), and operationalized independently based on one of the following categories: adaptability; negotiation and questioning; salesperson cues and communication style skills; and consultative selling (Rentz et al., 2002).

1.10.5 Technical Skills

Technical skills refer to the proficiency of salespeople in providing information about the design and specification of products; and the applications and functions of products and services (Churchill et al., 2000; Futrell, 2006). Technical skills are also manifested in behavior to keep abreast with the technological development of products and services (Behrman and Perreault, 1982).

1.10.6 Marketing Skills

Marketing skills refer to salespersons knowledge about the industry in general such as customers' needs, competitive information, and industry trends. Thus, marketing

skills refer to the level of understanding a salesperson has about the business in which they operate (Ahearne & Schillewaert, 2000; Manning & Reece, 2004; Futrell, 2006).

1.10.7 Organizational Commitment

The term "commitment" can be referred to as the willingness of social actors to give their energy and loyalty to a social system or an effective attachment to an organization apart from the purely instrumental worth of the relationship (Md. Zabid, Murali, & Juliana, 2003). Organizational commitment has also been defined in terms of: a belief in, and acceptance of, the goals and values of the organization and/or profession; a willingness to exert considerable effort on behalf of the organization; and desire to attain membership in the organization (Porter et al, 1974; cited in Md. Zabid et al., 2003).

1.11 The Organization of the Dissertation

The remainder of the present study is organized as follows. Chapter 2 reviews the literatures of previous that relevant to the topic under study. Issues discussed include the salesperson performance measure, determinant of salesperson performance, theories relevant to the present study, and sales skills and its dimensions namely interpersonal skills, salesmanship skills and technical skills. The chapter also describes the research framework and hypotheses. Chapter 3 explains the research methodology used in this research. Chapter 4 presents the findings and its analysis. Finally, Chapter 5 concludes the study with a discussion on the research findings.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

The objective of this chapter is to review the existing salesperson performance literature to show the relevance and significance of research questions outlined in Chapter One. The chapter also seeks to show that other researchers have not yet adequately explored these issues. The discussion begins with the salesperson performance literature including the determinants of salesperson performance and its dimensions, and the issue of measurement in salesperson performance. This is followed by a discussion of the theoretical background of the present study. These reviews would then form the basis for the present study's theoretical framework and the hypotheses.

2.2 Salesperson Performance

Salesperson performance is defined as the extent to which a salesperson's contribution to achieving the organization's sales objectives (Behrman & Perreault, 1982). This performance constructs considers the results that can be attributed to the salesperson rather than factors (e.g. market potential, intensity of competition, brand image) affecting performance that are not controllable by salesperson (Churchill et al., 2000; Babakus et al., 1996). Salesperson performance is undeniably the central variable of interest in the field of sales force management. For over 80 years, sales practitioners and researchers alike have attempted to understand salesperson performance and to identify the factors that influence it (Churchill et al., 1985; Plank & Reid, 1994). The reason for salesperson performance's central role in the sales

literature would appear to be rooted in the obvious link between sales performance and overall corporate performance. When salespersons do well, the organization is likely to do well, and contrary is normally true as well (Comer, 1999).

Owing to their boundary-spinning role, the salesperson's role is one who responsible to perform personal selling for a company has traditionally been a vital link between the firms and its customers (Beverland, 2001). Leifer and Delbecq (1978; cited in Lyusonski, 1985) briefly described the unique role that salespersons play as someone at the boundaries of two different organizations (who is) required to response to the often conflicting rules, procedures and task requirements of such organization. This is an important observation that promotes an understanding of the interface role that salespersons perform between their company and customers. Salespersons provide key link in adding value for customers (Luthy, 1997), in helping in new opportunities (Gordon, Denise, Peter, & Kimberly, 1997), in influencing future intentions and in gaining referrals (Boles, Danny, Thomas, & Hiram, 2000). Moreover, it is argued that salesperson serves as the major determinant of whether or not consumers receive a brand-marketing message (Ball & Moonoghan, 1994).

Numerous studies have been concerned with identifying the key variables that affect salesperson performance. The most distinguished and extensively referred research paper on this is the work of Churchill et al. (1985) who conducted a meta-analysis of 116 published and unpublished literature (from 1913 to 1983) to investigate the evidence that has been gathered on the determinants of salesperson's performance. The findings of the study are explained in Para 2.3 and as shown in Appendix A. Other studies that represent remarkable efforts to summarize and review salesperson performance include such as Porter, Wiener, and Frankwick (2003); Baldauf and Cravens (1999); Piercy, Cravens, and Morgan (1997); Babakus, Cravens,

Grant, Ingram, and LaForge (1995); McBane (1995); Cravens, Ingram, LaForge and Yong (1993); Baldauf, Cravens, and Piercy (2001); Piercy, Cravens, and Morgan (1998); Barker (1999); Anderson and Oliver (1994); Ahearne and Schillewaert (2000); Baldauf and Cravens (2002); Rentz et al. (2002); and Johlke (2006). According to Churchill et al. (1985) and Rentz et al. (2002) that earlier assessment of the empirical research, however, had focussed primarily on personal characteristics, organizational, and environmental variables, and role perception. Fewer had focussed on individuals' characteristic related to skill level of salespersons. Moreover, research on sales performance frequently stresses the role of salesperson as the principal force behind the initiation, and success of a firm's performance, because of direct responsibility and involvement in sales activities (Churchill et al., 2000). Hence, the sales skill possessed by the salesperson is particularly important in this context because they are an essential element to explain the success of the salesperson. That is what the present research is all about, to examine the sales skills dimensions of Telekom Malaysia's salespersons.

2.3 Determinants of Salesperson Performance

Several studies have identified a great number of independent variables that influence salesperson performance (e.g., Churchill et al., 1985; Porter, Wiener & Frankwick 2003; Baldauf & Cravens, 1999; Piercy, Cravens, & Morgan, 1997; Baldauf, Cravens, & Piercy, 1997; Babakus, Cravens, Grant, Ingram, & LaForge, 1996; Baldauf, Cravens, & Piercy, 2001; Piercy, Cravens, and Morgan, 1998; Barker, 1999; Anderson & Oliver, 1994; Baldauf & Cravens, 2002; Rentz et al., 2002; Johlke, 2006). These independent variables are such as aptitude, personal characteristics, skill levels, role perceptions, motivation, background and experience, current status and

lifestyle, and demographic and physical characteristics. However, Churchill et al. (1985) found that: (1) in terms of the average size of their association with salesperson performance, the determinants were ordered as follows: role variables, sales skills, motivation, personal factors, aptitude, and organizational factors; and (2) when ordered according to real variation (i.e., not attributable to sampling error), the determinants were ranked: personal factors, selling skills, role variables, aptitude, motivation, and the organizational/environmental factors.

The results of Churchill's et al. (1985) research indicated that sales skills were the second most important of the five variables, both in terms of average size association with performance and in terms of real variation. Nevertheless, Churchill et al. (1985) and Rentz et al. (2002) observed that fewer studies on individuals' characteristics related to sales skills dimensions of salespersons had been conducted before Churchill's et al. (1985) meta-analysis studies. Nonetheless, since the remarkable meta-analysis studies, a considerable amount of research had focused on specific aspects or micro-skill stream of sales skills which focussed on individual sales skills (Rentz et al., 2002). These micro-stream sales skills could be divided into three dimensions which are: interpersonal, salesmanship and technical skills. With respects to this, the present research attempts to continue from Churchill's et al. (1985) remarkable work to examine the influence of sales skills on salesperson performance. Specifically, the present study investigated the influence of four sales skills dimensions on salesperson performance. The three sales skills dimensions namely interpersonal skills, salesmanship skills, and technical skills were adopted from Ford et al. (1988; cited in Churchill et al., 2000), and the other dimension namely marketing skills was adopted from Ahearne and Schillewaert (2000). Hence, hereafter, the remainder of the literature discussion will just focus on these four sales