

THE INFLUENCE OF AN ORGANISATION'S PERCEIVED MARKET
ORIENTATION ON THE PERSONALITY TRAIT PROFILE OF ITS
SALESPEOPLE

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THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR THE
DEGREE

DOCTOR COMMERCII

IN THE



OF THE

RAND AFRIKAANS UNIVERSITY

PROMOTOR: PROF. CJ JOOSTE

JOHANNESBURG

2001

ACKNOWLEDGEMENTS

To God, Father, Son and Holy Spirit

Thanks for answering prayers and motivating me during these studies.

Centre for Science Development

The financial assistance of the Centre for Science Development towards this research is hereby acknowledged. Opinions expressed in this thesis and the conclusions arrived at, are those of the author and are not necessarily to be attributed to the Centre for Science Development.

SHL South Africa Ltd

Thank you for all the assistance you have given me throughout these studies.

Professor Chris Jooste

Thank you for assistance and guidance throughout these studies.

Family and Friends

Thanks for the encouragement.

The Technikon Witwatersrand

Thanks for the support.



ABSTRACT

TITLE: THE INFLUENCE OF AN ORGANISATION'S PERCEIVED MARKET ORIENTATION ON THE PERSONALITY TRAIT PROFILE OF ITS SALESPeOPLE

The market orientation construct describes the behaviours and activities necessary for an organisation to become market oriented – in other words reflect its adoption of the marketing concept. In this study an organisation's perceived level of market orientation was determined using salespeople to assess the extent to which their organisations exhibited market oriented behaviours. The results obtained revealed that on the whole salespeople tend to see their organisation as having above average levels of market orientation.

Market oriented organisations provide salespeople with a support system that enable them to provide their customers with optimal satisfaction since everyone in the organisation is focused on this objective. Salespeople operating in market oriented organisations will tend to experience less role stress than those salespeople operating in organisations with lower levels of market orientation. Salespeople with certain personality traits are better able to cope with role stress and therefore these individuals would probably be found in organisations with low levels of market orientation. In this study the personality trait profiles of salespeople working for organisations with different perceived levels of market orientation were determined and the results obtained were correlated with their perceptions of their organisations level of market orientation. The results obtained revealed that there was a correlation between two of the salesperson's personality traits namely, gregarious and energies and their organisation's perceived level of market orientation.

The personality dimensions measured in this study were also used to develop a model whereby one could predict 68% of the overall respondents correctly in terms of their customer or competitor orientations. Two factors namely apprehensive and conservative, with a negative loading entered into the model in this order, would enable one to predict the salesperson's dominant orientation.

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CHAPTER 1

RESEARCH PROBLEM, OBJECTIVES AND METHODOLOGY

1.1 INTRODUCTION

The marketing concept is a managerial philosophy that states that in order for an organisation to reach its objectives effectively it must have a deep understanding of its customers' needs and the costs associated with satisfying them. Once this knowledge has been gained, it must be used in the development of products and / or services for its target market. (Houston, 1986). The marketing concept is such that it tells marketers what they should do in order to maximise their organisation's goals but it does not say how organisations should go about its implementation. This is the premise of market orientation which describes the behaviours and activities necessary for an organisation to become market oriented i.e. reflect its adoption of the marketing concept in the way it does business (Kohli and Jaworski, 1990, p.1).

Organisations will only become market oriented if the benefits derived from it outweigh the costs. Research has shown that market oriented organisations have enhanced overall business performance (Narver and Slater, 1990; Jaworski and Kohli, 1993; Ruckert, 1992; Nel and Schreuder, 1994), their staff tend to be more committed to achieving the organisation's objectives and there is a strong esprit de corps amongst them. (Jaworski and Kohli 1993, p. 13.) Research carried out by Sigauw, Brown and Widing II, (1994, p. 112) has shown that although industrial salespeople as a whole tend to be customer orientated, a market oriented organisation will increase this behavioural characteristic within its sales force.

This study also revealed that as the degree of market orientation increased, there was a corresponding increase in the salesperson's level of job satisfaction and in his/her¹ commitment to the organisation. This occurred because in market oriented organisations, role ambiguity and role conflict is minimised due to a common focus on customer satisfaction by everyone within the organisation.

Industrial salespeople (who are the focus of this study), in their selling task occupy a boundary spanning role in that they have to reconcile the objectives of their organisation with those of their customers. This can result in salespeople perceiving a certain amount of conflict between the demands placed upon them by their own organisation and those of their purchasers, particularly if they contradict each other in terms of the type of response they expect from them. For example in a sales oriented organisation, a salesperson is expected to give the sale priority over the customer's best interests.

It has been cited in the literature that role conflict and role stress is an inherent characteristic of the sales task and that people who become involved in sales are those that can cope with the stress or in some instances thrive on it (Siguaw, Brown and Widing II, 1994; Strutton, Pelton and Lumpkin, 1995; Behrman and Perreault, 1984). Developing appropriate policies and procedures can reduce the amount of role stress a salesperson will experience in the organisation he works for. For example a sales manager can reduce role conflict by increasing the amount of supervision given to his salespeople. Similarly role ambiguity can be reduced by providing salespeople with training and by allowing them to have some say in the setting of their performance standards (Churchill, Ford and Walker, 1993, p. 515).

The industrial salesperson not only has to cope with the conflict and stresses, which arise as a result of the role he has to play, but he must be able to perform effectively in all areas of his sales task.

¹ The male gender is used for convenience purposes and uniformity but this does not exclude the opposite sex

Strutton et al (1995) suggest that salespeople can cope with job related stress in two ways. They can either use a more problem or emotion based coping strategy. These researchers looked at how the salesperson's tendency to use one or other of these strategies was related to their personality traits or characteristics. (Personality traits are individual psychological differences that are relatively consistent and enduring: Schiffman and Kanuk, 1994, pp.126, 137). The results obtained from this study showed that salespeople who were high in challenge, self-determination and involved in self and surrounding (ISS) had high tendencies towards problem solving methods as a way of relieving task related stress. These researchers suggested that salespeople who used problem-solving methods to reduce stress were more likely to serve both the interests of the individual and the organisation. They were also more likely to perform better and to possess a distinctive competency.

The results of Strutton et al., (1995, p. 132.) suggest that the way a salesperson copes with and handles his sales task can be influenced by his personality characteristics or traits. They also suggest that salespeople who possess certain dominant personality traits are more likely to be successful than those who do not. Lamont and Landstrom (1977) felt that it was important to be able to identify these personality traits in order to facilitate sales management in their selection of salespeople. Cameron (1998) stated that it is very difficult to know what a salesperson is really like from his curriculum vitae since this did not reflect the salesperson's true nature and capabilities. He found that the use of a psychometric test in salesperson selection gave him a better indication of the salesperson's performance capability and his ability to adapt to the organisation's culture. O'Hara, Boles, and Johnston (1991) mentioned the fact that although organisational variables have been shown to influence a salesperson's performance and commitment, work on personality characteristics of salespeople has shown that these factors do in fact impact on the type of organisation he will work for. For example a salesperson who perceives job performance as being central to his

self esteem will want to work for an organisation that will enable him to be customer orientated, since this approach will lead him to enhanced performance.

In market oriented organisations, everyone is focused on providing the customer with optimal satisfaction. Organisational structures and systems are developed in such a way that a customer orientation is facilitated. Employees are encouraged to maintain a customer orientation in that they are trained, given the resources and rewarded for activities that demonstrate this corporate business philosophy (Siguaw et al, 1994, p.106). Market oriented organisations attract and retain people whose personality traits enable them to work in this type of environment (O'Hara et al, 1991). Similarly the different levels of role stress found in organisations exhibiting different degrees of market orientation will attract and keep people whose personality characteristics are such that they are able to cope with the stresses and strains associated with their tasks (Strutton et al 1995).

The problem area that is examined in this study is centred around an organisation's degree of market orientation and its influence on the type of salesperson (in terms of his personality trait profile) who is working in that particular organisation. The results of this study can be used in the recruitment of salespeople since it gives an indication of the type of salesperson that would operate effectively in a given organisational environment. This is particularly important to know since the costs of recruiting salespeople have been increasing in recent years and recruiting the wrong person for the organisation can be costly not only in terms of the money spent in the recruitment process but also in terms of lost opportunities. Anderson, Hair and Bush, (1992) state that the costs associated with recruitment include maintaining a recruiting team, placing advertisements in the media as well as the time spent in the process. Other costs associated with selecting an inappropriate salesperson include: -

- The salesperson may resign or be fired before training and experience can turn them into productive employees. In business to business selling, a salesperson can take from three months to a year before he is fully productive. The time

taken depends on how technical the product is since the more technical the product, the longer it takes to train him (Churchill et al., 1993).

- The severance packages offered to the salesperson.
- The productivity of the person who left may not be matched for a period of time.
- The sales territory may be vacant for a period of time. This means that sales may be lost and competitors may penetrate the market while a replacement is being recruited (Haas, 1995).

Analysis of the personal characteristics and abilities of salespeople are important in ensuring that individuals who are hired are those who will be able to operate within a given organisational environment and be productive.

1.2 PROBLEM STATEMENT

Nel, Pitt and van Erkom Schurink, (1996) carried out a study in South Africa in which they determined the degree of market orientation to be found in organisations in the manufacturing, services, retailing and wholesaling industries. The results obtained revealed that the degree of market orientation to be found in these organisations ranged from those having low levels of market orientation to those having relatively high levels of market orientation. These researchers also showed that smaller organisations tended to be more market oriented than the larger ones, and that people within these organisations tended to have an exaggerated view of the degree of market orientation that they possessed.

In order for an organisation to be market oriented, top management needs to support the organisation's commitment to its adoption of the marketing concept. Top management needs to continuously emphasise the need for constant tracking of market developments and trends and it needs to encourage the organisation's ongoing response to them. In order to motivate this type of behaviour, these managers need to be risk tolerant since responsiveness to the market may increase

the organisation's risk profile due to the fact that new products and services may have to be introduced as a result of changing trends.

A willingness on the part of top management to accept the occasional failure as part of the learning process encourages people lower down in the organisation to respond positively to changing markets (Kohli and Jaworski 1990). This type of attitude facilitates the salesperson's task in situations where he has to be innovative and he needs the assistance of people within the organisation.

Although top management's attitudes do play a role in determining the organisation's degree of market orientation, this is not the only issue. Kohli and Jaworski (1990) found that interdepartmental conflict had a negative impact on the interfunctional component of market orientation. They found that interdepartmental conflict created tensions between members of various departments and this inhibited communication flows among them. As a result of this, the salesperson's task became more difficult since people were unwilling to assist him, in providing customers with need satisfying goods and services.

Another aspect of interdepartmental dynamics that influences the organisation's overall level of market orientation and the salesperson's task, is that of interdepartmental connectedness. This term refers to the amount of formal and informal contact that occurs across departments. Research indicated that market orientation is facilitated when people are able to come into contact with each other freely (Kohli and Jaworski 1990). Similarly the salesperson's task is facilitated when his customers' needs and preferences are freely communicated throughout the organisation in order to facilitate the needed responses.

The organisation's reward system will also impact on its degree of market orientation. Reward systems that are market based tend to encourage employees to be sensitive to the needs of their customer, and to respond to them (Jaworski and Kohli, 1993, p.63). This attitude facilitates the salesperson's task since people within the organisation are sensitive to his customers' needs and they are willing to help him solve any problem he may encounter.

An organisation's reward system will also have an impact on the type of salesperson who is motivated by it. In Chapter 3 of this thesis, the various reward systems used to motivate salespeople will be discussed and it will be shown how the needs and personality traits of these individuals can influence their effectiveness.

An organisation's degree of market orientation is also influenced by its decision-making policies. For market orientation to be achieved, a decentralised decision making process should be utilised. People lower down in the hierachial structure should be empowered to make decisions within reasonable limits since this will facilitate a rapid and tailored response to customer needs (Jaworski and Kohli, 1993, p.63). This means that the salesperson will be more effective and efficient since he has the appropriate backup particularly in situations where his organisation has a sufficiently high level of market orientation.

The market orientation construct is one dimensional and consists of three behavioural components that are regarded as being equally important and are therefore given equal weights (Narver and Slater, 1990, pp.22, 26). Greenley (1995, p 50.) found that in the UK, different organisations exhibited different forms of market orientation. These forms occurred because respondents in this study gave dissimilar values to the three dimensions of market orientation. This meant that two organisations could have the same degree of market orientation but the profile of their scores across the three dimensions could be different.

Greenley (1995, pp.57, 58) found that there were five different forms of market orientation in the UK. These were:

- Customer focus orientation.
- Undeveloped market orientation.
- Fragmented market orientation.
- Comprehensive market orientation

- Competitive focus orientation.

The various forms of market orientation are discussed in more detail in chapter two of this study.

Slater and Narver (1994, p. 52) also found that some organisations tended to place more emphasis on the customer or competitor component of market orientation. Their research suggested that a customer focus appeared to be more important in markets where high rather than low buyer power existed. This was particularly true in situations where sales growth and new product success were used to measure performance.

In order for an organisation to become market oriented, it needs to have the appropriate environment to enable it to do so. In other words, top management must (Jaworski and Kohli, 1993, p.63):

- Communicate continuously that customer expectations must be met
- Be risk tolerant
- Empower people lower down in the hierachial structure of the organisation to make rational and effective decisions on how to better to serve the customer.
- Ensure that the interdepartmental dynamics of the organisation facilitates a market orientation
- Develop reward systems that encourage the correct behaviours and activities within the organisation.

From a salesperson's perspective, a market oriented organisation provides salespeople with a support system that caters for optimal customer satisfaction since everyone in the organisation is focused on this. Similarly the organisation's structure and business culture is such that it is geared towards the customer and in so doing facilitates the salesperson in his task. As a result the amount of role conflict and ambiguity experienced by the salesperson within his organisation is reduced, thereby reducing the amount of psychological stress associated with it.

In organisations with a low market orientation, the salespersons' perceptions of role conflict and ambiguity could be high because individuals within the organisation are not focused on one common objective - namely customer satisfaction. As the research of Kohli and Jaworski (1990) reveals, in order for organisations to become market oriented, they must fulfil certain requirements that are not being met in organisations with a low market orientation. Organisations such as these are psychologically more stressful since they do not have an environment that is conducive to providing customer satisfaction.

Research into the ability of the salesperson to cope with job related stress has revealed that people with certain personality traits are better able to cope with it. Research has also shown that salespeople with certain personality traits are more likely to be successful at the selling task than others (Strutton et al., 1995).

The problem area that was examined in this study centred on the organisation's level of market orientation and the personality trait profile of the sales representatives working for it. The personality profile of sales representatives working for organisations with low, average, above average and high market orientations were examined to determine if the salespeople's personality trait profile differed.

1.3 STUDY OBJECTIVES

This study sought to evaluate the relationship between the different levels of market orientation in organisations in the chemical industry and the personality trait profile of sales personnel found working there. It also attempted to identify those salespeople who had either a dominant customer or competitor orientation. The information derived from this study can be used in the recruitment of salespeople in that it would provide people involved in the recruitment task with an indication of the type of salesperson that would be best suited to certain organisational environments (reflected by the organisation's degree of market orientation). Information gained from a study of the personality trait profile of

salespeople being recruited for an organisation will also give an indication of those areas of weakness in the salesperson's make up that prevent him from being more successful. The recruiting person and / or the sales manager could then decide whether it would be worthwhile to train this person to develop those characteristics provided that they were regarded as essential. Research into this area has revealed that people can be trained to develop certain personality traits (Strutton et al., 1995)

Information gained from the study of the salesperson's dominant customer or competitor orientation will also give insights into the salesperson's approach to the selling process since the innate characteristics of the salesperson would be reflected in his approach to the sale. Salespeople with a competitor orientation would probably focus more on what the competitors are doing and achieving rather than focusing more on the customer's needs. Similarly competitor oriented salespeople would probably try to meet or exceed the competitors' offering instead of suggesting a novel solution to the customer's needs. In terms of organisational culture, a salesperson with a more competitive focus would probably feel more comfortable in an organisation that was more competitor oriented than one that was more customer oriented since the culture of the organisation would fit his behavioural style more closely.

This study also sought to reveal the extent to which the marketing concept has been implemented in organisations in the chemical industry in South Africa. It aims to do this by evaluating the different levels of market orientation that are to be found.

1.4 THE HYPOTHESES FORMULATION

- H1: The South African Chemical Industry contains organisations that exhibit various levels of market orientation as perceived by the salespeople that work for them.
- H2: The personality trait profile of sales personnel working for organisations with different levels of market orientation in the SA chemical industry

will be different

- H3 Salespeople can be categorised as having a predominant competitor or customer orientation in terms of their trait dimensions.

1.5 RESEARCH METHOD

This study was carried out in a number of phases. The first phase consisted of a literature survey into the areas under study in order for the researcher to gain insight into the areas under investigation. This was then followed by an empirical study in which the influence of market orientation on the personality trait profile of salespeople was examined. An additional consequence of this study was that the researcher was able to identify salespeople with a dominant customer or competitor orientation using the data gathered for this investigation.

1.5.1. Literature Survey and Study

The information used in this study was sourced from international textbooks on sales management, consumer behaviour and services marketing. Additional information was obtained from local and international journals as well as from papers delivered at local and international conferences. Some comments made by people during seminars and interviews were also recorded.

One of the problems facing people doing research on industrial salespersons' personality traits is the scarcity of available information on this topic. This is also true about information on industrial salesperson performance. Most of the information that is available is dated but one can assume that this is still relevant today since it is found in most recent sales management text books. Papers in current marketing journals on salesperson performance have also been used where possible.

1.5.2. Empirical Study

This study was carried out in the industrial chemical industry. Businesses that fall under this category include the suppliers of all base and raw material products including gases, fanning extracts, prepared pigments, colours, and organic chemicals. Manufacturers of proprietary chemicals for specialised industries as well as the petroleum industry also fall under this category.

This study was carried out in the areas surrounding Gauteng in South Africa since approximately 38,3% of GNP is produced there (Marx and Van Der Walt, 1989) In some instances salespersons from other regions also filled in the questionnaire particularly if they came for a regional meeting in Johannesburg.

1.5.3. Questionnaire Selection

There are three measuring instruments available for assessing the level of market orientation in organisations. Of these, the one developed by Narver and Slater (1990) was selected due to the fact that it is well known, has been used by other researchers, for example Greenley (1995), and it has been shown to be valid and reliable.

The personality trait profile of industrial salespeople that was used in this study was one developed by Saville and Holdworth Limited. This questionnaire is commercially available and it has been used internationally to aid in the selection interview, in training, in development and team building as well as in counselling and research.

1.5.4. Data Collection

Various organisations in the industrial chemical industry were identified using the following techniques.

- Organisations that the researcher already had knowledge of
- References in trade magazines
- Respondents who filled in questionnaires were asked to identify potential respondents.

The sales managers of organisations that were identified were then contacted by telephone. The researcher then introduced herself and explained what she was trying to achieve prior to asking them if they and their salespersons would be prepared to participate in this study. The researcher would enquire from the sales manager if she could administer the questionnaires to the salespeople after a sales meeting. This was necessary due to the fact that the OPQ² questionnaire had to be administered personally by a trained individual according to South African law. Once the questionnaires were complete, these were taken to SHL South Africa Limited (Saville and Holdworth) to be evaluated. These results were then correlated with the level of market orientation perceived by the salespeople within the organisation.

Salespeople were asked to evaluate the market orientation of the organisation since it was their perceptions that would influence their behaviour, attitudes and performance with regards to their roles within the organisation. Siguaw et al (1994) in her study on the impact of market orientation on the behaviour and attitudes of salespeople also used the salesperson's perception of market orientation to evaluate the organisation.

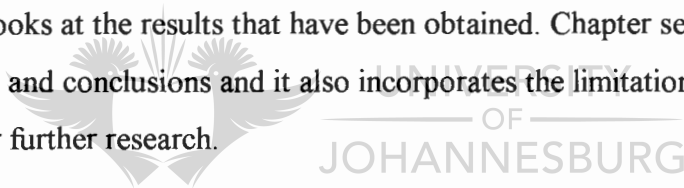
In order to prevent salespeople from feeling that their privacy was being invaded by the use of a personality trait questionnaire, only those who agreed to participate would do so. Once the researcher met the salespeople she would also tell them that the results of the survey would not be looked at individually but would be treated holistically and that the personality trait evaluation would be done using an electronic scanner.

² Is the personality trait questionnaire that was used to measure the personality dimensions in this study

In chapter three of this study, a literature survey was done in order to determine what variables had an impact on the salesperson's role perceptions, his behaviour, and level of motivation and performance. In order to be able to reward a salesperson for a job well done, the salesperson needs to be understood, evaluated and reward systems need to be developed in order to encourage future performance. It was therefore necessary to carry out a survey in which the methods used to understand, evaluate and encourage performance were discussed.

A salesperson's performance can also be influenced by his personal characteristics and it was for this reason that in Chapter 4, this issue was discussed in relation to its impact on the salesperson's ability to perform the required sales tasks. Included in this chapter was a survey of the uses of personality testing on the recruitment of salespeople.

Chapter five of this study is concerned with the research methodology used while chapter six looks at the results that have been obtained. Chapter seven provides the summary and conclusions and it also incorporates the limitations of the study and areas for further research.



CHAPTER 2

MARKET ORIENTATION

2.1 INTRODUCTION

In the previous chapter a brief mention was made of the market orientation construct, its antecedents and consequences. This glimpse into market orientation did not give an adequate view of its scope nor did it give an indication of its impact on an organisation's profitability, its personnel, organisational culture and systems. This chapter attempts to do this by giving a review of the literature on this topic.

2.2 THE DISTINCTIONS BETWEEN THE MARKETING CONCEPT, MARKET ORIENTATION AND MARKETING ORIENTATION

2.2.1 The Marketing Concept

The cornerstone of all marketing activity is based on the marketing concept. Reukert (1992, p. 226.) states that the marketing concept *'is a business philosophy or policy statement which suggests that the long term purpose of the firm is to satisfy customer needs for the purpose of maximising corporate profits'*. Kotler (1991, pp 16, 17.) says that *'the marketing concept holds that the key to achieving organisational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than the competitors'*. Kotler goes on to suggest that the *"marketing concept is a market focused, customer orientated, co-ordinated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals"*.

Kotler believes that customer needs should be defined from the customers' and not the organisation's perspective. He feels that it is only by doing this that the organisation will be able to satisfy the customer optimally. This is

important since an organisation's sales comes from two types of customers, the new and the repeat, and it is the repeat customer who proves to be the more profitable since less effort is usually required to get him to buy again. This is particularly true if the customer is satisfied with what the organisation has offered him. Kotler goes on to say that organisations should try to focus more of their efforts on keeping current customers satisfied as this is more cost effective than trying to attract new customers. He supports this argument by stating that satisfied customers tend to: -

- buy again
- talk favourably to others about the organisation
- pay less attention to competing brands and advertising
- buy other products from the organisation (Kotler, 1991, p.18)

This argument suggests that the longer an organisation retains its existing customers, the more beneficial these customers will be in terms of what they (the customers) will actually do for it. For example, a satisfied customer will increasingly purchase other products from the organisation over a period of time. He will also in some instances act as a promotional agent particularly when he recommends the organisation or its products to people who have needs which they can satisfy.

Kotler (1991, p.17) in his discussion on the marketing concept suggested that the *“marketing concept is a market focused, customer orientated, co-ordinated marketing effort aimed at generating customer satisfaction as the key to satisfying organisational goals”*. He stated that co-ordinated marketing effort meant two things: - co-ordination which occurred within the marketing department's functions for example salesforce activity, advertising, product management and marketing research, as well the co -ordination of activities between marketing and other departments within the organisation.

In terms of generating customer satisfaction, Kotler believes that everyone within the organisation must be aware of the impact that they have on it and

they all need to be trained or motivated to pull together for the customer. He suggests that the organisation carry out internal as well as external marketing in order to ensure optimal customer satisfaction. In fact he feels that internal marketing should take place prior to external marketing (Kotler, 1991, p.20).

Internal marketing in this instance was defined as *'the task of successfully hiring, training and motivating able employees to serve the customers well'*.

In terms of internal marketing, customers are defined as those individuals within an organisation who were either in contact with the final consumer or who offer any of the supporting services needed by anyone within the organisation. These people need to work together as a team in order to provide optimal customer satisfaction

Kotler (1991, p.20) supported his argument for internal marketing with a statement made by the chairman of Marriott Hotels who said, *"the employees must first satisfy its employees. If the employees love their jobs and feel a sense of pride in the hotel, they will serve the customers well. Satisfied customers will return frequently to the Marriot."*

Deshpande and Webster, (1989, p. 3.) state that the marketing concept defines a distinct organisational culture which is seen as *'a fundamental shared set of beliefs and values that put the customer in the centre of the firm's thinking about strategy and operations.'* These researchers define organisational culture as *'the pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide norms for behaviour in the organisation.'* Organisational culture differs from organisational climate in that organisational culture is seen as explaining "why do things happen the way they do" while organisational climate is seen as "what happens within the organisation".

2.2.2 Marketing Orientation

Organisations that attempt to carry out the marketing concept are said to be showing a marketing orientation (McCarthy and Perreault, 1993, p. G7). According to Adcock et al., (1995, p.21) an organisation is said to show a marketing orientation when it is customer and competitor centred. These authors go on to say that *'a marketing orientation happens when all people within an organisation measure themselves in terms of the benefits offered to the customer. It does not matter whether, in Disney language you are 'on stage' or 'back stage' or in marketing jargon, whether, you are directly interfacing with a customer or not. In most organisations a whole range of people have contact with customers. This would include the telephone operator, delivery driver, repair mechanic, or invoice clerk as well as the usual sales and marketing contacts'* (Adcock et al., 1995, p.21). An organisation that shows a marketing orientation is one that is focused on marketing rather than selling and production (Stanton et al., 1993, p.9). A marketing orientation does not give an organisation an indication of what it must do in order to achieve a marketing orientation, it does not describe the behaviours necessary to achieve this marketing focus. This is the premise of Market Orientation.

2.2.3 Market Orientation

The marketing concept according to Kohli and Jaworski (1990, p. 1) is a business philosophy while market orientation is the term applied to the behaviours and activities which reflect the marketing concept's implementation. These researchers stated that *'market orientation is the organisationwide generation of market intelligence pertaining to the current and future customer needs, the dissemination of intelligence across departments, and organisationwide responsiveness to it'*. These researchers described these activities as follows:

- Intelligence generation

The organisation actively seeks to understand its customers' total business environment, in order to be able to develop value offerings that will satisfy its customers' current and future needs. The seller will only be able to anticipate its buyers' future needs, if it knows what is happening in the buyers' macro and micro environment. This knowledge will enable the seller to try and anticipate what products and services it has to develop or modify in the future, in order to provide the customer with the necessary value offerings as and when they are required. This is essential since new product development or modification takes time to come to fruition.

- Intelligence dissemination

An organisation that reacts in a concerted manner to changes in customer needs and preferences can only do so if its personnel know what is going on. This means that all relevant customer information that is gathered by the organisation has to be communicated and disseminated timeously throughout all relevant departments. Systems that encourage the formal and informal flow of information among various members and departments needs to be encouraged, sustained and developed where necessary.

- Responsiveness

Customer information that is communicated and disseminated has to be acted upon by the organisation and its employees. In other words it needs to be used in the development and implementation of the organisation's marketing programmes. The responsiveness component consists of the two following activities: -

a response design - in which market intelligence is used to select target markets, design products and/or services that cater for the customers' current and anticipated needs, as well as to develop plans for the production, distribution, and promotion of the required products and services.

a response implementation activity in which the above plans are executed in order to satisfy customer needs and preferences. All departments within a market oriented organisation need to respond to changing market trends.

The market orientation construct described above and developed by Kohli and Jaworski (1990) is very similar in essence to the one developed by Narver and Slater (1990). The dimensions of Narver and Slater's construct have however been described differently. These researchers (p.21) define market orientation as consisting '*of three behavioural components - customer orientation, competitor orientation, and interfunctional co-ordination - and two decision criteria - long term focus and profitability*'. The organisational behaviours that fall under each of these categories are described as follows: -

- A customer orientation

A market oriented organisation which aims to provide its customers with superior value over time, can only do so if everyone within the organisation understands and focuses on the buyers' total value chain. This value chain must be looked at not only in terms of the buyers current needs, but also in terms of how those needs can change and evolve over time, subject to internal and market dynamics. It is only then, that the seller can develop and/or modify its products and services in such a way that it can maintain its competitive advantage in response to the customer's changing requirements. Organisations that aspire to keep up with their customers' changing requirements have to develop mechanisms that encourage a customer focus in the generation and dissemination of information within its environs.

- A competitor orientation

The number and type of competitors currently serving in a particular target market influences the total value an organisation offers its customer since competing organisations continually modify their product offerings in the hope of capturing new customers. This means that any organisation that

competes in a given target market must continually monitor its current and potential competitors in order to be able to anticipate any changes that they may make in their product offerings. Information which is generated by this monitoring process needs to be communicated and disseminated to the relevant individuals within the seller organisation.

- An interfunctional component

This dimension is concerned with the co-ordinated utilisation of an organisation's resources in creating superior value for its target customer. Any individual or department within an organisation should be able to create superior value for the customer should the need or opportunity arise. This means that everyone within the organisation needs to be informed about the changes taking place and they need to respond to these in a co-ordinated fashion. A market oriented organisation must be able to adapt, integrate and draw upon its total resources in order to be able to facilitate its ongoing effort to create superior value for its customers.

- Long term focus

This is important in the implementation process of the three above-mentioned behavioural components and in terms of an organisation's profits. An organisation cannot avoid a long term focus if it is to continually maintain its competitive advantage in an environment where competition is constantly seeking to overcome any superiority it has developed and created in its products or services. An organisation needs to continually discover and implement additional value for its customers by developing an appropriate range of tactics and investments over a long period of time. This suggests that a long term investment perspective is implicit in market orientation and it is for this reason that these researchers felt that they could separate this criterion from the three behavioural components mentioned above.

- Profitability

This decision making criterion can be seen from two different perspectives. It can be viewed as being the overriding objective for choosing a market orientation, and therefore it can be regarded as being part of it, or it can be seen as the result of having a market orientation. Narver and Slater (1990, p. 22) took the point of view that although profitability can be regarded as being conceptually close to market orientation, in this instance they were going to regard it as being an objective of the organisation. This meant that they could now separate this criterion from the three behavioural components of a customer orientation, a competitor orientation, and an interfunctional component.

Although the research of Slater and Narver (1990) and Koli and Jaworski (1990) produced results which showed that they were consistent in what they felt the content of market orientation to be; the research work carried out by Nel and Schreuder (1994) produced results which gave rise to a different perspective on the content of market orientation. These researchers proposed that the organisation's business orientation, its systems and personnel played a major role in ensuring customer satisfaction. They described their market orientation construct in terms of the following three dimensions.

- Customer orientation

A market oriented organisation is driven by its adherence to the marketing concept, which states that in order for an organisation to perform optimally, it must satisfy its customers' needs, preferences and expectations both in the long and short term. This business philosophy gives the organisation a unifying focus that directs its activities towards the provision and quest of customer satisfaction.

- Organisation Systems and Strategy

In order for an organisation's employees to be able to maintain a customer focus, the organisation needs to develop a formal information system which

permits all relevant market data to be analysed, integrated and disseminated internally to all relevant departments. This information is then utilised in the development of marketing strategies that centre on optimal customer satisfaction.

- Employee commitment

Optimal customer satisfaction will only take place if individuals within the organisation are committed to the business philosophy embodied in the marketing concept. Not only is this commitment indispensable, but these individuals need to possess the skills and dexterity necessary for the provision of optimal customer satisfaction.

Reukert (1992, p. 228) defines market orientation in terms of three dimensions which in a way are very similar to those developed by Nel and Schreuder (1994). Both groups of researchers look at market orientation in terms of a customer focus, a planning or systems component and a responsiveness component which takes into account people's willingness or ability to implement the plans which have been developed. The dimensions developed by Reukert (1992) are: -

- The organisation's ability to obtain and use information from customers.

This researcher felt that although organisations needed information on a variety of domains such as technological, legal and financial, the most critical type of information needed was that which provided knowledge about the customer and his expectations. It was for this reason that he stated that market orientation was only possible when the organisation focused on developing its own customer based intelligence.

- The development of a plan of action or customer focused strategy.

Here the business unit develops customer focused strategic action plans in which objectives are set, resources are allocated and responsibilities for the

implementation of customer focused strategies and tactics are laid down. This dimension looks at the extent to which management is prepared to consider customers needs and wants in its planning process, since this will determine the types of changes that will take place.

Reukert (1992, p. 229) feels that the emphasis he places on the use of information for strategy development and execution is relevant because the planning process can affect the types of strategic changes an organisation can make. He also contends that by considering the role of strategic planning within the domain of market orientation, one has the opportunity of gauging management's intentions prior to their realisation within the organisation. He also justifies his emphasis on strategy development by stating that it provides a useful link between the acquisition of market information and changes in responsiveness to customer needs.

- The implementation and execution of a customer oriented strategy.

This dimension determines the extent to which the organisation is prepared to respond to the marketplace's needs and wants.

The four market orientation constructs described above have certain areas of similarity and dissimilarity. For example all four constructs focus on customer needs and expectations, and they all look towards knowing what these are in order to deliver optimal customer satisfaction. They also focus on the utilisation of customer information. Nel and Schreuder (1994) and Reukert (1992) tend to use this information in a more formalised fashion in that they look towards the development of action plans or strategies that are then implemented. Kohli and Jaworski (1990) on the other hand believe that organisations should encourage both the formal and informal flow of information throughout the organisation in order for it to be disseminated effectively. Narver and Slater (1990) make no mention of how the information should be utilised and disseminated, although one would imagine that a formalised structure for the dissemination of information would have

to be developed in order to ensure that it gets to the right people. How they regard informal information flows is not known.

The four market orientation constructs mentioned in this literature survey, all regard market orientation as being more than just a customer focus. For example Narver and Slater (1990) focus on both customer and competitor whereas Kohli and Jaworski (1990) believe that in order for an organisation to be market orientated, it needs to look at the forces (technology, regulation etc.) which impact on customer needs and expectations. Nel and Schreuder (1994) on the other hand feel that employee commitment to the business philosophy embodied in the marketing concept is important.

Deshpandè, Farley and Webster (1993, p. 27) use the term customer orientation when they are actually discussing market orientation. (The reason given for this point of view is due to the fact that they define “market” as being the set of all potential customers.) They define customer orientation as being *‘the set of beliefs that puts the customers’ interests first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long term profitable enterprise’*. These researchers regard customer orientation as being part of an organisation’s culture. They feel that in order for an organisation to be customer focused, other factors apart from customer intelligence need to be considered.

Williams and Attaway, (1996, p. 41) state that the culture of an organisation is manifest in: -

- Its formal and informal control and reward systems
- Its information usage
- The nature of leadership and supervision that is found there
- The behaviours of its employees
- The decision making processes of the organisation

These researchers feel that the real power of culture is through its impact on the behaviour of individual members, since the organisation’s culture

influences buyer - seller relationships through its impact on salesperson behaviour (Williams and Attaway, 1996, p. 40). Their study revealed that an organisation's culture was a significant predictor of customer orientation (Williams and Attaway, 1996, p. 43).

Deshpandè, Farley and Webster (1993) believe that the culture of an organisation impacts on its ability to become market oriented and therefore the deeply rooted set of values and beliefs that pervade the organisation and can reinforce a customer focus should be taken into account. They feel that people's attitudes within an organisation need to be changed if market orientation is to be effectively implemented. In their study, these researchers found that organisations with a market oriented culture had a better level of performance. (Deshpandè, Farley and Webster, 1993, p. 30)

Slater and Narver (1995, p. 67) also feel that market orientation can be defined as an organisational culture that: -

- Places the highest priority on the profitable creation and maintenance of superior customer value while considering the interests of other key stakeholders.
- Provides norms for behaviour regarding organisational development of and responsiveness to market information.

Day (1994, p. 43) also sees market orientation as a '*market driven culture which supports the value of thorough market intelligence and the necessity of functionally co-ordinated actions directed at gaining competitive advantage.*'

Deshpandè, Farley and Webster (1993, p. 27) looked at the market orientation construct developed by Narver and Slater (1990) as not being consistent with the one developed by Kohli and Jaworski (1990). These researchers feel that Narver and Slater (1990) have broadened the base of the market orientation construct by adding a competitive dimension. However

Jaworski and Kohli (1993 p. 54) state that they have expanded the customer orientation dimension to include any additional forces in the market which may have an impact on the customer. For example these researchers have included macro-environmental forces such as competition, technology, and regulations in their customer orientation component. They feel that the market orientation construct needs to include all stakeholders and constituencies that are knowledgeable about creating superior value and/or are threats to the survival of the organisation. Jaworski and Kohli (1996. p. 124), and Deshpandè et al., (1993, p. 27) see the term “market” as being the set of all potential customers an organisation may have. This according to Deshpandè et al., (1993, p. 27) implies that the market orientation construct developed by Narver and Slater (1990) and Kohli and Jaworski (1990) has a much broader base than theirs.

How one looks at the market orientation construct is very dependent upon one's definition of the marketing concept. For example, if one looks at Kotler's (1991, p.17) definition of the marketing concept, one can see that he believes that an organisation needs to satisfy their customers better than their competitors if they are to succeed and achieve their objectives. He regards competitors as being an important determinant of the type of product or service that will be offered by an organisation and it is for this reason that competitors need to be analysed in order for the organisation to offer superior products and/or services which can satisfy their customers better than the opposition. Even though Deshpandè et al (1993, p. 27) feel that the inclusion of competitors in the market orientation construct should not take place, they do agree that for effective marketing strategy to be developed, a balanced mix of customer and competitor analysis is essential.

2.3 MARKET ORIENTATION AND RELATED CONCEPTS

This section is included due to the fact that there are certain areas of overlap between the concept of market orientation and several other concepts that are currently found in marketing literature. An attempt will be made to

compare and contrast the concept of market orientation with the concepts of information processing, market research/knowledge use, the intelligent enterprise and the learning organisation, industry foresight and driving markets. No attempt will be made to give an in depth view of these concepts due to the fact that they are not the main concern of this study. The main reason for their inclusion is that some of the research findings in these areas may provide the researcher with additional insights to the market orientation concept.

2.3.1 Market Information Processing, The Intelligent Enterprise, and the Learning Organisation

Market information processing is defined as *market based organisational learning and it consists of the acquisition, distribution, interpretation, and storage of market information* (Sinkula 1994, quoted by Jaworski and Kohli, 1996, p. 122). This form of organisational learning is externally focused, results in competitive advantage and is derived from the observation of others in the market place. It is difficult to access due to the fact that it resides in the organisation's memory.

Organisational learning in this instance is similar to the market orientation concept in the areas of information acquisition, its interpretation and dissemination. Its areas of dissimilarity lie in the area of organisational responsiveness as for example in the utilisation of information to make decisions and to take action.

Market information processing literature provides additional insights to the market orientation concept, in that it suggests that market information interpretation can take place during information acquisition and dissemination. This is in contrast to the view held in market orientation literature that suggests that interpretation takes place during the information acquisition stage.

Other facets of market information processing literature that provides additional insights to market orientation includes (Jaworski and Kohli, 1996, p.123): -

- The suggestion that environmental characteristics tend to influence the amount and type of information processed.
- Organisational memory (storage) is seen as shaping the nature of the intelligence generated and disseminated within the organisation.
- The view that market intelligence in information processing can be generated from internal, (organisational memory), as well as from external sources. Market orientation literature on the other hand tends to focus on the generation of market intelligence from external sources only.

Moorman (1995, quoted by Jaworski and Kohli, 1996, p. 123) sees the market information process as consisting of information acquisition, information transmission, conceptual utilisation and instrumental utilisation. His definition of the organisational processing concept views information utilisation as being part of the market information process and in so doing, he brings it more in line with the concept of market orientation and in actual fact makes it very similar to it.

2.3.1.1 The Intelligent Enterprise and the Learning Organisation

Organisational learning has been described by Slater and Narver, (1995, p. 63) '*as the development of new knowledge or insights that have the potential to influence behaviour.*' They describe organisational learning as consisting of three processes, namely information acquisition, information dissemination and shared interpretation. Organisational learning can be regarded as being either adaptive or generative.

Adaptive learning or single loop learning involves the improvement of the organisation's capacity to achieve its objects without changing its assumptions or basic way of doing business. This type of learning does not

require the organisation to change its culture; it simply adapts to environmental changes (Luthans, 1995, p. 41).

Generative learning or double loop learning occurs when the organisation re-evaluates its objectives, as well as the values and beliefs surrounding them. The organisation attempts to find new ways of looking at the world. It questions its long held assumptions in terms of its mission, customers, capabilities and strategy. Generative learning is such that it requires the organisation to look upon change as opportunity to develop superior value for its customers. In order to achieve this, the organisation needs to develop cultural values and structures that encourage the generative learning process (Luthans, 1995, pp. 41-42, Slater and Narver, 1995, p. 63).

2.3.2 Market Orientation and the Learning Organisation

As stated earlier, Slater and Narver (1995, p. 63) believe that in order for an organisation to be able to maximise its ability to learn about its markets, creating a market orientation is only the start. They believe that a market-oriented culture can only be achieved if it is complemented with a spirit of entrepreneurship and an appropriate organisational climate. A market orientation is important in that it provides the organisation with focus and gives it direction. Market oriented organisations continuously monitor the target customer's needs as well as their competitors' activities in order to create superior value for their clients.

Slater and Narver (1995, p. 63) are of the opinion that market oriented organisations need to develop organisational structures and processes which encourage higher order learning, (generative or double loop learning). These researchers feel that the type of learning style a firm employs will determine how it acquires, processes and subsequently uses market intelligence. This in turn will have an impact on the firm's degree of market orientation. Jaworski and Kohli (1996, p. 125).

Churchill et al. (2000, p.24) state that organisational learning is important for the continual success of the organisation and that market orientation is the principal cultural foundation for successful learning. A learning organisation according to these authors is one that consistently creates and refines its capabilities by connecting new information and skills to customer requirements. Customer requirements are one of the prerequisites for success and a market-oriented organisation is able to generate and incorporate customer requirement information into its learning process.

At its most basic level organisational learning is the process of developing new knowledge that has the potential to influence behaviour. Management hopes that learning facilitates a behaviour change that leads to better performance but some learning takes place for which there is no immediate obvious benefit, for example scientific discoveries (Churchill et al. 2000, p.25).

Churchill et al., (2000, p.25) go on to say that marketing often creates learning boundaries in that it makes organisations so focused on their traditional markets that they fail to notice changes that are taking place in other unconventional markets. This means that an organisation that is able to seize the opportunity that is created in unconventional markets often comes to dominate that market. (Churchill et al. 2000, pp.25-26)

2.3.2.1 How Marketing Learns

Marketing's role in organisational learning is that of acquiring information from internal and external sources such as through its salespeople and market research. This information is then disseminated via interpersonal communication and reports to the rest of the organisation. The relevant individuals in the organisation then interpret this information and new strategies are created to take advantage of what has been learnt (Churchill et al. 2000, pp.27).

Market Orientation and Organisational Learning are not identical since the former tends to focus on learning about markets and responding to these, while the latter is concerned with learning about internal and external issues and is much broader in scope. However, as can be seen from the statements made above, market orientation and organisational learning do impact on each other.

Slater and Narver (1995, p. 67) believe that a market orientation is inherently a learning orientation in that market orientation encourages an organisation to gather information about its customers and competitors and then to use it in order to anticipate developing needs in the market place. Once these needs have been identified, the organisation develops products and services to fulfil them.

2.3.3. Market Research/Knowledge Use.

Kotler (1991, p. 99) defines marketing research as *“the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.”* The concept of market research /knowledge use looks at how managers utilise the information that has been gathered through marketing research. The concept of market research/knowledge use is in actual fact very similar to the responsiveness component of market orientation.

Research into the area of market research/knowledge use has emphasised the following issues that may provide additional insights into market orientation construct: -

- The importance of the quality of the research or in terms of market orientation the quality of the information gathered by the organisation.
- The credibility and political acceptability of the information that was gathered. In some instances the credibility of the source of the information could also be an important factor.

- The format of the research which may influence the extent to which it is used.
- The relationship between the providers and users of market information.
Is there any trust between the two?

Information gathered from research in this area could perhaps facilitate an organisation's efforts in enhancing its degree of market orientation

2.3.4. Industry Foresight and Driving Markets.

This is defined as "*an organisation's ability to anticipate and perhaps shape the evolution of market*" (Jaworski and Kohli, 1996, p. 125). This implies that some organisations are better able to image products, services, and entire industries that do not currently exist but which they are able to bring into existence. Industry foresight is based on deep insights about trends in technology, demographics, regulation and lifestyles that can be harnessed to rewrite industry rules and create new competitive space. Industry foresight is therefore based on solid factual foundation.

Industry foresight is regarded by Jaworski and Kohli (1996, p. 126) as being a subset of being market oriented. It suggests that the responsiveness aspect of market orientation must include a reactive and a proactive stance to it in order to provide the customer with superior products both in the present and in the future. In the case of a proactive stance, the customers' reaction to new unimagined solutions needs to be obtained in order to tailor the product to the customers' perceptions

2.4 DETERMINATION OF AN ORGANISATION'S MARKET ORIENTATION

Narver and Slater (1990) postulated that market orientation is a one dimensional construct, consisting of three behavioural components of equal conceptual importance. To determine an organisation's market orientation

score, a simple average of the scores of the three components is taken. The market orientation construct developed by these researchers was found to satisfy the requirements governing validity and reliability (Greenley, 1995; Siguaw, Brown, and Widing II, 1994).

In this study the market orientation construct developed by Narver and Slater (1990) will be used to measure the degree to which an organisation has adopted the marketing concept. The reasons for using this instrument are:

- This instrument has been used by a number of researchers namely Slater and Narver, (1994); Greenley, (1995) and Siguaw, Brown, and Widing II, (1994).
- This instrument has been found to be reliable and valid by Slater and Narver, (1994); Greenley, (1995); Siguaw, Brown, and Widing II, (1994).
- The content of this market orientation construct is very similar to that of Jaworski and Kohli (1993) even though the three behavioural dimensions have been described differently.

2.5 THE DIFFERENT FORMS OF MARKET ORIENTATION



Greenley (1995) carried out a study in which he examined the market orientation of organisations in terms of their different forms. He reasoned that organisations with the same overall degree of market orientation could exhibit different forms of this construct, by virtue of the fact that they emphasised each of the three behavioural components to a varying degree.

In his study, Greenley (1995, p. 57) was able to indicate that organisations exhibited one of five possible forms of market orientation. He described these as follows: -

- Customer focus orientation.

Organisations exhibiting this form of market orientation tended to place more emphasis on customer needs and the monitoring of customer satisfaction.

The other two behavioural components of market orientation namely the competitor and interfunctional co-ordination components did have some impact on the overall market orientation value but the organisations in this cluster were weak in the areas of information dissemination and customer contact by top functional management.

- Undeveloped market orientation.

Organisations within this cluster showed mean scores that were relatively low in all three behavioural dimensions of market orientation.

- Fragmented market orientation.

This cluster consisted of nine organisations whose overall market orientation values were very similar to those obtained for the undeveloped market orientation group. This group differed from that described above in that the customer orientation and interfunctional co-ordination component played a more significant role.

- Comprehensive market orientation

The organisations in this cluster had a well-developed market orientation. The mean values of all three behavioural components were high when compared to the results obtained for organisations in other clusters.

- Competitive focus orientation.

In this group, the competitive behavioural dimension and the competitive elements in the customer orientation dimension showed the highest values.

Greenley (1995, pp. 59-61) tried to determine which factors could be used to differentiate or discriminate between the different forms of market orientation. He found that 98 per cent of the observed variance could be explained by three factors that he described as follows: -

- A market intelligence factor which incorporated the following three variables and which accounted for 50 per cent of the observed variance.
 - * The level of contact between top management and the organisation's customers.
 - * The generation of market information.
 - * The dissemination of market intelligence.

- A planning factor which accounted for 35 per cent of the variability and included the following variables:-
 - * The organisation's ability to use customer needs and their level of customer satisfaction in generating the organisation's objectives, strategies and competitive advantage.
 - * The organisation's ability to integrate all its business functions in such a way that it optimally satisfied its customers.

- A monitoring and control factor which accounted for 13 per cent of the variability and included the following variables:-
 - * The targeting of customers for competitive advantage.
 - * The monitoring of customer satisfaction and customer needs
 - * Managers' understanding of how superior value for the customer could be generated by or contributed to by everyone within the organisation.
 - * The amount of attention paid by the organisation to after sale service and the organisation's commitment to serving its customers needs.
 - * The extent to which top management was prepared to discuss the strengths and weaknesses of their competitors and their willingness to implement appropriate responses to competitor actions.

The above three factors enabled the researcher to distinguish between the different forms of market orientation that arose as a result of the three behavioural components used to evaluate the market orientation construct.

Greenley (1995, pg. 61) also endeavoured to determine if the different marketing environments had an impact on the type of market orientation which was observed. He found no correlation between the type of marketing environment the organisation operated in and the form of market orientation it exhibited.

2.6 ANTECEDENTS TO A MARKET ORIENTATION

In order for an organisation to become market oriented, it needs to meet certain pre-conditions. Kohli and Jaworski (1990) and Jaworski and Kohli, (1993) were able to show that the market orientation process could be facilitated if:-

- Top management was committed to the development of a market orientated culture.
- The interdepartmental dynamics within an organisation were right, in other words, the formal and informal interactions and relationships between individuals and departments were perpetuated and maintained.
- The organisational structures were such that they facilitated and encouraged a market oriented culture.

Jaworski and Kohli (1993, p. 54) were able to show that when top management demonstrated its commitment to a market orientated culture, this attitude would permeate throughout the whole organisation as other individuals within it would try to emulate their superiors. Top management needed to reflect this commitment to market orientation in their behaviours, communications and actions. Research into the effects of top management commitment to market orientation have revealed that this has an impact on the generation of market intelligence, its dissemination within the organisation and the organisation's responsiveness to it. Top management had to continually emphasise to employees the need for the uninterrupted

monitoring of market developments, and the organisation's response to them.

Top managers' risk aversion did not appear to have an effect on intelligence generation and dissemination, but it did appear to have a negative effect on the responsiveness of the organisation to market intelligence. This was thought to be due to the fact that responding to market developments entailed some risk, and if top management was unwilling to take on some of this risk, then the organisation was less likely to respond to the changing needs and expectations of its customers.

Market orientation is a culture that requires the organisation to constantly adapt its product offerings to changing customer needs and preferences. Since the development of new products and services can take time, a market oriented organisation has to try and anticipate what the customer will require in future. This is inherently risky and the chance of failure is high. An organisation's top management team reflects its commitment to the innovative aspect of market orientation by accepting the fact that there is a certain amount of risk associated with it. Jaworski and Kohli (1993) showed that executives, who were risk averse, discouraged the organisation's response to changing customer needs and preferences.

Associated with top management's acceptance of risk, is their willingness to accept change. An organisation needs to adapt its way of doing business to changing customer needs and preferences. Top management must be willing to accept this change and encourage its implementation by communicating their commitment to it throughout the organisation.

Although top management plays an important role in the implementation of market orientation, this process is facilitated if the interdepartmental dynamics within the organisation are such that they encourage everyone to interact with each other, on a formal and informal basis. This type of behaviour encourages the dissemination of market information and the

organisation's response to it. Any individual or group characteristic that prevents this interaction will affect the organisation's degree of market orientation.

Interdepartmental conflict is one such characteristic. It arises when there is a power struggle, or when various departments within the organisation have different goals, for example when marketing wants to provide optimal customer satisfaction and production aims to be cost effective and efficient. Interdepartmental conflict is reflected as a tension that exists between individuals and departments. This tension acts as a barrier to communication and interaction. Research into this aspect by Jaworski and Kohli (1993, p. 63) revealed that intelligence dissemination and the organisation's response to market intelligence was inhibited by interdepartmental conflict.

Associated with interdepartmental conflict is the issue of people's open-mindedness and their receptivity towards the ideas and proposals of others within the organisation. People who do not respond favourably to these, create distrust and antagonism, and in so doing inhibit the flow of information and peoples' response to it. This will in turn have an impact on the organisation's ability to become market oriented.

Another aspect of interdepartmental dynamics that played a role in determining the extent to which an organisation could become market oriented, was that of interdepartmental connectedness. This term refers to the amount of direct contact (both formal and informal) which occurs between individuals within an organisation. Research carried out by Jaworski and Kohli (1993, p. 63) revealed that interdepartmental connectedness, in some instances, influenced the dissemination of market intelligence and the organisation's response to it. It was suggested by these researchers that further investigations into the effects of interdepartmental connectedness on market orientation should be carried out.

Other antecedents which play a role in determining the extent to which an organisation can become market oriented, are those which involve its organisational systems. Slater and Narver (1995, p. 63) state that a market oriented culture can achieve maximum effectiveness only if it is complemented by a spirit of entrepreneurship and the appropriate organisational climate, namely structures, processes and incentives for operationalizing the organisation's cultural values. These researchers state that the organisation also needs to develop the appropriate organisational structures and processes which encourage higher order learning (generative or double loop learning), in order to enable people within the organisation to know how to create superior customer value in dynamic and turbulent markets. Slater and Narver (1995, p. 63) contend that in some instances the ability to learn faster than competitors may be the only source of sustainable competitive advantage.

Kohli and Jaworski (1990, p. 11) and Jaworski and Kohli (1993, p. 63) looked at the effects of departmentalisation, specialisation and formalisation on the implementation process. They found that centralised decision making acted as a barrier to market orientation by having an impact on one or more of the following. *Centralised decision making* could have an impact on intelligence generation and/or its dissemination as well as have an effect on the firm's response market intelligence. The impact of centralisation on each of the above variables depended upon the type of organisation one was dealing with. For example Jaworski and Kohli (1993, p. 63.) indicated that in one of their samples, centralisation impacted on intelligence dissemination and the organisation's response to market intelligence while in the other sample, centralisation had an impact on the organisation's intelligence dissemination. One can therefore conclude that centralisation does have an impact on the organisation's degree of market orientation but one can only determine **where** through research.

In terms of *formalisation* - the degree to which rules define roles, authority relations, communications, norms and sanctions and procedures -Jaworski

and Kohli, (1993, p. 63) established that there was no correlation between formalisation and the degree of market orientation. These researchers suggest that perhaps the mere emphasis on rules is not as important as the precise nature of those rules within the organisation. These researchers postulate that if properly designed, rules can facilitate rather than hinder a market orientation.

Another aspect of organisation-wide systems that was researched was that of *departmentalisation*. Jaworski and Kohli (1993, p. 63.) found that departmentalisation (like formalisation) did not have an impact on the organisation's degree of market orientation. They suggested that the number of departments an organisation had, was of less importance than the connectedness and the degree of conflict experienced between departments.

Liu, (1995) looked at the relationship between the size of the organisation and its level of market orientation. This researcher found that large and extra-large organisations in the UK tended to be more market oriented than the medium-sized ones. (Medium sized organisations have annual sales < £9,000,000; large organisation have sales between £10,000,000-£49,000,000; Extra large organisations have sales >£50,000,000) These organisations also tended to perform better than their medium sized counterparts. Liu (1995) explained these results in terms of an organisation's ability to satisfy market wants. He stated that large and extra-large organisations become huge because they were better able to provide customers with what was expected and needed. Liu concluded that large and extra-large organisations had the resources (technological, human and financial) to pursue a market orientation. Liu, (1995, pp. 57,61), quotes a US study that supported his research by demonstrating that large organisations tended to be more market orientated than medium-sized and small sized organisations.

A study carried out in South Africa by Nel et al., (1996) revealed that organisations employing less than 50 employees tended to be more market

oriented than organisations that were larger. These results appear to be in direct contradiction to those obtained in studies conducted in the UK and US. Reasons for this result were not given in the publication.

Market orientation can be facilitated within an organisation, when customer oriented issues are linked to financial issues in the evaluation and compensation of employees. Compensation that is based on short term financial performance such as sales and profitability, will tend to encourage employees to trade off long term benefits for short term results. For example, a sales manager may invoice the organisations' customers with goods prior to delivery just to make his month end figures look good. Sales managers whose evaluations are based on sales figures and customer retention values would probably be discouraged from exhibiting these types of behaviours due to the probable negative impact they could have on his financial rewards. By forcing sales managers to think more about the results of their behaviours on their customers' future purchases, organisations could make their sales managers have a more market orientated approach to their activities. By using this type of evaluation system, the implementation of market orientation within an organisation could be facilitated (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993).

Reukert (1992, p. 230.) suggests that in addition to the reward and compensation system offered by the organisation to its employees, the organisation's recruiting and selections system, as well as its training system, will have an impact on its market orientation. Research into this revealed that there was a positive correlation between the degree of market orientation found within an SBU and the recruiting, training and rewarding of personnel. Reukert suggested that during the recruiting and training process, individuals who are trained and prepared to carry out their job responsibilities with a strong customer focus could be selected for. Similarly individuals who have the skills to improve the market orientation of the business unit must be employed by the organisation.

In terms of training, a market orientation focus can be encouraged by designing programs that teach individuals the skills that are needed to incorporate customer information into the strategic planning system. Individuals can also be trained to be more sensitive to the needs of their customers and they can be shown how they are expected to respond to these needs.

The above antecedents have centred mainly on the formal characteristics of the organisation. However Kohli and Jaworski, (1990, p. 12.) have suggested that the informal characteristics of an organisation can also play a role in the implementation process of the marketing concept. Of particular concern is the role of political behaviour and its acceptance within an organisation. Political behaviour occurs when people within an organisation are more concerned with promoting their self-interest and threatening others rather than with the well being of the organisation. This type of behaviour has been shown to inhibit the implementation process and in so doing lower the organisation's level of market orientation. Political behaviour needs to be managed in such a way that market orientation is encouraged and facilitated within the organisation.

The quality of an organisation's market oriented behaviours also plays a role in determining the organisation's degree of market orientation. Some of the issues which influence the quality of an organisation's behaviours are found in the market orientation construct, for example how rapidly the organisation responds to market developments. There are also other elements of market oriented behaviour, which inherently do not touch on the quality aspect. These include factors such as the quality of market intelligence, its dissemination and the organisation's responsiveness to it Jaworski and Kohli (1996, p. 127). Some of the problems facing researchers and organisations that investigate the quality aspect of market orientation behaviours are -

- How does one conceptualise the qualities of these behaviours?
- How many dimensions should one look at?

- How does one assess the quality dimension in these behaviours in such a way that the measurement is in actual fact accurate and is not influenced by uncontrollable factors?

The quality dimension of market oriented behaviours is important, since it can explain differences in the perceived benefits of market orientation. For example market orientation - performance relationship differences could perhaps be explained by differences in the quality of the organisation's market oriented behaviours. Similarly, people within an organisation may believe that they are market oriented and they are performing the correct behaviours but the quality of those behaviours may be the telling factor.

Other issues that are of interest in the implementation process of a market orientation include the trustworthiness and expertise of the individuals who generate the information for the organisation. Research into this area has suggested that if people respect the source that is generating the market intelligence, then they are more willing to respond to it than if they did not.

(Kohli and Jaworski, 1990, p. 12.)

2.7 CONSEQUENCES OF MARKET ORIENTATION

An organisation will only consider implementing the marketing concept, if it perceives that the benefits that it derives from being market oriented far outweigh the costs of the actual implementation process. Research into this issue has revealed that one of the perceived benefits of market orientation is the organisation's increased performance (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Narver and Slater, 1990; Greenley, 1995; Hart and Diamantopoulos, 1993; Reukert, 1992; Deshpandè, Farley and Webster 1993). Attempts to measure the effects of market orientation on business performance have given a number of indications that market orientation does enhance business performance. However the relationship may not be monatomic, in other words, an increase in market orientation may not necessarily give rise to an increased level in performance.

Narver and Slater (1990) showed in their forest product industry study that the market orientation of an organisation influenced its performance only once it had reached a certain level. It was discovered that organisations' with high market orientation values, tended to show the greatest profitability, while those with low market orientation values, tended to perform better than those whose market orientation values fell in the middle of the range. It was surmised that one of the reasons for this type of result was due to the fact that organisations with low market orientation values tended to be consistent and good at what they did, whereas this was not true of organisations that were middle of the range.

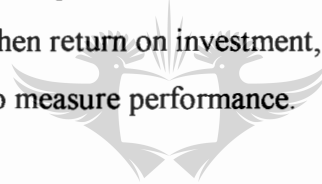
Jaworski and Kohli (1996, p. 132.) suggested that organisations that positioned themselves as selling 'commodities' were in actuality fact being market oriented in that they recognised and understood their customers' value function and they respond to it. Middle of the range organisations tended to exhibit strategies that did not reflect mutually consistent goals, objectives and policies. This resulted in lower performance levels being recorded and this in turn reflected the lower levels of customer satisfaction and loyalty that these organisations experienced.

Reukert (1992, p. 243.) showed that there was a positive relationship between the degree of market orientation an SBU had and its degree of long run financial performance. This researcher also found that there were two discriminating factors which distinguish between high and low performing business units. The factor that accounted for the greatest differentiation, was the degree of market orientation to be found in the implementation of the business unit's strategy. The other was the organisation's support processes that included the recruitment of customer orientated personnel and the reward and compensation policies used to motivate and control business unit employees.

Jaworski and Kohli (1993) attempted to measure the effects of market orientation on business performance in terms of two criteria, namely the subjective evaluations of top management and the organisation's market share. These researchers found that there was a strong correlation between market orientation and business performance when subjective measures were used, but this was not true when market share was the performance measure. It was suggested that the poor correlation between market orientation and market share could have been due to: -

- A time lag between market share improvement and an increase in market orientation.
- Not all of the organisations considered were market share focused - some organisations had low market share and yet they performed well.

Greenley (1995) researched the effects of different forms of market orientation on business performance. He found that there was no significant difference in the performance measures between the different forms especially when return on investment, new product success and sales growth were used to measure performance.



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Jaworski and Kohli (1996, p.131.) found that the perceptions of top management tended to be more favourable than those of middle or lower management as regards the level of market orientation within the organisation. It would therefore be interesting to establish at which level in the management structure one would get a more accurate picture of the relationship between market orientation and performance. It would also be meaningful to know what customers' views are about the organisation's level of market orientation and to relate this to the suppliers' business performance level.

Nel et al., (1996, p. 5.) also found that in South African organisations, people tended to perceive their organisations as having higher levels of market orientation than what they actually did.

The perceptions of the people who assess the degree of market orientation within an organisation may have a profound effect on the strength of the correlation between market orientation and performance. Deshpandé et al (1993, p. 30.) showed that in Japanese organisations, the market orientation of an organisation was assessed differently by the its marketers and its customers. The results obtained showed little correlation between the customers' and the marketers' perceptions of market orientation. This suggested that the organisation's marketers had an inaccurate picture of how the organisation was perceived in the market place. These researchers then took the marketers' and the customers' assessment of the organisation's market orientation and they attempted to correlate this with the organisation's performance. (Business performance in this instance was a global measure that included market share, profitability, growth, and size of the organisation in relation to its most important competitors.) The correlations obtained showed that the customers' assessment of the suppliers market orientation was a good predictor of business performance whereas this was the case in terms of the marketers' assessment. These results give rise to the speculation that perhaps a better predictor of an organisation's performance could be the customer's perception of the supplier's market orientation. An assessment of the results of this type of research should however take into account the fact that this study was carried out in Japan, where there is a strong national culture that revolves around consensus. This could make it more difficult for managers in that country to be self-critical.

The impact of the organisation's external environment on the market orientation/business performance relationship has been researched by a number of people. (Jaworski and Kohli, 1993, Slater and Narver 1994, Greenley 1995) The results obtained suggest that the competitive environment in which an organisation operates does not impact on the market orientation/business performance relationship. Slater and Narver (1994, p. 52.) were able to show that the market orientation/performance

relationship was positive when performance was measured in terms of the firm's ROA, sales growth and new product success.

Greenley (1995a, p. 7.) in his U.K. study found that market orientation did not appear to have a direct effect on business performance, particularly when return on investment (ROI), new product success rate and sales growth were used to measure performance. This researcher found that the best predictor for these performance measures was relative size. He suggested that market orientation might not have a direct effect on all national business cultures, as its influence seems to be dependent on the environment. However Greenley (1995b, p. 63.) found in his second study that organisations with a comprehensive market orientation tended to perform better than organisations with other forms of market orientation. This was found to be true when ROI was used as a measure of performance.

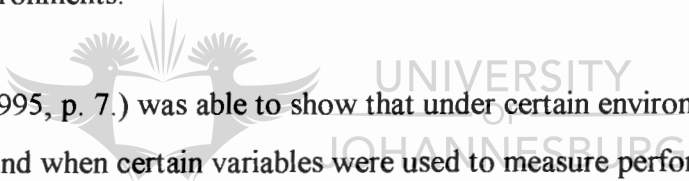
Studies carried out in South Africa by Nel et al (1996, p. 4.) have revealed that as the organisation's degree of market orientation increases, so there is a corresponding increase in its performance. These researchers used return on capital employed, sales growth achieved and overall performance as a measure of business performance. They combined the responses obtained into an overall measure of performance due to the fact that the responses were consistent across all three measures. These researchers also found that for an organisation to gain a noticeable increase in performance it needed at least a medium level of market orientation.

Churchill et al. (2000, pp.27) state that organisations with a strong market orientation, are superior in two important ways. These are:

- They are better at market sensing or anticipating market requirements ahead of the competition. (Market sensing is the gathering of information from the market)
- They develop stronger relationships with their customers and with their channels of distribution.

Organisations that are able to develop strong relationships with their members of the distribution channel can provide greater attention to the customer throughout the whole channel.

Slater and Narver (1994, p. 53.) looked at the moderating effects of market turbulence, competitive intensity, technological turbulence, and the strength of the economy on the market orientation/performance relationship. These researchers were able to confirm the results of Jaworski and Kohli (1992) in that they were able to show that there was no evidence that these factors moderated the strength of the relationship between market orientation and business performance. However, when partial correlation analysis of the data obtained by Slater and Narver (1994, p. 52.) was carried out, the results obtained seemed to indicate that market orientation could be more important in low rather than in high market turbulence environments. The same could also be said of market orientation in low technological turbulence and market growth environments.



Greenley (1995, p. 7.) was able to show that under certain environmental conditions and when certain variables were used to measure performance, market orientation could have an impact on business performance. It was found that when ROI was used to measure performance under situations where there was high market turbulence, the relationship between ROI and market orientation was negative. This however was not the case in situations where there was low market turbulence. In this situation the relationship between market orientation and ROI was found to be positive.

Greenley (1995, p. 8.) also looked at the relationship between market orientation and business performance under varying conditions of technological change. Using new product success rate as a measure of performance, he found that for medium to high levels of technological change, the relationship between market orientation and business performance was negative. This, however, was not the case in situations

where there were low levels of technological change. In this instance the market orientation/business performance relationship was positive.

Greenley (1995 p. 8.) examined the effects of customer power on the market orientation/business performance relationship. Using sales growth as a performance measure, he found that under conditions of low customer power, the relationship between market orientation and business performance was negative whereas this was not the case when customer power was in the medium to high range. In this instance the relationship was found to be positive.

Slater and Narver (1994, p. 52) found that the relative emphasis placed by an organisation on customer or competitor intelligence generation, dissemination and responsiveness were found to be more important in situations where the customer had high buying power. In situation such as these, a customer emphasis appeared to be more important than a competitor emphasis. Similarly in terms of low and high competitor concentration, these external environmental factors appear to have an effect on the relative emphasis-performance relationship when ROI is used to measure performance. However in terms of the other possible environmental moderators, these do not appear to have an impact on the relationship between relative emphasis and business performance.

Slater and Narver (1994, p. 53.) made the observation that had the moderator effect of competitive environment been shown to be stronger than it actually was, would this result have changed an organisation's market orientation strategy? Would it have been practical for an organisation to change its degree of market orientation according to environmental conditions, given that the complexity an organisation's culture is such that any change to it would require a great deal of time and effort? These researchers believe that market orientated organisations should be able to achieve and sustain competitive advantage in any environmental situation. They contend that market oriented organisations, with their external focus

and commitment to innovation, would be able to find more opportunities in the marketplace than non market oriented organisations.

In order to support their argument these researchers quoted Day (1990. p. 13.) who stated that *“sooner or later all market arenas lose their lustre, as sales growth stagnates, profit margins are squeezed and competition intensifies. Management cannot wait until this has happened to take action”* Management needs to continually strive to create superior value for its customers. It can only do so, if it is market oriented under all environmental conditions.

Jaworski and Kohli (1993) looked at the effects of market orientation on people's commitment to the organisation and their esprit de corps. The results obtained from this study revealed that in market oriented organisations, commitment to the organisation was high. People felt that their future was intimately linked with the organisation, they were fond of it, and they were prepared to go that extra mile for its benefit. Research also showed that there was a pervasive team spirit throughout the whole organisation in that people were concerned about the problems and needs of each other.

Reukert (1992, p. 243.) found that as the degree of market orientation within an organisation increased, job satisfaction, commitment to the organisation and trust in management by individual employees also increased. He went on to say that these employee attitudes played a significant role in enabling the organisation to reduce employee turnover, adapt to change, and enhance productivity.

Siguaw et al., (1994) researched the effects of market orientation on the behaviour of industrial salespeople. These researchers felt that the behavioural components of a market oriented organisation gave an indication of: -

- The level of meaningful support given to the salesperson.
- The ability of the salesperson to provide superior value to the customer given the constraints he had to work with.
- The philosophical orientation available in guiding the behaviour of the salespersons as they went about fulfilling their tasks.

These researchers were able to show that the market orientation of the organisation significantly influenced the customer orientation of the salesperson and it had a direct impact on his/her job attitudes. For example it was found that as the degree of market orientation increased, the amount of role conflict and ambiguity experienced by the salesperson decreased and this in turn influenced his commitment to the organisation and his level of job satisfaction.

Slater and Narver (1995, p. 67.) suggest that a market orientation may not encourage a sufficient willingness to take risks within an organisation. These researchers state that one of the dangers that these organisations face is the “tyranny of the served market”. Organisations tend to focus their intelligence efforts on current customers and competitors and they may ignore emerging markets and/or competitors. These researchers continue and state that a market orientation can limit a firm’s focus to customers’ expressed needs and in so doing encourage adaptive learning only.

Other concerns that are mentioned by Slater and Narver (1995, p. 68.) include: -

- An underestimation of the potential contribution of other sources to market intelligence. Sources such as suppliers, consultants, businesses in different industries, government agencies and distributors.
- The inability of the organisation to see threats from non traditional competitors.

These researchers believe that in order for a market oriented organisation to become a learning organisation that encourages generative learning, the scope of market orientation must be such that it includes all stakeholders and constituencies that: -

- Possess, or are developing, knowledge that has the potential to contribute to the creation of superior customer value.
- Are threats to the organisation's competitive advantage.

These authors propose that the concept of "market" should include all sources of relevant knowledge and ideas pertaining to customers and customer value creating capabilities.

Slater and Narver (1995, p. 68.) believe that a market orientation with its focus on understanding customers' latent needs is inherently entrepreneurial in that it encourages innovation and adaptation to changing customer expectations. Liu (1995, p. 58) states that innovativeness is a necessary condition of market orientation since it involves being better than, or different from, competitors, and this is usually achieved through innovation.

2.8 SUMMARY

This chapter discussed the distinctions between the marketing concept, market orientation, and marketing orientation. The marketing concept was seen to be a business philosophy which simply stated that in order to achieve its objectives, an organisation had to satisfy its customers' needs and wants both in the short and long term. Marketing orientation was found to be used to describe an organisation that measured itself in terms of the benefits it offered to its customers (Adcock et al., 1995, p.21) while market orientation according to Kohli and Jaworski (1990, p. 1.) is the term applied to those behaviours and activities which reflect the marketing concept's implementation.

The next issue that was looked at was that of the various market orientation constructs which were put forward by Kohli and Jaworski (1990), Narver and Slater (1990), Nel et al., (1994) and Reukert (1992). The differences and similarities among these constructs were discussed with a view to providing a deeper insight into what is meant by market orientation. It was found that the content of Narver and Slater's and Kohli and Jaworski's market orientation construct was very similar, even though the boundaries of the behavioural components described were different. In terms of Nel and Schreuder's and Reukert's market orientation construct, it was found that these were also similar to each other but they differed significantly from Narver and Slater's and Kohli and Jaworski's market orientation construct. The differences between these two constructs lay in the fact that the former tended to emphasise the organisation, its systems and planning while the latter tended to be more focused on the external environment.

The reasons for choosing Narver and Slater's (1990) market orientation construct were then discussed prior to an introduction to the various concepts that were related to the market orientation construct. This was done in order to provide researchers and people who are interested in market orientation with information that could provide them with additional insights into the construct. The constructs that were discussed include: -

- Market information processing, the intelligent enterprise, and the learning organisation.
- Market research and knowledge use
- Industry foresight and driving markets.

These concepts were found to introduce the following insights to the market orientation construct:

- Information interpretation can take place during its acquisition and dissemination.

- Environmental characteristics tend to influence the type and amount of information processed.
- Organisational memory shapes the nature of intelligence generated and disseminated.
- Market intelligence can be generated internally and externally
- Generative learning is important in market oriented organisations.
- The quality, format, credibility, and political acceptability of the information generated are important.
- The importance of the relationship between information users and providers.
- The importance of industry foresight in enabling an organisation to provide for customer's future needs.

Having discussed the various insights that the above concepts provided, the next issue which was considered in this chapter was the determination of an organisation's degree of market orientation. It was found that a simple average of the scores of the three components was all that was needed.

This discussion was then followed by a look at Greenley's (1995) study, in which he examined the different forms of market orientation that arose as a result of the construct's three behavioural components. He identified five different forms of market orientation that he labelled as follows: -

- Customer focus orientation
- Undeveloped market orientation
- Fragmented market orientation
- Comprehensive market orientation
- Competitive focus.

These forms of market orientation could be distinguished by three factors that Greenley (1995) labelled an intelligence factor, a planning factor, and a monitoring and control factor.

The whole process of becoming market oriented can be facilitated provided certain pre-conditions can be met. This was the next area of market orientation that was considered. The work of Kohli and Jaworski (1990); (Jaworski and Kohli, 1993) revealed that market orientation could be facilitated if: -

- Top management was committed to the process.
- The interdepartmental dynamics of the organisation were correct
- The organisational structures and processes were such that they encouraged a market orientation.

Being market oriented was then shown to be of benefit to the organisation. Research into the benefits of market orientation revealed that market orientation can enhance performance, increase people's commitment to the organisation, enhance job satisfaction and trust in management as well as provide the organisation with focus and direction. Slater and Narver (1995) mentioned that a market orientation can place some limits on an organisation's potential to grow and develop, particularly if the people running the organisation tend to have a narrow focus in their generation of market intelligence. For example organisations that seek market information on current customers and competitors may ignore emerging markets and competitors.

This chapter attempted to provide insight into the concept of market orientation, its antecedents and consequences. It did this in order to show that organisations with different degrees of market orientation could be reflecting different organisational environments and cultures. This is important because in the next chapter one will be looking at the different factors which influence a salesperson's performance, as well as his/her willingness to carry on working for a given organisation.

CHAPTER 3

A DISCUSSION ON THE VARIABLES WHICH INFLUENCE THE RETENTION AND PERFORMANCE OF A SALESPERSON WITHIN AN ORGANISATION

3.1 INTRODUCTION

This chapter aims to look at the various factors that influence a salesperson's performance and retention within an organisation. Included in this discussion will be issues such as the role perceptions of salespeople, their motivation and levels of job satisfaction.

The role perceptions of salespeople play an important role in determining the amount of anxiety and emotional turmoil these people experience at work. If these feelings continue to increase, the salesperson may begin to worry more about what is happening at work and the conditions he/she work under, until a point is reached where the decision to leave the organisation is made.

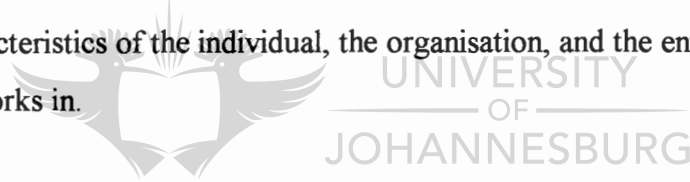
The next topic that will be discussed in this chapter will be that of the various theories of motivation and their application in the motivation of salespeople. In order to achieve the organisation's objectives, salespeople need to be willing to put the right amount of effort into their activities if they are to perform well and achieve their objectives. It is for this reason that motivation was included in this discussion.

The job satisfaction of salespeople refers to all the characteristics of the job that sales representative's find rewarding, fulfilling and satisfying or frustrating and unsatisfying (Churchill et al., 2000, p.285). People who are satisfied with their jobs tend to be at work on a regular basis, they exhibit more prosocial 'citizenship' in that they help fellow co-workers, customers and are more co-operative (Luthans, 1995, 129).

Once job satisfaction has been discussed, the next issue that will be considered will be that of a salesperson's performance evaluation. The various criteria that can be used to evaluate a salesperson will be looked at in terms of what they are and what they reveal to the sales manager. This chapter will then conclude with a brief summary of what has been covered.

A salesperson's ability to achieve the objectives given to him by the organisation he works for is influenced by five basic factors. Churchill, Ford and Walker (1997, p. 327) identified these as being: -

- the role perceptions of the person under consideration
- their aptitude or ability
- their skill level
- their level of motivation
- the characteristics of the individual, the organisation, and the environment he or she works in.



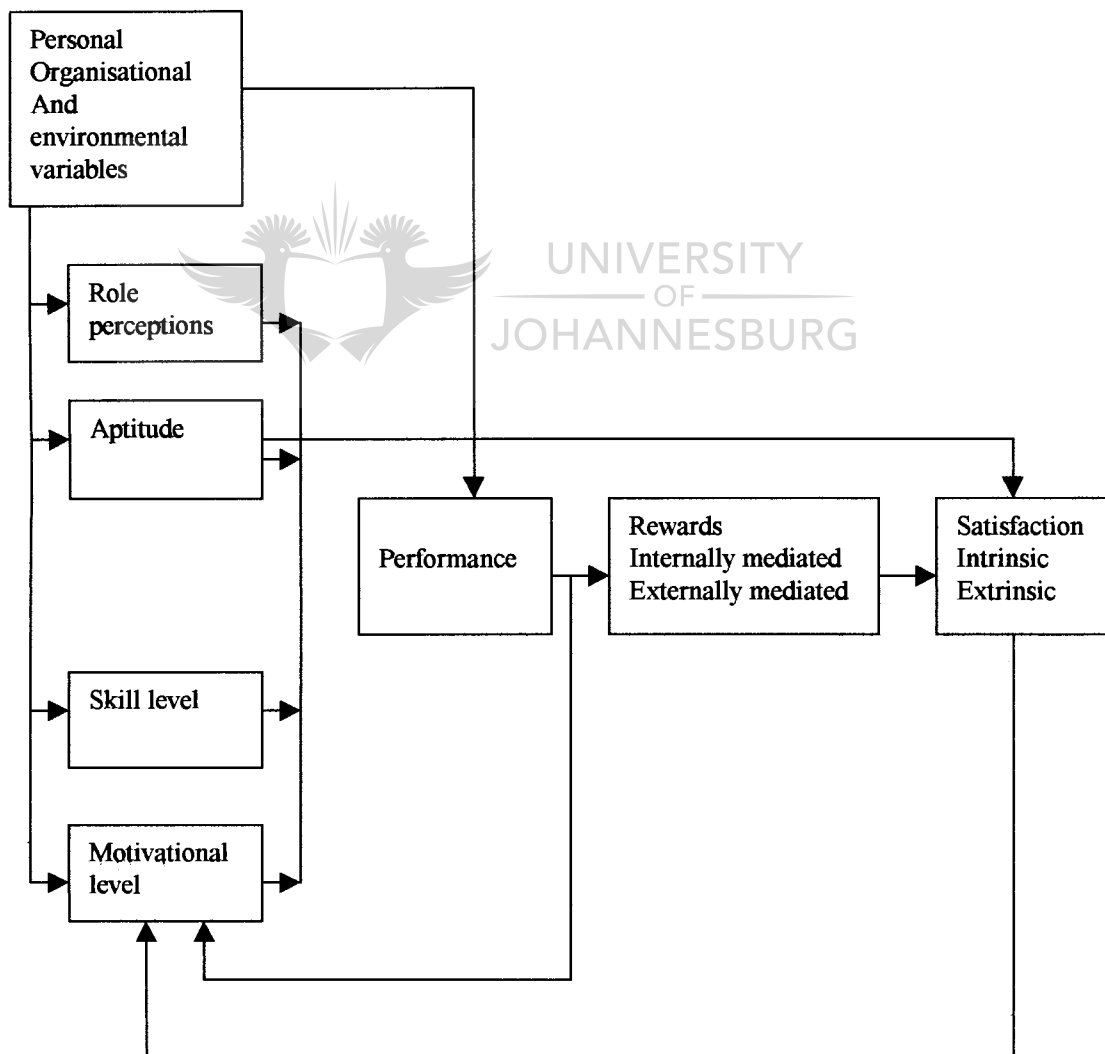
It has been suggested that there is considerable interaction amongst these determinants of performance and if one salesperson is deficient in any one of these factors, then this will influence the individual's level of performance. For example a salesperson that is motivated and has a natural ability but who does not know how to go about selling, this person will not perform at an optimal level.

Churchill et al., (1997, p. 327) put forward the following model (see exhibit 3.1) to show the relationships and interactions amongst these various factors. If one looks at the determinants of a salesperson's performance and the antecedents of market orientation, one can see that there are certain areas where the degree of market orientation an organisation has will influence a salesperson's performance. For example the level of market orientation an organisation exhibits will impact on it's characteristics and the supervisory style of its managers. Other factors that

will be affected by the organisation's degree of market orientation will be the focus of the employees and their level of motivation. Signaw et al., (1994, p. 112) showed that when organisations had a high market orientation, their salespeople were found to:

- have a high customer orientation
- they experienced less role stress
- they expressed greater job satisfaction and organisational commitment than salespeople who worked for organisations with lower levels of market orientation

Exhibit 3.1 Model of the Determinants of Salesperson's Performance.



Source: Churchill et al., (1997,). Sales Force Management, Irwin, Homewood, Il. p.327.

The aim of this chapter is to carry out a literature survey in which all the variables that influence a salesperson's performance and retention will be discussed. The areas which will be covered include the five basic factors put forward by Churchill et al., (1997, p. 327) as influencing a salesperson's performance. Other issues that will be discussed include the importance of salesperson retention and training.

Many of the references given in this study appear to be quite old but this is due to the fact that there are very few recent references that discuss the topics covered in this chapter and most of this work is mentioned in recent textbooks in sales management.

3.2 THE ROLE PERCEPTIONS OF SALESPEOPLE AND THEIR IMPACT ON PERFORMANCE AND JOB SATISFACTION

A salesperson's role within an organisation involves all those sets of behaviours or activities that are regarded by his role partners, (top management, immediate superior, customers and family) as meeting their demands and expectations. It is the salesperson's perceptions of these expectations, which influences his/her role and behaviour in the organisation (Churchill et al, 1997, p 512). Studies done on the role perceptions of salespeople have shown that there are three antecedent variables that appear to influence the salesperson's interpretation of the role he has to play. These are his perceptions of role ambiguity and role conflict as well as his ability to accurately assess what is required in the sales task - role inaccuracy.

Role ambiguity occurs when there is insufficient information available to enable the salesperson to function effectively. Role conflict on the other hand happens when conflicting, inconsistent, or incompatible demands are placed upon the salesperson by his role partners (Walker, Churchill and Ford 1972; Franke, Behrman and Perreault, 1982; Behrman and Perreault Jr. 1984; Dubinsky and Mattson 1979; Churchill, Ford and Walker, 1993). Role inaccuracy is seen as the

inability of the salesperson to accurately assess the demands placed upon him by his role partners. It differs from role ambiguity in that the salesperson is fairly sure about what is expected of him but in actual fact his assessment of the situation is inaccurate. Similarly in terms of role conflict, this differs from role inaccuracy in that the salesperson does not see any inconsistencies in the expectations and demands expected of him by the role partners in the various sales tasks (Churchill et al., 1993, p. 393).

3.2.1. Role Conflict - Its Various Forms, Antecedents And Consequences.

A salesperson can experience several forms of role conflict, namely, intersender conflict, person role conflict, intrasender conflict and work overload as he performs his job (Franke et al., 1982, p 233)

3.2.1.1 Intersender conflict or role overload (Rizzo, House, and Lirtzman, 1970, p.155)

This has been defined as the conflict experienced by a salesperson when he feels that the demands placed upon him by his various role partners are incompatible (Franke et al., 1982, p. 233; Behrman and Perreault Jr. 1984, p.12). Intersender conflict would, for example, occur when a client expects a salesperson to get his organisation to develop a specific product for him without taking into account the policies and procedures laid down by the supplier. It may be that these policies and procedures make it difficult for the salesperson to convince his organisation to develop the product.

Churchill et al., (1993, p. 400) mentioned the fact that the role partners' expectations for the salesperson tend to differ depending on whether they are a family member or a superior. For example family members tend to be more concerned with the hours worked and the salesperson's relationship with his customers whilst the sales manager is more concerned with the functional aspects

of the task. Sales representatives on the other hand tend to agree on what their organisations' expected of them, but they disagree about their family's expectations. This suggests that the demands placed upon sales representatives by their families tend to differ from one family to the next.

Salespeople not only experience conflict between the demands placed upon them by their superiors and their families, but they can also experience conflict between the demands placed upon them by their own superiors and other senior personnel within the organisation. This type of role conflict is defined as intra-organisational conflict and in a research survey commented on by Churchill et al., (1993, p. 401), only 25% of the salespeople surveyed experienced this type of conflict. This implies that although this type of conflict does occur it is not very prevalent within organisations.

Salespeople on the whole appear to perceive some degree of conflict between their customers' demands and their organisation's policies and expectations. Research into this area has revealed that customers appear to be demand more in terms of service, honesty, and the utilisation of expense accounts than sales managers are prepared to allow. This is particularly true in the areas of customer concessions and selling expenses. However, when it comes to travel, flexible working hours and after hours availability, both the customer and the sales manager are in agreement but it is here that salespeople come into conflict with the demands of their family. Conflict between the salesperson's family and work related issues can have a major impact upon the salesperson's level of job satisfaction and performance (Churchill et al., 1993, p. 401-403).

Franke et al., (1982, p 233) were able to show that role conflict need not have a dysfunctional aspect to it, but it could in actual fact enhance performance. It was thought that when people were too comfortable in their position, they would constantly try to maintain it and in so doing, attempt to avoid change and adaptation at all costs. This would have a negative impact upon the organisation

by introducing a closed mind set to change and adaptation. Role conflict only became dysfunctional when it created excessive role stress within the individual (Churchill et al., 1993, p. 403)

3.2.1.2 Person role conflict or intra-role conflict (Rizzo, et al., 1970, p. 155)

Is regarded as occurring when the demands placed upon the salesperson by his role within the organisation does not correspond with his internal standards or values (Franke et al., 1982, p. 233). This occurs when a salesperson that has a strong customer orientation has to reflect a very sales orientated approach to his task. Siguaw et al., (1994) stated that industrial salespeople who work for a market orientated organisation tend to experience less conflict than those who do not. This was due to the fact that in a market oriented organisation, everyone was customer focused and the salesperson did not come into contact with values and standards that were very different from his own. It is only when the salesperson works for a sales orientated organisation that his values may come into conflict with those of his colleagues. It is then that he begins to experience person role conflict. Research into those areas where a salesperson experiences the most conflict has revealed that personal values rather than the salesperson's family, job, supervisors or customers is responsible for most of the job related tension experienced by the salesperson (Chonko et al., 1986, p. 41).

3.2.1.3 Intrasender conflict or intrarole conflict (Rizzo et al., 1970, p. 155)

This occurs when a single individual is placing competing or inconsistent demands on a salesperson (Franke et al., 1982, p. 233). For example a salesperson's superior may insist that the salesperson spend as much time as possible on the road selling, yet he complains about the salesperson appearing at work infrequently. Intrasender conflict has been defined by Rizzo et al., (1970, p. 155.)

as occurring when there is conflict between the time, resources, or capabilities of the focal person and defined role behaviour. In terms of the focal person this is known as intrarole conflict.

3.2.1.4 Work overload

A salesperson experiences this when he is expected to accomplish more within a given time period than is physically possible, given the time and the available resources. (Franke et al., 1982, p. 233.) An example of work overload would be when the salesperson is expected to do six calls per day, but the distances he has to travel are such that he can only do four.

Consequences of Role Conflict

These perceived conflicts that are experienced by salespeople can escalate and in so doing create anxiety and emotional turmoil within the individual. As these feelings increase, the salesperson begins to worry more about what is happening at work and the conditions he works under. If this situation continues unabated, the salesperson eventually begins to have negative perceptions of his role partners, his task and the organisation he works for (Churchill et al 1993, p. 405.) The effects of excessive role conflict are believed to be such that they have a dysfunctional impact on the organisation. Role conflict according to Brown and Peterson (1993, p. 73.) appears to affect salespeople's organisational commitment and job satisfaction. Although excessive role conflict does appear to have a dysfunctional aspect to it, the work of Behrman and Perreault Jr. (1984, p. 19.) seems to suggest that role conflict can be positively related to performance even though it is negatively related to job satisfaction. This was particularly true in instances where the overall view of role conflict (intersender, intrasender, person-role and overload based conflict) was taken into account. These researchers explain this positive relationship between performance and conflict by stating that

some types of role conflict may be basic to the salesperson being able to perform his task effectively. They say that coping with conflict inherent in complex selling situations may be important if the salesperson is to perform effectively.

Perceived role conflict has its greatest sphere of influence in the extrinsic aspects of a salesperson's level of job satisfaction. This is due to the fact that an individual's level of extrinsic job satisfaction is dependent on the perception of others and their willingness to reward him. For example a salesperson's chances of promotion, recognition and praise as well as any increased monetary compensation is determined by his role partners' assessment of him and their willingness to do something about it. This is not the case when one is considering intrinsic satisfaction since this depends on the individual and his ability to find self-fulfilment in a task well done and in personal development. A person who experiences perceived role conflict can still enjoy feelings of self-fulfilment and achievement at attaining a chosen objective. (Churchill et al., 1993, p. 406.).

Walker et al., (1972, p. 28.) and Churchill et al., (1993, p. 403.) suggest that a salesperson's level of job satisfaction can and does have an impact on his job performance, his presence at work, and his intentions to leave (although this is moderated by economic conditions and the availability of alternative jobs). Brown and Peterson (1993, p. 73.) on the other hand disagree with the above researchers in terms of the impact of job satisfaction on performance. A meta analysis study carried out by Brown and Peterson (1993) revealed that there is a small positive correlation between sales performance and satisfaction, but there does not appear to be any causal relation between the two. It is believed that the positive correlation between these two variables can be attributed to their common antecedent variables. This result corroborates the findings of Behrman and Perreault (1984).

Job satisfaction, which is defined by Brown and Peterson (1993, p. 63.) as "*a pleasurable or positive emotional state resulting from the appraisal of one's job*

or job experiences,” does appear to influence a person’s intention to leave the organisation through its effect on organisational commitment. (Brown and Peterson (1993, p. 73.).

Antecedents of Role Conflict

The amount of perceived role conflict a salesperson experiences tends to vary according to his level of experience. It has been suggested that over time, sales representatives learn how to cope and deal with the conflict they encounter. They develop psychological defence mechanisms that enable them screen out the conflicts they experience and ease the tensions. If this is true, then perhaps sales training could be used to teach and prepare salespeople for the conflicts they will encounter in the performance of their tasks (Churchill et al., 1993, p. 403.).

The amount of role conflict a salesperson may experience is also influenced by the extent to which he is supervised. The more closely supervised a salesperson is, the more likely he is to experience conflict. It has been suggested that this may be due to the fact that close supervision inhibits flexibility and in so doing, prevents the salesperson from satisfying the diverse expectations of all his role partners. A way of reducing this is to allow the salesperson to express his views on how and when certain tasks should be performed (Churchill et al., 1993 p. 403.).

Salespersons’ Response Behaviours to Role Conflict

A salesperson may respond to conflict in a number of ways (Walker et al., 1972, p. 29.). He may: -

- Attempt to withdraw from the situation.
- Try to satisfy the demands of one of his role partners while ignoring the demands of others

- Attempt to bring the conflicting demands to the attention of his role partners' attention and let them work out their differences.
- Try to find a compromise course of action that both partners may accept.

Withdrawal from Conflict Situations

In this case the salesperson may attempt to withdraw either socially or physically from a conflict situation. The salesperson can achieve this by: -

- avoiding those who give rise to conflicting demands
- being absent from work
- reducing his sales calls
- by quitting his job completely.

A salesperson will only leave his current position if he perceives that the stresses associated with his task are greater than the disadvantages of changing jobs. His decision to leave will also be influenced by the availability of more attractive job opportunities in the market place (Walker et al., 1972, p. 29.). Such drastic solutions to conflict situations will only be employed if less extreme forms of social and psychological withdrawal cannot be utilised or if they have proven to be unsuccessful in the past.

It should be remembered that role conflict is inherent in the sales task and salespeople need to learn how to cope with it. They have to be able to solve the problems associated with their tasks, if they are to generate sufficient sales to meet the company's objectives. (Walker et al., 1972, p. 29.).

- **Choose Between Conflicting Demands**

Salespeople may in conflict situations respond to the needs of one of their role partners while ignoring the needs of the other. Who the salesperson is prepared to respond to is determined by the conditions in the market place. For example in monopolistic situations the salesperson may decide to use “a take it or leave it” approach, whereas this may not be true in a situation where there is a reasonable amount of competitive activity. In a situation such as this he may decide to respond to the needs of his customers in the hope that he may persuade his superiors to endorse his solution rather than lose a sale. The perceived power of each of the role players in the conflict situation may also influence his response to the demands placed upon him. This will be discussed in more detail later on in this chapter (Walker et al, 1972, p. 30.).

- **Informing Role Partners of Inconsistencies in Their Demands**

The salesperson that faces a conflict situation may decide to tell his role partners about their conflicting demands and he may try to get them to resolve their differences. This usually involves a negotiation process whereby people who have the authority to change organisational policy are frequently involved. This negotiation process occurs in situations where the salesperson feels that one of the parties involved is prepared to change his demands in order to accommodate some of the expectations of the other role partner. This is more likely to occur in organisations that have a customer orientation (Walker et al, 1972, p. 30.).

- **Imposing a Compromise**

The salesperson in the conflict situation may attempt to come up with a solution that he feels both role partners may accept. However situations such as these can be risky since the salesperson is never certain whether his role partners will accept

his solution. This uncertainty can lead the salesperson to use a “double talk” tactic where he uses one story for his customer and another one for his own organisation (Walker et al, 1972, p. 30.).

In order to be able to respond to the conflict situation that he faces, a salesperson has to evaluate the demands of each of his role partners. He needs to determine which demands can be satisfied and which can be ignored or compromised. The amount of relative power he assigns to each of his role partners may determine how he will respond in a given conflict situation. The relative power of the role partners in a salesperson’s task can take various forms. These include legitimate power, reward power, coercive power, expert power and referent power (Walker et al, 1972, p. 31.)

- Legitimate power

This can be viewed in two ways. It can be viewed as either from the ownership of resources that are delegated from the owners to other members lower down in the hierarchical structure of the organisation, or it can be regarded as existing only if the people to whom the decisions are given, are willing to accept them. In the former case all the demands made by a sales representative’s manager could be regarded as legitimate while those emanating from the customer as not. This would be true in situations where the demands made by the organisation’s customers were not consistent with the best interests of the organisation and its owners. In the latter case, the salesperson would only accept from his sales manager those orders or decisions, which according to his rational evaluation, he felt were worth responding to. In situations such as these it is possible that the sales representative would also be able to accept that some of the demands placed upon him by his customers provided they were rational and legitimate and should be responded to. (Walker et al, 1972, p. 32.)

- Reward power

This is based on the fact that the role partner has the ability to reward the salesperson if he meets his role partner's expectations. The greater the perceived reward, the more likely the salesperson is to respond to his role partners' demands.

The salesperson's superior possesses reward power in that he controls his subordinate's promotion, sales territory, compensation package and social rewards such as recognition for a job well done. However, since many of the rewards granted to salespeople are based on their sales performance, customers also possess reward power. They are the people who indirectly determine whether he will reach his sales and social objectives.

The amount of reward power a salesperson will attribute to his customers or superiors depends on his compensation package. If the salesperson is paid on a straight commission basis, then his customer will have the greater financial reward power. However, if he is paid a straight salary then his organisation's superiors will have the greater reward power. (Walker et al, 1972, p. 33.)

- Coercive power

This form of power exists when a salesperson associates punishment with his failure to comply with his role partner's demands. The more severe the perceived punishment, the more likely the salesperson is to respond to it. The type of punishment used in coercive power situations can take two forms. It can withhold a salesperson's rewards and in this instance it is associated with reward power or it can involve a threat or the performance of overt negative acts. Examples of reward type of punishments include the unwillingness of superiors to promote individuals, the refusal of pay increases, the withdrawal of orders by customers,

threats by customers to use competitive products and so on. Punishment which is in the form of threats or in the performance of covert negative acts include, the ostracization of the salesperson by his role partners, preferential treatment to other individuals within the same working environment, demotion and so on.

The continued use of this form of power can have adverse results. Salespeople who experience the continued use of coercive power will tend to withdraw from these situations and they will lose empathy with their role partners. (Walker et al, 1972, p. 33, 34.)

- Expert power

This type of power is derived from the role partner's knowledge and skill in a particular area and it is based on the salesperson's evaluation of the individual concerned. Salespeople will accede to their role partner's demands, when they perceive that their expectations are based on sound judgement and expertise. Past deceptions or errors in judgement can have a negative impact on the salesperson's willingness to comply with the demands made upon him/her. (Walker et al, 1972, p. 34.)

- Referent power

This kind of power often exists in conjunction with the other forms of power that have been mentioned above. It occurs when a salesperson that has had a satisfying association with a given role partner in the past, wishes to continue it into the future. Once this form of power exists, the salesperson will no longer evaluate the demands made upon him by his role model, but he will try to conform to those demands in order to maintain the current relationship. (Walker et al, 1972, p. 34.)

The role partner's power to control a salesperson's behaviour in situations where role conflict arises, is a combination of the five above mentioned powers. The little research that has been done in this area seems to indicate that salespeople rate the various types of power as having different degrees of importance. For example: legitimate power was regarded as being the most important, referent and expert power as being of intermediate importance, while reward and coercive power was felt to provide the least reason for compliance. It has been suggested that the rating of the various form of power in order of importance may differ according to the salesperson's dominant personality trait characteristic of "moral or expedient orientation". Salespeople who have "an expedient orientation", these individuals tend to regard coercive and reward power as being the most significant form of power while salespeople with a "moral orientation" tend to see legitimate power as being the most important (Walker et al, 1972, p. 34, 35.).

Up to now, role conflict has been the main concern of this chapter. It has taken into account both the narrow and the broad definition of role conflict, as well as its consequences in terms of salesperson job satisfaction, performance and behaviour. It has also looked at the effects of perceived power on the salesperson's response to his role partners' demands. Another antecedent which has been briefly mentioned and which impacts on the salesperson's perceptions of his role, is that of role ambiguity. This antecedent can be regarded as reflecting the extent to which a salesperson is uncertain about the various issues that surround his job and which impact upon his performance. For example the salesperson may be uncertain about others' expectations of him in terms of his task and he may not be very sure about how he should go about fulfilling known demands. Role clarity, a term sometimes used in the literature is the absence of role ambiguity. (Bartkus, Peterson, and Bellenger, 1989, p. 13.)

The role conflict and the role ambiguity concepts have often been treated as independent entities with no overlap. (Franke et al., 1982, p. 233.) During the development of a measuring instrument for both role conflict and role ambiguity, Rizzo et al., (1970, p. 162.) showed that there were two factors that closely

parallel the theoretical concepts of role conflict and ambiguity. These two factors were not completely independent since some overlap was found to occur. Rizzo et al then excluded the complex items that had relatively high loading on both factors and they found that items from the role conflict definition that represented intersender or person role conflict loaded onto the role ambiguity factor. This result is borne out in the work of Franke et al., (1982, p. 235.) who showed that approximately 39% of the variability in ambiguity scores could be explained by perceived role conflict and the need for clarity. Perceived conflict was found in this instance to be twice as important as the need for clarity. It was found to impact on the salesperson's perceptions of role ambiguity in situations where the salesperson did not know which of his role partners' demands he had to satisfy first.

Research into role conflict and role ambiguity suggests that industrial salespeople experience more role conflict as opposed to role ambiguity (Churchill et al., 1993, p. 401.). Role ambiguity with its resultant consequences will now be discussed.

3.2.2 Role ambiguity - its antecedents and consequences



The amount of stress a salesperson experiences in his sales task is also influenced by his perceptions of role ambiguity. Salespeople within the same organisation who have a high need for clarity, (a personality trait that will be discussed in the next chapter), will tend to perceive less ambiguity than those who do not. This is because people with this trait will seek to get as much information as possible about anything they are unsure of. They do this in order to reduce any feelings of anxiety and uncertainty that they may be experiencing.

Those areas where a salesperson may feel that there is insufficient information available to allow him to perform his task adequately include:

- The market the salesperson has to operate in
- The role the salesperson is expected to play in the performance of the sales task and the criteria use to evaluate him/her
- The organisational variables which impact on the salesperson's ability to perform

Role ambiguity may arise as a result of the salesperson feeling that he has insufficient information in one or all of the three above. These three areas will now be discussed in more detail in order to illustrate how role ambiguity may arise in these situations.

- The market the salesperson has to operate in.

Here the salesperson may feel that he lacks information with regards to: -

- * Customers' needs and potential
- * The customers' desire for the organisation's products
- * The customers' attitudes toward the supplier.
- * The competitive activity in the market
- * The different demands placed upon him by this various customers who have their own goals, policies, and problems. (Donnelly, Jr, and Ivancevich, 1975, p. 71.)

In order to reduce ambiguity in this area of a salesperson's task, the organisation should develop an adequate marketing information system that can provide the salesperson with information that he can use. The marketing information system should provide such information as production capabilities, credit ratings of current and potential customers, sales forecasts, competitor reactions to past company activities, current stock levels, and so on. The information system

should be such that it continually provides all salespeople with relevant and updated information that can be used in the accomplishment of his task. (Haas, 1995, p. 331.)

The next area where the salesperson may feel he has insufficient information is that of:

- The role the salesperson is expected to play in the performance of the sales task and the criteria use to evaluate him/her

Research into the area of customer ambiguity has revealed that on the whole salespeople tend to experience less uncertainty about their customers' expectations of them than they do in terms of the organisation they work for. This is probably due to the fact that the salesperson is in constant contact with his customers while this is not the case with regards to the organisation he works for. It could also be that customers are more effective in communicating their expectations to salespeople than are their sales managers (Chonko et al., 1986, p. 41).

The work of Chonko et al., (1986, p 41.) also revealed that salespeople experience more ambiguity from their sales managers and families rather than from their organisation, task, and customers. This in some instances contradicted the work of Churchill et al., (1993, p.400.) who stated that in terms of the family, the amount of ambiguity experienced by salespeople is much less than that experienced in terms of their organisation's policies and their performance evaluation. However both groups of researchers agree that salespeople do perceive less ambiguity in the demands of their customers than in the demands of their sales managers.

A third area where the salesperson may feel that he has inadequate information in order to work effectively, is in terms of:

- The organisational variables that impact on the salesperson's ability to perform

Salespeople may feel that they don't have sufficient knowledge in the areas of organisational policies, procedures, service and product backup in order to perform effectively. Rizzo et al., (1970, p. 161.) found that role ambiguity was high in organisations where:

- * goal conflict and inconsistency was high
- * delays in decision making were common
- * distortion and suppression of information and violations in the chain of command were found to occur.



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Salespeople experienced less role conflict and ambiguity in organisations that had the following characteristics: -

- * Personal development of the individual needs was emphasised.
- * The formalisation of organisational processes and practices was stressed
- * Adequate information was provided to personnel.
- * Horizontal communication amongst departments took place.
- * The organisation planned and co-ordinated its work flow
- * The organisation and its employees adapted readily to change
- * The organisation had a top management team that was receptive to new ideas
(Rizzo et al., 1970, p. 161.)

One of the negative psychological consequences of perceived role ambiguity is the fact that the salesperson begins to lose confidence in his ability to perform effectively. This in turn causes the salesperson to worry more about whether he is performing up to the expected standard and he becomes increasingly concerned about his role partners' evaluation of him. This makes the salesperson lose confidence in his role partners and he begins to blame them for not communicating their expectations effectively. The end result is that he tends to have increased tension, fear, hostility, mental anxiety and decreased job satisfaction. (Rizzo et al., 1970, p. 154.)

The conclusions reached by Rizzo et al., are confirmed by the work of Franke et al., (1982), Donnelly and Ivancevich (1975) and Chonko et al., (1986) who suggested that sales managers should provide their sales staff with a clear understanding of the requirements of their task. They should tell their staff about what is expected of them and they should inform them of the specific criteria that are used to evaluate them. The information that is provided should not end there, but should include product prices, credit policies, discounts policies, delivery dates, timing of advertising and sales promotion campaigns as well as competitor practices and policies. It has been shown that by providing salespeople with this type of information, perceptions of role ambiguity tend to decrease (Franke et al., 1982; Donnelly and Ivancevich 1975; Chonko et al., 1986).

Donnelly and Ivancevich (1975, p. 72.) found that the greater the amount of role clarity present, the greater the job interest, the opportunity for innovation and job satisfaction, and the less job tension and propensity to leave. This study also revealed that there was the strong relationship between role clarity and autonomy satisfaction. Role clarity was found to be very important to salespeople and it had a significant impact on opportunity for innovation and the three job satisfaction facets of more autonomy, esteem and self-actualisation.

Perceived role ambiguity can also be reduced by providing sales personnel with adequate training, by allowing them to have some say in the setting of standards for control and evaluation, and by supervising them more closely. Care should however be taken in the close supervision of staff since it has been shown that this can serve to increase role conflict (Churchill et al., 1997, p. 353.).

Kohli and Jaworski, (1994, p. 90.) found that in automotive salespersons, output feedback by co-workers was unrelated to role clarity but behavioural feedback was found to enhance role clarity by helping salespeople to develop a better understanding of how they should go about the selling job. Behavioural feedback that was negative did not appear to influence the salespeople's role clarity. This suggests that salespeople are not prepared to redefine their work roles on the basis of criticism from their co-workers.

One of the important consequences of perceived role ambiguity is the fact that it can have a negative effect upon both of the salesperson's intrinsic and extrinsic components of his job satisfaction. The salesperson's intrinsic component of job satisfaction is affected negatively when he begins to lose self confidence and self-esteem due to the uncertainty encountered in his total work situation. His extrinsic component of job satisfaction is impacted upon when he becomes uncertain about his chances of obtaining a promotion or a pay increase in the future. Emotional discomfort amongst the sales force may also arise when salespeople become dissatisfied with their role partners' lack of communication in terms of their expectations of them.

Job satisfaction has been shown to have an impact upon absenteeism and salesperson turnover. It has also been shown to have a negative effect on the salesperson's level of motivation. Salespeople who are satisfied tend to stay with the organisation longer and they tend to work harder than those who are not satisfied with it. It has been suggested that sales managers should assess those areas of the sales task where sales representatives are dissatisfied and analyse why

this is so in order to improve the status quo. It has also been recommended that the reasons for job satisfaction amongst low and high performing sales representatives be analysed as these have been shown by research to differ (Ingram and LaForge, 1992, pp. 560, 562).

Research has shown that there is an important relationship between salesperson satisfaction and performance feedback. It has been suggested that the sales manager pay attention to the relationship among performance evaluation, performance feedback, and job satisfaction even though the exact relationship amongst these variables is not understood. It has been found that these factors are all important in the effective functioning of a sales organisation (Ingram and LaForge, 1992, p. 562.)

Kohli and Jaworski (1994, p. 90.) found that amongst automotive salespersons, positive behavioural feedback from co-workers encouraged salespeople to perform at higher levels. Negative behavioural feedback on the other hand had a demoralising effect on salespeople's desire to perform. Output feedback was found to have no relationship to output performance.

Role theory suggests that if a person has not been given sufficient information to perform his task adequately, he may try to cope with the situation by either avoiding the sources of stress, or by using defence mechanisms which distort the reality of the situation. In instances such as these, role ambiguity increases the probability that the person will be dissatisfied with his task. He will experience anxiety, distort reality and will perform less effectively. (Rizzo et al, 1970, p.151) This is in direct contrast to the suggestion put forward by Walker et al, (1977, p. 514) who says that the more experience a salesperson has at a job, the more likely he is to gain an accurate understanding of what is required of him and how he will be evaluated. It was also suggested that he would get to know the role demands he could ignore or compromise and in so doing reduce and cope with the conflicts he faced in his task. Either of these two scenarios could be true. How the situation

is interpreted is very dependent upon the type of person confronting the situation and his problem solving techniques. This will be discussed in the next chapter that deals with the personality traits of salespeople.

3.2.3 Role Inaccuracy - Its Antecedents and Consequences

The ability of the salesperson to accurately assess his role partner's demands (role accuracy) will also effect his levels of motivation, job satisfaction and performance (Walker et al., 1977, p. 514). Role accuracy differs from role ambiguity in that in role inaccuracy the salesperson feels fairly certain about what should be done but in actual fact his feelings are incorrect. Role conflict differs from role inaccuracy in that the salesperson does not see any inconsistencies in the expectations and demands communicated to him. Role conflict and role ambiguities both differ from role inaccuracy in that the salesperson is unaware of it. He does not know that his perceptions are inaccurate (Churchill et al., 1997, p. 354)



Two types of role inaccuracy have been identified. There is general role inaccuracy or there is linked role inaccuracy. The salesperson experiences general role inaccuracy when he is unable to accurately assess his task's boundaries in terms of his ability to negotiate with his customer and / or change organisational procedures / policies in order to satisfy a customer's urgent need. General role inaccuracy can arise in almost all instances where role ambiguity and role conflict can occur. Its antecedents and consequences are the same as for role conflict and ambiguity (Churchill et al., 2000, p. 354)

Linkage role inaccuracy on the other hand occurs when the salesperson does not realise the relationship between certain activities and their end results. For example the salesperson may be unaware of the fact that the more customer orientated he is, the more likely he is to increase his sales to a client in the long

term. Linkage role inaccuracy impacts upon the expectancy and instrumentality components of motivation. The expectancy / activity-performance component involves issues such as being unable to see that the more leads one follows the more likely one is to increase sales. Where as the instrumentality / performance-reward component relates to the inability of the salesperson to see the linkage between increased sales and recognition (Churchill et al., 1997, p. 354; Ingram and LaForge, 1992, p. 388).

The probability of linkage inaccuracy occurring in the salesperson's perceptions is relatively high due to the multidimensional nature of his task, his performance evaluation and the rewards associated with these. Research into this area has shown that even though a salesperson may be evaluated on the number of new accounts generated, he may not spend enough time calling on these potential customers and sometimes he may not even bother. His ability to access the relationships between his activities and the resulting performance and reward can have an impact on his motivation and performance by determining those areas where he will focus his effort in the execution of his task and the results he will achieve. A salesperson that is unable to judge the correct relationship between a task and its resulting performance will misallocate his efforts and therefore reduce his productivity and motivation. (Churchill et al., 1993, p. 412)

It has been suggested that the problem of linkage inaccuracy can be alleviated by providing the salespeople with adequate training, periodically reviewing their time and effort allocation as well as providing them with closer day to day supervision. Salespeople often complain that their superiors have unrealistic perceptions of their conditions in the field and they do not realise the amount of effort required to make a sale. If this is in fact true, it has been suggested that the expectancy estimates of the top performer should be used in sales training and supervision. (Churchill et al., 1993, p. 412)

The magnitude of a salesperson's expectancies depends on his perceptions of his ability to control or influence his own job performance. Several individual characteristics such as his overall level of self-esteem, his general intelligence, and previous sales experience all appear to influence the salesperson's expectancies. (This issue will be discussed in more detail in the next chapter)

The salesperson's perceptions of his environment will also influence his linkage between effort and performance. Environmental factors such as the level of competition in his territory, the economic conditions of the country, product availability and so on will all impact on his expectancies by impacting on his perceptions of performance capability (Churchill et al., 1993, p. 413.).

A salesperson's perception of the linkages between the various dimensions of performance and the attainment of desired rewards is also influenced by management's methods of assessing performance and their reward policies based on it. Perceived inaccuracy in these linkages by the salesperson causes him to allocate his efforts in the wrong areas and this in turn causes him to lose heart and confidence in his ability to attain management objectives (Churchill et al., 1993, p. 413.)

The magnitude of the salesperson's instrumentality estimate is influenced by the organisation's compensation plan. The more the organisation rewards the salesperson in terms of increased sales and sales volume, the more likely he is to associate increased pay with increased performance. If the salesperson is paid a straight salary, his chances of improving performance are seen to be more related to factors which enhance his relationship to the customer and which make him more effective in areas such as new account generation and reduced selling expenses (Churchill et al., 2000, p.308)

In order to ensure that the salesperson's instrumentalities are accurate, the sales manager should check that these are in fact in line with organisational policy and procedures as well as with management perceptions. If this is not true, sales managers should provide closer supervision and more direct feedback on evaluation and the determination of rewards. However care should be taken on the degree of supervision offered as this can increase perceived role conflict in ways discussed earlier in the chapter (Churchill et al., 2000, p308).

Salespeople can also be rewarded in terms of promotion, recognition and feelings of self-actualisation, especially in situations where the salesperson already has sufficient financial rewards for his needs. Not all rewards are seen to be equally desirable and that in some instances this can either be negative or have a marginal effect. Take for example a sales contest where the reward for the top performing salesperson is a trip to Hawaii. If the top performer were scared of flying, then this sales contest would not motivate him. (Ingram and La Forge, 1982, p. 388.)

The salesperson's perceptions of instrumentality can also be influenced by his personal characteristics, for example a person's locus of control and his intelligence. This will be discussed in more detail in the next chapter. (Churchill et al., 1993, p. 414.)

Training is very often given to sale representatives in order to compress the kind of learning that occurs with experience into shorter period of time. (Walker et al, 1977) Training provides sales personnel with information about the organisations' products, procedures and policies, as well as enabling the salesperson to become familiar with the various sales techniques that can be used to sell the organisation's products (Anderson et al., 1992, p. 265.). Training also equips the salesperson with tools that enable him to cope with the situations that he faces in the field. Sales training has also been found to influence the type of relationship salespeople develop with their customers and this is known to ultimately influence the health of the organisation (Anderson et al., 1992, p. 264.).

The accuracy of the salesperson's perceptions with regard to his customers also influences organisational profitability. This occurs in situations where salespeople are given some latitude in the tailoring prices and they are responsible for providing their organisation with information for strategic planning processes. (Sharma and Lambert, 1994, p. 357.) In terms of reduced profitability, this occurs when the salesperson offers the buyer a price that is lower than what he was prepared to pay. The salesperson in this instance perceived the buyer's price intention incorrectly and by doing so reduced the profitability associated with the sale. Similarly in terms of the information given to an organisation for strategic planning purposes. If this information is inaccurate, then strategic plans that are developed will also be inaccurate and resource allocation by the organisation may not be realistic. Sharma and Lambert, (1994, pp.361-364.) found that salespeople were more accurate about attributes that were very important to customers and they tended to be less accurate about attributes that were not. Salespeople also tended to underestimate their organisation's performance levels and they were inaccurate in terms of their perceptions of the customers' decision making processes and performance levels. These inaccurate perceptions by salespeople influenced their individual performance levels and the organisation's profitability.

The industrial salesperson's task is such that he is very often vulnerable to the perceptions of role inaccuracy, role conflict, and role ambiguity and it is often said that these are inherent in the sales task. (Franke et al., 1982, p. 233; Walker et al., 1972, p. 26) As can be seen from what was mentioned earlier, a salesperson plays a boundary spanning role in which the divergent needs of a number of individuals and organisations need to be reconciled to the expectations of the supplier. Each of the salesperson's role partners expects the sales representative to be responsive to their individual needs even though these may be in conflict with the supplier's expectations and objectives. It is in situations such as these, that the salesperson experiences increased anxiety as a result of his role perceptions.

Salespeople in their boundary spanning role, are often physically and psychologically separated from their parent organisation as they call on their

various customers. Once they are with their customers, they have to cope with non-routine situations in which there are no standard procedures and policies to guide them. Their response to situations such as these is to come up with new and innovative solutions that hopefully will meet the requirements of all their role partners. (Donnelly and Ivancevich, 1975, p71; Franke et al., 1982, p. 233). This ability to be innovative is particularly important in instances where customised products are being produced or the salesperson is dealing with a potential client. (Walker et al, 1972, p. 27). It is situations such as these, where a flexible approach is utilised, that the amount of role conflict, role ambiguity and role inaccuracy experienced by the salesperson tends to increase. This occurs because the innovative approach used is often seen by the seller's functional departments as being in conflict with their standard procedures and policies.

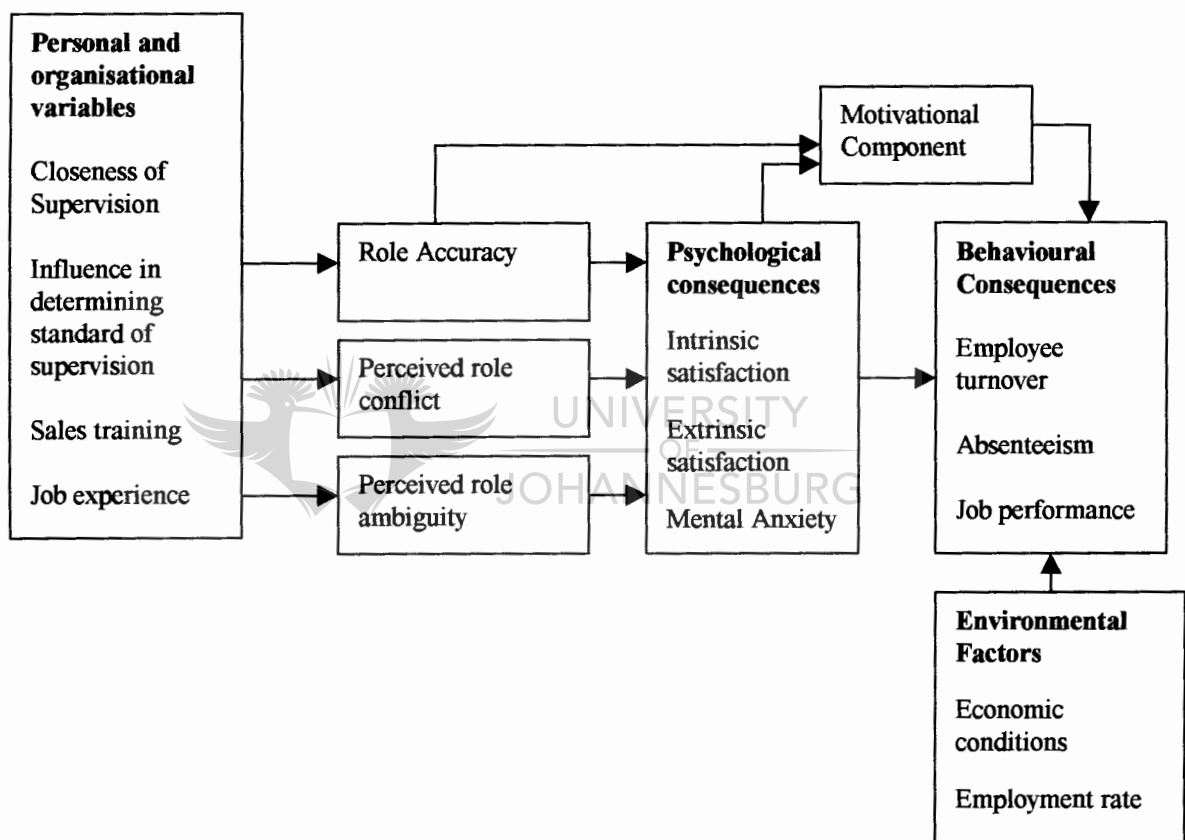
Another aspect of the salesperson's task that makes him susceptible to the role perceptions mentioned earlier, is the need by these individuals to interact with other functional departments within the selling organisation. These departments very often have different goals to those of the salesperson and they are not prepared to change their routine in order to meet the needs of the salesperson or the customer. For example a salesperson may find his request to the warehouse to process an order urgently is rejected, particularly if it disrupts their daily schedule. It is in situations such as these, that the perceived role conflict experienced by the salesperson increases. (Walker et al, 1972, p. 27.)

Manipulating some personal and organisational variables can moderate the role perceptions of salespeople. Research by Rizzo et al., (1970, p.161) has shown that there are specific organisational practices that encourage perceptions of high role conflict and ambiguity. Organisations can therefore change the way they do things in order to reduce the negative perceptions of their salespeople. Similarly role ambiguity can be reduced by encouraging salespeople to provide some input into the standards used to guide and evaluate their performance (Walker et al., 1977, p. 515). By reducing the amount of role conflict and ambiguity experienced

by the employee it is believed that this will improve his motivation and performance levels (Walker et al., 1977, p. 513.)

Exhibit 3.2 gives an overall view of the role perceptions component of the salesperson/ performance model given earlier on in the chapter. This model summarises what has been previously said with regards to the role perceptions of salespeople.

Exhibit 3.2 Causes and Consequences of a Salesperson's Job Perceptions



Source: Churchill et al. 2000, p.294

In summary one can say that there are a number of personal and organisational variables which influence people's perceptions of role conflict, role ambiguity and role accuracy. These personal perceptions then contribute to a salesperson's motivational level and they have an impact on his psychological state. The end result of these psychological states is that the behaviour of individuals, in this case

the salesperson is influenced by these feelings and it may result in negative behaviours such as absenteeism, employee turnover and low levels of performance. Exhibit 3.2 is a model put forward by Churchill et al., (2000, p. 294) which illustrates the causes and consequences of a salesperson's role perceptions. This model provides an overview of what was discussed previously in this chapter and it also gives an indication of the relationships between the various factors which impact on a person's motivation. The salesperson's perceptions of the external environment will also have an impact on the salesperson's performance level.

3.3 THE MOTIVATION OF SALESPEOPLE

Motivation can be regarded as the amount of effort a salesperson is prepared to put into each of the tasks associated with his position (Churchill et al 1993, p. 541). It can also be regarded as having three dimensions namely intensity, persistence and direction (Ingram and LaForge, 1992, p. 382). Intensity is seen as the amount of physical and mental effort a salesperson is prepared to put into a task while persistence is seen as the salesperson's willingness to put effort into a task over a period of time, particularly when he faces adversity. Direction is seen as that area where the salesperson chooses to put his effort in terms of the various tasks he has to perform.

Although some researchers do define motivation in terms of the amount of effort salespeople are prepared to put into in work related tasks, Brown and Peterson (1994, p. 71) feel that motivation and effort are two conceptually distinct variables. *“Effort is seen as representing a force, energy or activity by which the work is accomplished, whereas motivation is seen as a psychological state or predisposition of the individual with respect to choices involving the direction, intensity, and persistence of behaviour.”* In this instance motivation is seen as an antecedent of effort. Most sales performance models regard effort as being the mediator of the relationship between motivation and performance.

According to Brown and Peterson (1994, p. 71), the amount of effort a salesperson is prepared to put into his task is influenced by his motivational levels as well as by: -

- The individual's personality characteristics. For example competitiveness, instrumentality, self-efficacy.
- The role perceptions of the salesperson
- The supervisory behaviours the salesperson is exposed to and the ability of sales managers to develop and preserve long term trusting relationships with their salesforce. Sales people who trust their sales managers have greater job satisfaction, less role conflict and more favourable opinions of their sales managers. (Lagace, (1991) quoted by Strutton, Pelton, and Lumpkin, 1993, p. 2).
- The characteristics of the task such as task variety, task significance, autonomy and so on
- The environmental factors such as territory potential, workload and so on.



The effect of effort on a salesperson's level of job satisfaction is brought about by people's innate need to be able to deal with their environment (White, 1959, p.318, quoted by Brown and Peterson, 1994, p. 71). Intrinsic motivation theory holds that people have the need to be competent, effective, and self-determining. Work motivation is therefore seen as being inborn and work itself as fulfilling to the extent that the worker undertakes it willingly and finds it a challenge (Brown and Peterson, 1994, p. 71). These theories suggest that effort effects job satisfaction in a variety of ways other than in terms of just job outcomes. This is borne out by the results obtained from Brown and Peterson, (1994, p. 75.) which show that there is a direct relationship between effort and satisfaction.

Salespeople in their sales task are faced with a variety of activities that involve both selling and non-selling actions and responsibilities. The correct choice of

activities is just as important as how hard they are prepared to work and their level of persistence. The motivation task is incomplete in situations where the salesperson is not directing his efforts in the same direction as the overall strategic role of the salesforce within the organisation. This suggests that a higher level of intensity or effort does not necessarily mean that the performance of the salesperson will be high. (Ingram and LaForge, 1992, p. 382)

Motivation is such that it cannot be seen but it is inferred from the salesperson's behaviour. A truly motivated salesforce does not need to be constantly reminded to work hard in the correct areas and to persevere in the face of adversity but it should be self-motivated enough to only require periodic direction from its sales manager (Ingram and LaForge, 1992, p. 382).

Anderson, Hair, and Bush (1992, p. 42) state that all motivation is self-motivation. Salespeople cannot be motivated if they do not want to be motivated. Individuals will only become motivated if they find something in the sales task that is a source of personal motivation for them. It is the responsibility of sales managers to create a working environment and to develop incentives that encourage salespeople to want to motivate themselves.

A salesperson can be motivated in one of three ways. He can be intrinsically motivated, extrinsically motivated, or he can be motivated by a combination of both. In intrinsic motivation the salesperson finds his task inherently rewarding whereas in extrinsic motivation he is motivated by the rewards of others, for example his promotion (Ingram and LaForge, 1992, pp. 382-383). The overall level of motivation a salesperson experiences can be made up of both types but one usually finds that sales representatives tend to have a strong inclination towards one or other particular form of motivation. It has been suggested that the type of motivation a salesperson will show preference for is dependant on whether he is satisfied with the current rewards which are being offered to him or not (Walker et al., 1977, p.520)

The next section of this dissertation will begin with a discussion on motivation and behaviour before going on to discuss the various motivational theories that exist and their impact on salesperson motivation. A number of motivational theories are given in order to provide a number of different perspectives on motivation since no one theory gives a universally acceptable explanation of human behaviour (Ingram and LaForge, 1992, p.184). The application of these theories to sales force motivation and the development of compensation plans will then be discussed.

3.3.1 Motivation and Behaviour

All human activity is directed toward satisfying certain needs and reaching specific goals (Anderson et al., 1992, p. 421). The needs salespeople have may be economical, social or self-actualising. Economical needs are those that relate to the salesperson's existence while social needs relate to his relationships with other people. Self-actualisation needs can be considered as being personal growth needs that an individual may have. (Ingram and LaForge, 1992, p. 383)

Human behaviour is goal directed although the goals desired need not necessarily be rational in nature. Human behaviour is such that reward and punishment assists in people's learning experience and need satisfaction is usually derived from learnt not instinctive behaviour. (Ingram and LaForge, 1992, p. 384)

Sales managers can use their knowledge in terms of people's needs and their goal directed behaviour to develop strategies that hopefully will motivate their sales staff. For example the sales manager can stimulate felt needs in order to encourage the salesperson to work harder. (Ingram and LaForge, 1992, p. 384)

3.3.2 Motivational Theories and their Application in Salesperson Motivation

Motivation is a complex process that cannot be explained by any one theory put forward by researchers. Motivational theories do however provide some insight into the content and process of motivation and it is for this reason that they will be discussed in this chapter. Motivational theories can be either of the content or process type. With content theories, the researchers are more concerned with inferring factors that influence behaviour and are less concerned with how they influence behaviour. In the case of process type theories, the mental processes people go through in deciding alternative courses of action or effort are regarded as important.

The theories of motivation which will be discussed in this chapter will be those commented on by Ingram and LaForge, (1992: pp. 385-395), since these give a very comprehensive view of the theories of motivation and their applicability in real life situations. Some input from other texts will also be used particularly when it is felt that this will provide additional insight to the theories.

3.3.2.1 Maslow's Hierarchy of Needs

One of the better known content theories of motivation is that of Maslow's need hierarchy where five categories of basic needs were identified. These are: -

- **Physiological needs** which are regarded as the basic needs or drives that people experience. For example needs such as food, water, sleep, shelter and sex. In terms of the salesperson this could be related to his pay and fringe benefits. (Ingram and LaForge, 1992, p. 383)

- **Safety and security needs** are associated with man's need for a safe, relatively stable and ordered environment. In terms of the salesperson's task this could be the security offered by the job. (Ingram and LaForge, 1992, p. 383)
- **Love and belongingness needs** are concerned mainly with people's inter-relationships and their feelings for others. It focuses mainly on people's needs for affection, friendship and belonging. For example in the case of the salesperson this would be acceptance by customers and peers as well as the salesperson's relationship with his manager and co-workers. The organisation's policy and support can influence the relationship a salesperson has with people both within and without the organisation. (Ingram and LaForge, 1992, p. 384)
- **Self-esteem needs** reflect a person's need for self-respect and for the respect of others as well as the need for status and prestige.
- **Self - actualisation needs** focus mainly around one's need for self-fulfilment and the attainment of one's full potential. They can also be regarded as personal growth needs such as interesting work and opportunities for job advancement. (Ingram and LaForge, 1992, p. 384)



Maslow arranged these needs in order of their significance to individuals. The lowest order needs are those that need to be satisfied first. Once these have been reasonably satisfied then the individual will attempt to satisfy those higher up in the hierarchy. For example if a person is really hungry, that person will only be able to think of his hunger and he will be unable to concentrate fully on anything else. Once this need is satisfied, only then will he be able to concentrate on satisfying other needs that may be in the next level of the need hierarchy. Each level starting from the lowest must first be reasonably satisfied before the person will begin to consider satisfying the needs in the next highest level. If there is deprivation at a lower level need this will once again become predominant until it is satisfied. Some overlap between levels does occur and no need is ever completely satisfied but at any particular moment in time the major driving force within the individual is that level of need which is largely unsatisfied. (Schiffman and Kanuk, 1994, p. 109)

In terms of relating Maslow's need hierarchy to salespeople's motivation, research carried out by Bagozzi (quoted by Ingram and LaForge, 1992, 385) has found that self-esteem is a key determinant of sales performance. It was suggested that sales managers should use recognition programs and monetary rewards to enhance a salesperson's feeling of self-esteem. Some researchers have also suggested that salespeople should be given more prestigious job titles in order to increase their feelings of self-esteem (Ingram and LaForge, 1992, p. 385)

Berl et al., (1984, quoted by Ingram and LaForge, 1992, p. 386) described the type of job characteristics a sales manager should use in order to appeal to the different need levels of Maslow in salespeople. They suggested that the following motivational tools should be used in designing the salesperson's job environment and his compensation package (see exhibit 3.3)

Exhibit 3.3 Maslow's Hierarchy of Needs and the Appropriate Motivational Tool

Maslow's Basic Needs	Motivational Tool
Physiological needs: - desire for food, drink, and other primary needs	Financial compensation, heat, air-conditioning, and the cafeteria.
Safety and Security needs: - desire for security, stability, and protection from fear.	Job security and fringe benefits
Love and Belongingness needs: - desire for love, affection, and belongingness	Motivational tools:- Liking and respect from the boss, peers, and customers
Self-esteem: - desire for achievement, adequacy, competence etc.	Job title, responsibly, recognition and promotion
Self-actualisation: - desire for fulfilling oneself by maximum use of skills and abilities.	A challenging job, creativity and achievement at work

Source: Ingram and LaForge, 1992,p.386

Anderson et al., (1992, p. 423) suggests that sales managers must keep track of the level of needs most important to each salesperson under his control.

Salespeople should not be allowed to stagnate at one level but should be

encouraged to activate and satisfy higher level needs, if they are to be successfully motivated towards superior performances. Salespeople are at different need levels at any one time and sales managers need to be sensitive to the evolving needs of each salesperson. This can be achieved through close personal contact with each member of the salesforce.

Anderson et al., (1992, p. 423) gave the following table to illustrate the implication of Maslow's Hierarchy of Needs to the salesperson and to the sales manager.

Exhibit 3.4 Maslow's Hierarchy of Human Needs and their Implications for Sales Managers

Maslow's Hierarchy	Salesperson's Needs	Sales Manager's Task
Self actualisation needs	Self development Creativity Self fulfilment	Provide greater job control, freedom, self-development workshops
Esteem needs	Recognition Status	Provide greater job responsibilities, promotion opportunities, and public recognition for achievements.
Social needs	Social Interaction Friendship Acceptance amongst peers and superiors	Maintain close relationships with sales force via sales meetings newsletters, memoranda etc
Safety needs	Freedom from worry about the security of jobs, income, medical expenses etc	Provide a balanced package of fringe benefits.
Physiological needs	Food, Shelter, overall health etc	Be aware of general health and living conditions of sales force.

Source: Anderson et al., 1992, p.423

The above table can be used as a guide by the sales managers to determine what issues need to be considered when taking into account the various need levels of his sales staff.

3.3.2.2 Alderfer's ERG Theory

This theory proposes, as did Maslow's, that people's higher needs become important as lower needs are satisfied. (Ingram and Laforge, 1992, pp.386 -387)

This theory suggests that people have three sets of needs that are described as follows: -

- **Existence needs** - these include various types of physiological and material desires that are satisfied by the environment, for example. food, water, pay and working conditions
- **Relatedness needs** - which are concerned with people's relationships with others that are important to them, for example family, friends, and co-workers.
- **Growth needs** -these centre around a person's need for personal development and the utilisation of their capability.

Although this theory is in some respects similar to that of Maslow's, it differs in others. Alderfer suggests that in situations of adversity some people may feel that it is better to maximise a lower order reward that appears to be more achievable than one higher up in the hierarchy. For example a salesperson may seek to increase his salary if he feels that his attempts to get promotion will never succeed. Maslow's theory on the other hand suggests that a person will continue to attempt to satisfy his higher needs in the face of adversity.

3.3.2.3 Herzberg's Hygiene-Motivation Theory (Ingram and Laforge, 1992, p.387; Anderson et al., 1992, pp. 422-423)

Another content motivational theory is that of Herzberg's Hygiene-Motivation Theory that postulates that there are two types of factors/ dimensions which can be associated with the satisfaction and dissatisfaction of employees. These two factors or dimensions of the work environment can be described as follows: -

The hygiene factors - These give rise to dissatisfaction with the sales task and if insufficient they can lower a salesperson's performance level. Hygiene factors include things like pay, company policies, working conditions and relationships with co-workers. A sales manager may alleviate dissatisfaction by improving a hygiene factor but the effects are thought to be temporary and lacking in motivational effect. (Ingram and LaForge, 1992, p. 387)

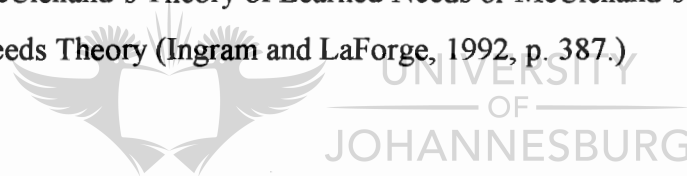
The motivation factors - so called because they are necessary to stimulate individuals to superior efforts. They relate to the nature or content of the job itself and include responsibility, achievement, recognition and opportunity for growth and advancement. These factors are related to the esteem and self-actualisation categories in Maslow's Hierarchy of Needs and they are thought to be related to long term motivation, job satisfaction and performance of the salesperson. (Ingram and LaForge, 1992, p. 387; Anderson et al., 1992, p. 423)

Sales managers need to maintain the hygiene factors at a suitable level while providing motivators for the salesforce. Examples of job enrichment or motivators, according to Anderson et al., (1992, p. 423) include: -

- Giving salespeople a complete natural unit of work responsibility and accountability. For example give the salesperson a specific customer category in a designated area.

- Grant greater authority and job freedom to the salesperson in accomplishing his task. For example let salespeople schedule their time in their own unique way as long as the organisation's goals are met.
- Introduce salespeople to new and more difficult tasks and challenges previously not encountered. For example get salespeople to open new accounts, sell new product categories, or make them responsible for a large national account.
- Assign salespeople specific or specialised tasks so that they can become experts in a given area. For example teach trainee representatives on how to close a sale.
- Send periodic reports and communications directly to the salesperson instead of forwarding everything via the supervisor. In situations such as these, the supervisor needs to be informed of the communication.

3.3.2.4 McClelland's Theory of Learned Needs or McClelland's Learned-Needs Theory (Ingram and LaForge, 1992, p. 387.)



This theory examines the individual differences of salespeople in order to determine those factors that will facilitate their motivation. This theory differs from those above, in that it looks at three basic needs of human beings and it postulates that depending on the type of need which is predominant at any given point in time, this will influence the type of issues which will motivate a person. The three needs that are considered are: -

- **The need for achievement:** - Achievement motivated salespeople are people who readily accept individual responsibility, seek challenging tasks and are willing to take risks doing tasks that may serve as stepping stones to future rewards. These individuals receive more satisfaction from accomplishing goals and more frustration from failure or unfinished tasks than the average person. (Anderson et al., 1992, p. 425.)

People who have a high need to achieve tend to regard personal accomplishment as an end in itself. These people tend to be more self-confident, enjoy taking calculated risks, actively research their environments and are interested in feedback. People who have a high achievement need like situations where they can take personal responsibility for finding solutions and they prefer activities that allow for self-evaluation. These people like feedback on their own competence. Monetary rewards to these achievers are an important feedback mechanism as it gives them an indication of how well they are doing. (Schiffman and Kanuk, 1994, p. 118.)

Researchers were able to show that salespeople with a high need for achievement could be motivated by higher order rewards such as feelings of accomplishment and opportunities for personal growth. It was also suggested that these people would tend to avoid tasks where the probability of failure was high and they would concentrate on those areas where the chances of success were more likely to occur. The need to achieve along with the sales job itself and the type of compensation a salesperson is offered has long been regarded as one of the key determinants of salesperson motivation (Ingram and LaForge, 1992, p. 187.).

Anderson et al., (1992, p. 425) suggests that sales managers need to identify achievement motivated salespeople in order to be able to provide them with the correct motivational incentives. The sales manager needs to give achievement orientated salespeople personal responsibility for solving definable problems or achieving specific goals. Frequent specific feedback is also necessary so that the salesperson can know whether he is being successful. Managers may have to temper negative feedback because achievement motivated people may resign if they feel they are going to be unsuccessful. Competition amongst such people can become cut-throat and damaging to the organisation unless carefully monitored and controlled.

The achievement need is closely related to the ego and self-actualisation need of Maslow's hierarchy of needs (Schiffman and Kanuk, 1994, p.118). The second basic need identified by McClelland is that of the need for power. This basic need is the one that will be discussed next.

- **The need for power:** - Salespeople who exhibit a high need for this characteristic show a high need to influence the behaviour of others and it can be considered a positive characteristic for sales management (Ingram and LaForge, 1992). People who show a high need for power are those who like to control their environment and this includes the need to control people and objects. This need can be regarded as being closely related to the ego need in that people experience increased self-esteem when they exercise power over people and objects. In terms of Maslow's Hierarchy of Needs, this need to control one's environment can be subsumed under Maslow's safety need (Schiffman and Kanuk, 1994, pp. 116-118).

McClelland's third basic need that will now be discussed is the need for affiliation. This need can be regarded as being very similar to Maslow's social need (Schiffman and Kanuk, 1994, pp. 118).

- **The need for affiliation** - In this instance the behaviour of individuals is influenced by a desire for friendship, acceptance and belonging. People who show a high need for affiliation tend to have a strong social dependence on others (Schiffman and Kanuk, 1994, p 119). Salespeople who have a high need for affiliation are motivated by being part of a group or an organisation (Ingram and LaForge, 1992, p. 387). They are good at binding a group together since they are not as competitive as individuals who have one of the two other needs dominant. Salespeople who have a strong need for affiliation are not as anxious about uncompleted tasks as are achievement oriented people and they only require general feedback with regards to goal achievement. Salespeople who have high affiliation needs are also less able to tolerate

travelling jobs that entail long periods of solitude. (Anderson et al., 1992, p. 425)

Ingram and LaForge, (1992, p. 388) state that the stereotypical high producing salesperson who is often depicted as a ‘lone wolf,’ has in actual fact high affiliation needs that he fulfils by relating more closely with his customers.

3.3.2.5 Goal Setting Theory

This theory attempts to increase an individual’s motivation by linking rewards directly to the salesperson’s goals. In this instance the sales manager and the subordinate set specific goals to be achieved. The goals need to be moderately difficult to accomplish and they need to be the type of goals that the salesperson wants to achieve. This theory attempts to develop rewards systems that are geared to individual needs and in so doing help to clarify any role ambiguities or conflicts that may arise (Anderson et al., 1992, p. 427).

3.3.2.6 Japanese Style of Management (Anderson et al., 1992, pp.427 - 428)

This approach attempts to increase motivation by bringing management and workers together in order for them to work as a group. In this instance, the sale manager, the salesperson, the engineer and so on are members of a team and they are rewarded accordingly. This type of management style appears to get everyone committed and motivated to work together in order to achieve the organisation’s goals.

The theories of motivation mentioned above do overlap to some extent. This is due to the fact that they were developed from some of the same basic pre-existent theory. (Ingram and LaForge, 1992, p. 388) A number of motivational theories were developed due to the fact that none of the motivational theories are universally accepted as providing all the answers to questions on motivation. Each

motivational model does however provide the researcher and the sales manager with some insight as to why salespeople respond differently to the same motivational cue. This characteristic of motivation needs to be addressed when the sales manager attempts to motivate his sales staff. It is here that knowledge of the personality traits of his salespersons will provide the sales manager with cues for the correct mix of motivational instruments for his staff. (Churchill et al., 1997, p. 464.)

Up to now, the motivational theories that have been considered have been those that are concerned with the factors which influence the behaviour of salespeople. These theories have taken into account the needs of salespeople, the rewards they desire, and the incentives that have the greatest impact on their behaviour. They do not look at how these factors influence their behaviour. There are a number of motivational theories that look at the mental processes people go through when they decide on alternative courses of action and the effort that they should expend on them. These theories look at how different variables interact to influence the expenditure of effort and behaviour. It is these theories that will now be considered in an attempt to understand what are the processes of motivation and how do salespeople make choices.

In this section, four process theories will be considered. These are the expectancy theory, the equity theory, attribution theory and the reinforcement theory.

3.3.2.7 The Expectancy Theory

The expectancy theory of salesperson motivation was introduced by Walker et al., (1977, pp. 516-523.) almost a decade ago. These researchers suggested that a salesperson's motivation to put effort into a task was dependent on three interrelated factors namely, his expectancies, instrumentalities and valences. Churchill et al., (1993, p. 541.) believe that the expectancy theory gives a more

holistic picture of the psychological process of motivation and they feel that it is most practical in terms of its applicability in the development of motivational programs for salespeople. These researchers believe that this theory incorporates and ties together many of the more important aspects of the various motivational theories that are in existence to day. They believe that this theory provides a useful framework for guiding sales managers' decisions when developing a motivational programme for their staff.

As mentioned earlier in this chapter, expectancies refers to the salesperson's perceptions of a linkage between effort and job performance. For example do the salesperson see a linkage between the number of hours worked and his job performance. Some salespeople may feel that the more time they spend on their task, the better their performance while others may not feel that this is the case (Churchill et al., 1993. p. 377.)

When a sales manager attempts to use a salesperson's expectancy perceptions as a motivational tool he should take into account the magnitude and accuracy of his subordinates perceptions. The magnitude of the salesperson's perceptions gives an indication of the degree to which the salesperson believes that expending effort on job activities will enhance his performance. The greater his expectancy perceptions the more effort he will expend on his tasks. Accuracy on the other hand refers to how clearly the salesperson understands the relationship between effort and performance. If his perceptions are inaccurate, this means that the salesperson will expend effort in the wrong areas and his performance will not reflect the amount of effort he has put into the tasks at hand. This could demotivate and frustrate him. It should also be remembered that personal and organisational characteristics could influence the magnitude and accuracy of a person's expectancy perceptions (Churchill et al., 1993, p. 543)

Instrumentalities refer to the salesperson's perceptions of a relationship between performance and the rewards received for the results attained. In this instance, a

salesperson that is paid a straight salary may find it difficult to associate the reward received with the performance attained since this is not reflected in his salary (Churchill et al., 1993, p. 544)

As was the case with expectancies, the magnitude and accuracy of salespeople's instrumentalities will also play a role in determining how much effort a salesperson will expend in order to enhance his performance. The higher the magnitude of the salesperson's instrumentalities, the more the salesperson believes that the chances that improved performance will lead to greater rewards will be felt. This in turn will lead to more effort in enhancing performance by the salesperson (Churchill et al., 1993, pp. 544 - 545)

In terms of the applicability of instrumentalities in sales management it should be remembered that the true link between performance and rewards in an organisation is determined by management's policies on how sales performance should be evaluated and rewarded. If the organisation's evaluation and reward system is inaccurately perceived, this can lead to the salesperson paying too much attention to those areas that are relatively unimportant to management and this can give rise to disillusionment by the salesperson since he cannot attain the desired rewards. Personal factors and other organisational issues can also influence the magnitude and accuracy of salespeople's perceptions of instrumentality (Churchill et al., 1993, p. 545). These aspects will be discussed later in this chapter

The third factor that is taken into account in the expectancy theory is that of the valence for rewards. This refers to the desirability of receiving increased rewards for enhanced performance. For example a salesperson that earns a high income may feel that increased monetary reward for his performance is not worth the effort due to high taxes. In instances such as these other rewards other than monetary ones will encourage the sales person to work harder.

Churchill et al., (1993, p. 546) quoted a study in which it was found that in one organisation, monetary rewards were found to be important to salespeople but in the second organisation that was studied this was not true. When the underlying issues governing these results were examined, it was found that there was a difference in the monetary earnings between salespeople in the two organisations. In the latter organisation salespeople were on the whole earning more than those in the former. Similarly it was found that in the former organisation, sales quotas were increased dramatically from the previous year and few people were attaining these. It was felt that these could be the probable reasons why salespeople in the former organisation were so concerned about monetary rewards. Salespeople's valence for rewards appears to be influenced by their satisfaction with the current reward received and this satisfaction is in turn influenced by their personal characteristics, by the organisation's compensation policies and by management practices within the organisation (Churchill et al., 1993, pp. 546 - 547).

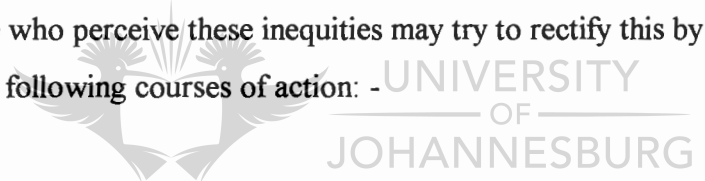
Expectancy theory suggests that salespeople will look into the future and they will try to access what will happen in terms of the outcomes of their performance and their relative importance to them. Salespeople will then use this assessment to determine their future behaviour in the field. This 'future gazing' can motivate salespeople positively, negatively or leave their motivational levels unchanged. (Ingram and LaForge, 1992, p. 390)

From the sales manager's point of view, expectancy theory suggests that sales managers need to create the expectation within salespeople that their efforts will be more than adequately rewarded. To become motivated in most situations, salespeople must feel that the rewards they receive will be greater than the cost to them of the extra effort. Sales managers need to develop motivational programs that will enable their salespeople to feel that they are profiting from the extra effort. (Anderson et al., 1992, p. 424)

3.3.2.8 Equity Theory (Ingram and LaForge, 1992, p. 390)

This theory attempts to explain the level of motivation a salesperson may experience, by his evaluation of the treatment received by him, compared to the treatment received by relevant others within the salesforce. If the salesperson perceives that there is inequitable treatment, this will impact negatively on his motivational level. In determining the relative equity between individuals, salespeople use input / output ratios as a comparison measure. Inputs in this instance usually include factors such as educational level, job experience and hours worked while outputs would take into account such factors as pay, promotional opportunities and any other rewards that the salesperson feels is relevant. An example of an inequity issue would be if two similarly qualified people were earning different salaries and the sales representatives were aware of this. (Ingram and LaForge, 1992, p. 390)

Salespeople who perceive these inequities may try to rectify this by using one or more of the following courses of action: -

- 
- They may try to rationalise the situation by distorting their own views. For example they may say that the salesperson has been in the organisation longer and therefore he deserves to earn more.
 - The salesperson may decide to alter his own job inputs. He may for example decide to work fewer hours or to put less effort into his work.
 - Attempts may be made to alter or influence the inputs / outputs of the relevant others.
 - Another salesperson may be selected for comparison purposes.
 - The salesperson may leave the organisation.

The result of any one of these actions could have an impact on salesperson motivation and performance, and it is believed that job related equity issues will become more important in future. Equity issues are not only viewed as a motivational tool but they also regarded as a basic responsibility of sales managers (Ingram and LaForge, 1992, pp. 390 - 391).

3.3.2.9 Attribution Theory

This theory suggests that people are motivated to not only maximise their rewards but they also need to understand their environment or surroundings. Attribution theory looks at the mental processes people utilise to understand why events occur as they do. The basic assumptions that underlie Attribution Theory (Ingram and LaForge, 1992, p. 391) are: -

- Individuals will try to assign causes for important instances of behaviour, sometimes seeking additional information
- Individuals will assign causes in a systematic manner
- The particular cause that an individual attributes to a given event will affect subsequent behaviour.

Attribution Theory suggests that salespeople are motivated to understand the causes of their performance in order to alter their behaviour or selling strategy if they feel this will enhance their effectiveness in the future. Attribution theory looks at salespeople's motivation to alter and improve their direction of work, in other words to 'work smarter or to work harder.' To work harder means that the salesperson puts more effort into his tasks such as working longer hours, calling on more accounts whereas working smarter implies changing the type or direction of the effort in order to be more effective. In this instance, the salesperson will think of different ways of doing things in order to be more effective in the field.

For example, salespeople may change their sales presentations in order to match their client's needs or preferences (Anderson et al., 1992, pp. 426-427)

Oliver and Anderson (1994, p. 71) carried out a survey in which they tried to determine whether salespeople did in actual fact make attributions about their sales outcomes. These researchers found that salespeople tended to make causal attributions more often in failure situations (90.8% of the time) than in success situations (64.4% of the time). This finding is consistent with previous research by Wong and Weiner (1981 quoted by Oliver and Anderson 1994, p. 72) in which salespeople tended to make causal attributions when they were surprised or threatened by events which undermined their beliefs and expectations

In terms of the classification of these causal attributions it was found that in success situations 51.9% of the respondents made internal attributions whereas in the case of failure only 22.3% of the respondents did so. This result demonstrates the presence of the self-serving attributional bias where salespeople attribute success to themselves and failure to external events. This study also showed that success situations led to stable attributions whereas failure situations evoked both stable and unstable attributions.

In terms of the variety of reasons attributed to failure in this study, it was found that salespeople gave 21 reasons in the external/unstable attribution category and 10 reasons in the external/stable attribution category. In situations where success occurred, it was found that 4 reasons were given for the external /unstable category and 7 for the external/stable category. This finding may indicate that salespeople have difficulty in categorising the reason for failures that undermine their beliefs and expectations. (Oliver and Anderson, 1994, p. 72)

Research into salespeople's attributions has revealed that individuals who blamed themselves for failures to meet quotas, these people reported increased intentions

to achieve their quotas in future months. Those individuals who blamed events or circumstances for their failure to reach their target, these salespeople reported a decrease in future effort intentions (Sujan, 1986, p. 48; Ingram and LaForge, 1992, p. 392). Sujan (1986, p. 48) also found that the reward orientation of salespeople influenced their type of attributions. Intrinsically orientated salespeople felt that had put the correct amount of effort and they had used good strategies in their selling task and therefore they were not to blame for the poor result. Extrinsically orientated salespeople on the other had felt that their failure to perform was due to a lack of effort, and in this instance, these individuals formed intentions to work harder.

Oliver and Anderson, (1994, p. 69.) looked into the effects of two types of information on the causal attribution of salespeople. The type of information used in the study consisted of:

- Information from multiple observations over time (for example overall past performance.)
- Information from a single observation (for example current performance.)

When multiple observations are made over time, salespeople used three criteria, namely consistency over time, consensus and distinctiveness to determine whether the results of the sales effort reflected their own internal capabilities or environmental influences.

- **Consistency** in this instance was defined as the extent to which an event is repeatedly associated with the individual across time and situations.
- **Consensus** was defined as the degree to which other individuals were associated with the event.

- **Distinctiveness** was defined as the degree to which the event is associated with a particular potential external causal entity and not associated with other potential external causal entities.

In the above study it was found that past performance information had an impact on the locus dimension of attribution. This was not true for current performance information. Past performance information that showed the characteristics of high consistency, low consensus and distinctiveness resulted in significant internal attributions. Past information that had the characteristics of high consistency, consensus and distinctiveness was found to give neutral attributions, as did information with low consistency, consensus and high distinctiveness.

In terms of the stability dimension of attribution, both current and past performance information had an impact on performance attribution. Successful current performance led to more stable attributions than did unsuccessful current information. More unstable attributions were made in situations where failure had taken place. These results show that people may have a tendency to view unsatisfactory or undesirable results as transient events perhaps to achieve dissonance reduction or maintain their ego. (Weiner 1980, quoted by Oliver and Anderson, 1994, p. 75.)

The stability scores for the three past performance situations of: -

- high consistency, consensus and distinctiveness (H/H/H)
- low consistency, consensus and high distinctiveness (L/L/H)
- high consistency, low consensus and distinctiveness (H/L/L.)

were found to be significantly different from each other in the field survey. (In this study the results of the field survey are given as it was felt that these results would tend to reflect reality to a greater extent.)

The results of Oliver and Anderson's, (1994) study on the effects of performance on the salesperson's expectancy change revealed that the presence of past or present performance information alone is insufficient to bring about a change in expectancy. However when a salesperson utilises both types of information in reaching a conclusion, this gives rise to a change in expectancy. In the current success situation with past performance information of the type (H/H/H), the internal attribution process does give rise to an increase in expectancy. When current failure occurs under the conditions stated above, neutral locus attributions occur. In terms of stability, the above situation gave rise to neutral stability attributions in the success mode and very unstable attributions in the failure mode with an increase in expectancy.

In terms of current success and current failure conditions, past performance information characterised by H\H\L gave rise to internal attributions. In terms of the stability of those attributions it was found that neutral stability attributions were given when current performance was a success and unstable attributions were given when current performance was a failure. When past information is characterised by H\H\L and current information is in the success mode, an increase in expectancy occurred, but when current information is in the failure mode there was only a slight increase in expectancy.

When past information is of the L/L/H type, regardless of the current information mode, salespeople made unstable attributions. In terms of expectancy, when current performance was in the success mode, there was a small drop in expectancy that was not statistically significant. However when the current information was in the failure mode, expectancies increased dramatically.

Attribution theory suggests that sales managers should concentrate on motivating salespeople to make better choices as regards the activities they perform. For example sales managers should encourage sales representatives to make different presentations to different clients and they should encourage salespeople to find

more effective ways of finding new clients. It was also suggested that sales managers try to understand the casual attributions salespeople make in order to be able to motivate them more (Anderson et al., 1992, p. 427). Oliver and Anderson, (1994, p. 78) suggest that sales managers should use poor performance as an opportunity for learning not criticism. These researchers suggest that constructive causes for salesperson failure and success should be developed. Sales managers should give their salespersons information that encourages them to develop internal attributions as opposed to external ones. However the type of internal attributions used in explaining success and failure should be such that they encourage or motivate the salesperson. For example salespeople should not attribute failure to a lack of ability, since this implies that they will never be able to improve their performance. Training should be used to get salespeople to make more beneficial attributions.

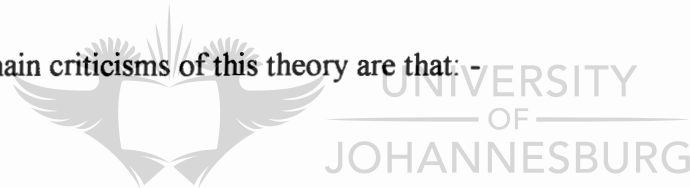
3.3.2.10 Reinforcement Theory

A reinforcer is any event that increases the frequency of the preceding response. It can be a tangible reward, praise, attention or an activity such as the use of the car, an extra day's holiday etc. Reinforcers can be negative or positive. A negative reinforcer strengthens a response by removing or reducing an aversive (unpleasant) stimulus in other words it removes the punishing event. A positive reinforcer strengthens a response by presenting a positive stimulus after a response. (Meyers, 1995, p. 270)

Reinforcement Theory is based on the premise that certain behaviours could be initiated, encouraged, modified or eliminated by using specific reinforcement strategies such as positive reinforcement, negative reinforcement, punishment and extinction.

- **Positive reinforcement** provides a pleasant consequence for desired behaviour. For example increased monetary reward for increased effort.
- **Negative reinforcement** allows a salesperson to avoid an unpleasant experience by performing the desired behaviour.
- **Punishment** provides an unpleasant experience after the behaviour has been performed. It decreases the frequency of the previous behaviour. (Meyers, 1995, p. 273)
- **Extinction** takes place when positive reinforcement is withheld due to undesirable behaviour being performed. It can take the form of arranging the environment so that a particular response results in neutral consequences, thus diminishing the frequency of the behaviour response over time (Peter and Olsen, 1994, p. 462). For example not having sufficient stock of a particular product in the warehouse for a considerable period of time will eventually discourage salespeople from trying to sell it.

Two of the main criticisms of this theory are that: -



- This type of motivational tool relies too much on the ‘carrot and stick’ dimensions of motivation.
- It encourages salespeople to perform the desired behaviours when the sales manager is there to see it.

This type of motivational tool is not very effective when one is dealing with self-motivated people who are compliant with the prescribed policies and procedures of the organisation.

3.3.3 Motivational Theories Summary

So far in this chapter we have discussed various theories of sales staff motivation. These theories have been discussed because even though they differ, they do provide the sales manager with various tools that will enable him to identify people problems within the salesforce. These theories also provide the sales managers with cues as to what motivates salespeople and what can be used in motivational and incentive programs for what specific activity or behaviour (Ingram and LaForge, 1992, p. 395). Some theorists have developed a number of suggestions for sales force motivation using these theories. These suggestions are given below (Exhibit 3.5). This table was developed by Ingram and Laforge, (1992, p. 396)

Exhibit 3.5 Sales Motivation Implications of Motivation Theories.

THEORY	SELECTED MANAGERIAL IMPLICATIONS.
Maslow's need hierarchy theory	Recognise that different people are motivated by different needs, consider individual needs when designing motivational programs: offer a variety of rewards if individual needs cannot be explicitly considered.
Alderfer's ERG theory	Recognise that salespeople may become frustrated if they cannot fulfil higher-order needs and may seek instead to maximise a lower-order reward related to lower-order need fulfilment.
Herzberg's hygiene-motivation theory	Recognise that pay and other job hygiene factors, though important in salesforce motivation, may be insufficient to sustain high levels of motivation in the long run.
McClelland's learned-needs theory	In some cases, it may be worthwhile to attempt to increase a salesperson's need for achievement through training or counselling; teach salespeople to exercise self-control and demonstrate maturity to balance their need for power when dealing with customers.
Expectancy theory	Clearly communicate the linkages between (1) job effort and performance and (2) performance and rewards.
Equity theory	Offer rewards valued by the salesforce; reward each salesperson on an equitable basis compared with other salespeople.
Attribution theory	Help salespeople understand the cause and effect relationships between their behaviour and performance; consider the importance of direction of effort along with intensity and persistence of effort.
Reinforcement theory	Be consistent in reinforcing desirable behaviour and discouraging undesirable behaviour.

Source: Ingram, T.N. and LaForge R.W. (1992, p. 396) Sales Management : Analysis and Decision Making, Second Edition. The Dryden Press, Oorlando, Florida.

Anderson et al., (1992, p. 419) quoted a study by Johnston, Boles and Hair (1987) in which these researchers tried to determine the effectiveness of some sales force motivators. The results obtained are shown in Exhibit 3.6. on page 116.

Exhibit 3.6 Sales Force Motivators in Order of Average Rated Effectiveness.

MOTIVATOR	AVERAGE RATED EFFECTIVENESS	
	SCALE 1-10	
	WHERE 1-POOR	10 -EXCELLENT
Special recognition for outstanding performance		8.07
Individual incentive bonus		8.04
Encouragement and contact of supervisor		7.95
Commission incentive		7.87
Opportunity for promotion and advancement		7.73
Advanced training and development		7.15
Participative goal setting including MBO		7.02
Assigned dollar or volume quotas		6.74
Direct supervision and monitoring		6.65
Travel prize contests		6.51
Special pre-requisites for outstanding performance.		6.48
Sales meetings and conventions		6.34
Publicising comparative performances		6.31
Assigned quotas other than dollar or volume		6.28
Merchandise prize contests		6.07
Group incentive bonus.		6.02

Source: Anderson et al., (1992, p. 419)

The results obtained by Johnston, Boles and Hair (1987) reveal that monetary rewards need not necessarily be the best motivators for a sales force. Instead a compensation package using a variety of motivators should be developed for motivational purposes. Research quoted by Anderson et al., (1992, p. 420.) has shown that the salesforce consists of a composite of personality types who are motivated by a variety of rewards.

Brown and Peterson, (1994, p. 72.) looked at two dispositional needs within individuals which had an impact on an individual's level of motivation and his performance. These two personality traits were an individual's instrumentality and his competitiveness. Instrumentality in this instance represented a task centred, individualistic orientation that was found in individuals who were focused on accomplishing their task, were independent, assertive, and self-determining. Competitiveness on the other hand was seen as "*the enjoyment of interpersonal competition and the desire to win and be better than others*". Competitive people compare their performance to others and they are motivated to exceed the performance of others. This competitive trait makes individuals exert more effort in their task thereby enhancing their performance. The results obtained from the research of Brown and Peterson, (1994, p.78) reveal that both traits do have a positive impact on effort and performance.

Anderson et al., (1992, p. 420) quoted a study in which an attempt was made to determine those factors which motivated top sales performers. The results obtained in this study are given in Exhibit 3.7.

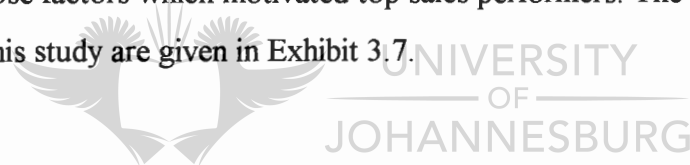


Exhibit 3.7 What Motivates Top Sales Performers?

<ul style="list-style-type: none"> • Need for Status. Recognition is the key motivating factor for top salespeople. This group seeks power, authority, image and reputation.
<ul style="list-style-type: none"> • Need for Control. While top salespeople like being with other people, they also like to be in control and enjoy influencing others.
<ul style="list-style-type: none"> • Need for Respect. Top sales achievers like to be seen as experts who are willing to help and advise others.
<ul style="list-style-type: none"> • Need for Routine. It is a misconception that successful sellers thrive on freedom. Most like to follow a routine strictly and are upset when it is interrupted.
<ul style="list-style-type: none"> • Need for Accomplishment. Money is only one of the many things that motivate the top sales performers. In addition to a big house, fancy cars, and nice clothes, they constantly go after new challenges in their jobs to maintain enthusiasm.
<ul style="list-style-type: none"> • Need for Stimulation Most outstanding salespeople have an abundance of physical energy and thrive on challenges. Therefore, they welcome outside stimulation as a way of channelling their energy.
<ul style="list-style-type: none"> • Need for Honesty. Top sales achievers have a strong need to believe in the product that they are selling. If they have doubts about the company or the new product line, they are apt to switch jobs.

Source: Anderson et al., (1992, p. 420)

As can be seen from the above study, there are a variety of motivators that impact on the top sales performer. Sales managers need to develop compensation packages that have within them something that is a source of personal motivation for each individual within the salesforce. Sales managers also need to create the type of environment and incentives that encourage salespeople to want to motivate themselves. (Anderson et al., 1992, p. 420)

An important consideration with these motivational theories is - can they be used to predict salesperson effort and performance? Churchill et al., (1993, p. 547) mentioned that in several studies that have been carried out, differences in motivational level were found to account for up to 40% of the variability in overall performance. The results of studies using the expectancy theory have shown that this model could explain 25% of the variation experienced in the effort employed by salespeople. It should however be remembered that the salesperson's level of motivation is also influenced by other variables such as: -

- The internal and external environment he has to operate in
- His personal characteristics

The impact of each of these variables on the salesperson's motivation will now be discussed in depth since they also need to be understood by the sales manager

3.4 THE IMPACT OF ENVIRONMENTAL, ORGANISATIONAL AND PERSONAL VARIABLES ON THE MOTIVATIONAL LEVEL OF SALESPEOPLE

This section will begin by giving an overview of the different variables that have an impact on the level of motivation of salespeople. It will then discuss these issues in more detail starting with the impact of the external and internal environment on the salesperson's level of motivation. Once this has been done, a discussion on the impact of a salesperson's personal characteristics on his level of motivation will be given prior to concluding this section with a brief summary.

3.4.1 The Variables that Influence the Motivational Levels of Salespeople

The motivational levels of salespeople are influenced by the following variables:

- The type of macro environment the salesperson has to operate in as well as the type of product he has to sell and the activities he is expected to perform in the accomplishment of his task. These environmental constraints can cause variations in performance across salespeople and they can affect salespeople's perceptions of their likelihood of succeeding and thus their willingness to expend effort (Churchill et al., 2000, p.321).
- The organisational environment he has to function in, taking into account the organisation's policies and characteristics since these can have an impact on the salesperson's effectiveness. Such organisational variables may also influence the salesperson's performance, indirectly, by affecting their valences for organisational rewards and the size and accuracy of their expectancy and instrumentality estimates (Churchill et al., 2000, p.323).
- The personal characteristics of the salesperson that influence his level of motivation include such issues as the individual's satisfaction with current rewards, demographic variables, job experience and psychological variables. These impact on the salesperson's expectancies, instrumentalities and valences (Churchill et al., 2000, p.323).

All the above variables will now be discussed in greater depth in order to provide a deeper understanding of their impact on motivation

3.4.1.1 The Environmental Conditions.

The environmental factors that can influence a salesperson's motivational levels include variables such as the potential of the territory the salesperson has to

operate in, the intensity of the competition, the current level of economic activity, the degree of technological change, possible supply constraints and so on. Each of these variables will have a different impact on the salesperson's motivational levels, particularly if they are perceived it as being hostile to the attainment of performance objectives. Perceptions of low market potential, economic downturn or a very competitive environment can have a marked effect on the salesperson's willingness to expend effort on improving his performance. Salespeople in situations such as these may feel that no matter what they do, the odds are against them achieving more than what they are currently able to do. Churchill et al., (1993, p. 561) suggested that when a salesperson believes that he works for a strongly competitive organisation, he will feel that his selling effort will have a positive impact on his performance and this will enhance his motivational levels to expend more effort.

From a sales manager's perspective, an understanding of how and why salespeople perform differently under varying environmental conditions is useful since this allows them to develop the appropriate compensation and management policies for a given external environment. This means that the pertinent motivational tool utilised for a specific set of macro environmental conditions.

The Product Type

The type of product that is being sold can also have an impact on the salesperson's motivation level. For example salespeople who work in industries where there is rapid technological change and constant innovation. In instances such as these, salespeople will have to be able to operate in a field where continual product innovation and changing needs are the order of the day. This type of product line has the advantage that the market never becomes stagnant or dull, but it is disadvantageous in that it adds pressure to the salesperson because constant adaptation to change and new conditions becomes necessary. (Churchill et al., 1993, p. 561)

Supply constraints

Sometimes salespeople may have to perform in the face of supply constraints that can result from short supplies of production factors, including shortages of raw materials, plant capacity or labour. Such constraints can cause problems for the salesperson since he is likely to feel powerless to improve his performance or rewards through his own efforts. His ultimate effectiveness is constrained by factors beyond his control (Churchill et al., 2000, p.321)

Sales Territory Perceptions

Similarly the salesperson's perceptions of his sales territory's potential will also have an impact on his motivational levels. If the sales territory is perceived as having a great deal of unrealised potential, then the salesperson will become more motivated to expend additional effort in order to attain his sales objectives. However if the sales potential is there but the salesperson is forced to work under conditions where constraints such as insufficient stock or inventory exist, this can induce low motivational levels. (Churchill et al., 1993, p. 561) This situation sometimes occurs when organisations introduce new innovative products that require new technologies that the production staff is not very familiar with. It can also occur when off take is far greater than expected

Sales territory potentials are also affected by a number of environmental factors such as economic conditions, competitor activities and customer concentration. In terms of the economic environment, people and organisations cannot buy goods and services unless they have the money to do so. The total potential demand for a product within a given country depends on that country's economic conditions – the amount of growth, the unemployment rate and the level of inflation. This in turn will have an impact on the potential of a given sales territory. It should also

be remembered that the global economic conditions could also influence many organisations' ability to make a profit (Churchill et al., 2000, p 78).

Another aspect of the economic environment that may have an impact on the potential of a territory is the existing distribution structure in the industry. This includes the number, types, and availability of wholesalers, retailers and other intermediaries an organisation may use to distribute its product. Much of the organisation's selling effort may be directed at trying to persuade such intermediaries to stock and provide marketing support for the organisation's products (Churchill et al., 2000, p 78). If a given distribution channel is not accessible to the salesperson due to competitor activity, this may reduce his level of motivation.

In terms of competitor activity, the salesperson often has to cope with this on a daily basis. The number of competing organisations and their relative strengths in the market place needs to be taken into account in the design of the organisation's marketing and sales programs in order to develop competitive advantage (Churchill et al., 2000, p.78). Achieving competitive advantage, enables the organisation to differentiate itself from its competitors and in so doing facilitate the salesperson's task. Salespeople who believe that they work for a strongly competitive organisation are more likely to think that selling effort will result in successful performance and this will motivate him to work harder (Churchill et al., 2000, p.323).

3.4.1.2 Organisational Variables

The organisation's policies and its characteristics can also influence the motivational levels of salespeople since they can either facilitate or hinder a salesperson's performance effectiveness. Research into the area of salespeople's attitudes towards the closeness of supervision has revealed that industrial

salespeople often prefer to feel relatively closely supervised. This is particularly true in situations where the boundary spanning roles that salespeople play gives rise to many new non-routine problems that have to be solved. Closely supervised salespeople in situations such as these soon learn what is expected of them and they are able to adapt to the changing demands of their task more effectively. (Churchill et al., 1993, p. 562). One of the disadvantages of close supervision that was mentioned earlier in this chapter is the fact that it increases the amount of role conflict that is perceived by the salesperson. It does this by reducing the amount of flexibility the salesperson has in accommodating and adapting to his customer's demands.

The extent to which the sales manager is able to supervise his subordinates is dependent on: -

- **The span of control of the sales manager.** The more people the sales manager has to supervise, the less control he has over them, and this means that salespeople feel less supervised. (Churchill et al., 1993, p. 562)
- **The frequency with which the sales manager communicates with subordinates.** The more the sales manager communicates with his subordinates, the less role ambiguity they will perceive. This is not true of role conflict which will be perceived to have increased as the communication frequency increases.(Churchill et al., 1993, p. 562)

The leadership style of the sales manager will also have an impact on the level of motivation a salesperson may experience. Leaders that tailor their style and approach to the needs of their subordinates and the kinds of tasks they have to perform tend to be more effective. Sales managers who increase subordinates personal rewards from goal attainment and who make the path to those rewards easier to follow – through instructions and training, reducing roadblocks and

pitfalls, and by increasing the opportunities for personal satisfaction (Churchill et al., 2000, pp.323 -324).

Incentives and Rewards

These influence the salesperson's level of motivation. It has been suggested that in order to facilitate the salesforce's understanding of the tasks that need to be performed and the criteria used to evaluate them, salespeople should be encouraged to participate in the setting of evaluation standards and criteria. Salespeople who know what is expected of them will perform better and experience less role ambiguity than those individuals who are less well informed. This is particularly true for higher order rewards such as promotion and recognition, where the desirability of attaining these is determined by the salesperson's and his peers' perceptions. For example if a reward is easily attainable, it may not have the desired effect on the salesperson's motivation, since it is perceived as being common and not reflecting anything special. Similarly if the reward is difficult to attain, the salesperson may feel that the chances of getting it are slim, so why bother? (Churchill et al., 1993, p. 563, 564.)

Brown and Peterson (1994, p. 78), suggest that recognition of salesperson effort can have a beneficial effect on both performance and job satisfaction. These researchers found that the sheer input of effort into sales work enhanced job satisfaction independently of performance and it was not mediated by it. It was also suggested that contests, awards, and recognition should be based partially on the amount of effort exerted.

The lower order organisational rewards such as financial compensation have been found to influence a salesperson's level of motivation. This was discussed previously under the heading titled Maslow's Need Hierarchy. Not only do the financial rewards have an impact on the salesperson's level of motivation but so

do their mix in terms of straight salary versus commission, or any other type of incentive offered including non financial rewards. (Churchill et al., 1993, p. 564).

As was discussed previously under the equity theory, salespeople who perceive the firm as being inequitable, by paying others more for performing the same task, these people will suffer detrimental motivational effects that will be reflected in their behaviours (Ingram and LaForge, 1992, p. 390).

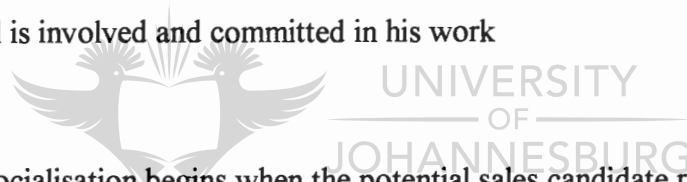
The Socialisation Process

Sales force socialisation or organisational socialisation is defined as *“the process by which employees are transformed from organisational outsiders to participating and effective members”* (Feldman, 1981, p. 309). Organisational socialisation occurs when the individual has acquired a set of appropriate behaviours for functioning within the organisation, developed the required work skills and abilities, and has adjusted to the work group’s norms and values. Anderson et al., (1992, p. 248) states that salesperson socialisation is important since it can influence a recruit’s motivation, level of job satisfaction and performance. The end result of effective organisational socialisation according to Feldman (1981, p. 310 - 312) is: -

- **The individual should be able to carry out role assignments dependably.** Here the individual must be able to carry out his assigned role and the minimal performance requirements of the organisation must be met.
- **The person remains with the organisation.** A person will leave an organisation if he experiences job dissatisfaction.
- **The individual innovates and co-operates spontaneously to achieve the firm’s objectives that go beyond role specifications.** The organisation can encourage this type of behaviour by co-operating, protecting the salesperson

from harm, making creative suggestions, having a flexible approach to the organisation's processes and so on.

- **The individual experiences general job satisfaction.** The resolution of role demands such as role definition, management of intergroup conflict, and the management of outside-life conflict needs to take place in order for the salesperson to function effectively and efficiently within the organisation. Flexibility in negotiating roles is also important in ensuring general job satisfaction.
- **The person is intrinsically motivated.** Individuals need to feel that their work has meaning, they need to know the results of their work and they need to perceive that their job performance can satisfy their personal need growth if they are to be internally motivated. Conflict resolution is also important since it influences several aspects of motivation. (Dubinsky, A.J; Howell, R.D; Ingram T.N. and Bellenger, D.N.,1986, p. 196)
- **The person's level of job involvement.** This measures the extent to which an individual is involved and committed in his work



Salesforce socialisation begins when the potential sales candidate reads the recruiting literature and attends the first interview. There are two levels of salesforce socialisation. The first level is known as the initial socialisation and it begins with the recruiting and selection process and ends with the initial orientation of the salesperson to the organisations's policies and procedures. The second level is the extended socialisation and this involves making the salesperson feel that he is part of the organisation. (Anderson et al., 1992, p. 249)

Congruence is a process variable which is considered in the anticipatory stage of the socialisation process and it is defined *as the degree to which an organisation's resources and demands are compatible with the sales recruits skills and needs.*

(Dubinsky et al., 1986 p. 194) Congruence was found to be related to job

satisfaction and other desirable job related outcomes such as internal motivation, job involvement and mutual influence. (Dubinsky et al., 1986, p. 203)

The Personal Characteristics

Salespeople with the same job and the same compensation and incentive programs will very often expend different amounts of effort on their sales task. This is due to the fact that different people have different personal characteristics that give them different perceptions of the linkage between effort, performance and rewards (Churchill et al., 1993, p. 546). Personal characteristics that affect a salesperson's motivational level include: -

- The extent to which the salesperson is satisfied with current rewards. Kohn (1993, p. 55, 62.) suggests that extrinsic rewards as such only encourage temporary compliance and once those rewards are removed people revert back to their old behaviours. Similarly the use of extrinsic motivators also tends to encourage people to find short cuts to achieving the objectives necessary to get their rewards. Extrinsic rewards can also be regarded as punishment since they are manipulative and they try to get people to conform. Similarly a reward that is withheld or withdrawn can be looked upon as punishment. Extrinsic rewards can have a dysfunctional component to them in that they undermine intrinsic motivation. This researcher believes that no incentive can match the power of intrinsic motivation in getting people to achieve.
- The salesperson's demographic variables for example, the level of education, the size of his/her family, age, sex and so on.
- The amount of job experience the salesperson has.
- The psychological variables of the salesperson. This takes into account the personality traits of the individual as well as his attributions.

The personal characteristics of individuals can change and interact with each other as people progress and develop through their careers and their lives. For example, if one looks at the characteristics of salespeople when they have just started out and one compares this with the characteristics of these people after they have worked for a while, one finds that these people have changed, as they have grown older and gained more experience. (Churchill et al., 1993, p. 548).

Satisfaction

A salesperson's desire to receive more of the current incentives being offered by the organisation is dependent on whether he is satisfied with those rewards. Salespeople who are satisfied with current rewards will tend to desire different rewards with which satisfy new needs. (Churchill et al., 1993, p. 548) As was discussed under Maslow's Needs Hierarchy, salespeople whose lower order needs are satisfied will tend to want to satisfy their higher order needs. In instances such as these, increasing lower order rewards to the salesperson is unsatisfactory because the organisation is giving him decreasing value since these needs are already satisfied.

A controversial aspect of Maslow's and Alderfer's theories is the proposition that higher order rewards have increasing marginal utility in that the more satisfied a salesperson is with higher order rewards, the higher his valences for more such rewards. (Churchill et al., 1993, p. 548)

Demographic Variables

The demographic variables of salespeople that impact on their motivational levels include factors such as age, education, and family size. It is normally found that older, more experienced sales representatives tend to obtain more of the lower level rewards than their younger counterparts. It is believed that this will influence

the former's desire for the higher level rewards more than the latter. The salesperson's level of satisfaction with the lower level rewards will also be influenced by the size of his family as well as by the other financial commitments and responsibilities that may exist. A salesperson with a large family will require more of the lower order rewards than a salesperson with a smaller family. Similarly salespeople with a more formal education tend to value the higher level rewards more than those who do not possess such a qualification. (Churchill et al., 1993, p. 549, 550)

Job Experience.

This impacts on the salesperson's level of motivation by impacting on his job performance. As was discussed earlier in this chapter, the more experience a salesperson has, the more knowledgeable he is in terms of those areas of his task that are likely to give the best evaluation and reward. This means that the experienced salesperson knows where in the sales task the most effort should be exerted. Not only will the salesperson know where to exert the most effort but also he will tend to be more confident and more skilful at selling than the less experienced salesperson. The more experienced salesperson will therefore tend to experience higher levels of motivation since he will tend to perform better. (Churchill et al., 1993, p. 550)

Psychological Traits

These appear to influence a salesperson's level of motivation. Research has shown that salespeople with high achievement needs tend to place more value on the higher level rewards than on the lower level ones. Similarly salespeople who believe that they have control over the events of their lives (internal locus of control), these people tend to have higher motivational levels than their counterparts because they believe that they can improve their performance by

putting more effort into their task. They also believe that their improved performance will be appropriately rewarded by the organisation (Churchill et al., 1993, p. 550).

A salesperson's locus of control is positively related to the salesperson's level of verbal intelligence. Research has shown that the more verbal intelligence a person has the greater the tendency towards an internal locus of control. People who are verbally intelligent are better able to understand the sales task as well as the organisation's policies and processes. (Churchill et al., 1993, p. 550, 551)

Salespeople who have a certain amount of self-esteem and who perceive that they have the ability and capability to perform will have higher motivational levels than those that don't. David Kahle (1996) in his talk on "How to recruit a salesperson" stated that he recruits sales representatives who are highly motivated since it is easier to employ people with this trait rather than to try and instil it in them.

The performance attributions of salespeople also have an impact on their motivational levels. How a salesperson attributes the cause of a particular event will influence whether he feels that increased effort will lead to improved performance in the future or not. A salesperson can attribute the results of a particular event to: -

- **Stable internal factors** that probably won't change in the short term for example his personal skills and abilities.
- **Unstable internal factors** that can change over time. For example factors such as the amount of effort that is put into a task or the mood at the time a particular event took place.
- **Stable external factors** such as sales territory characteristics or the type of sales task to be accomplished.

- **Unstable external factors** which are factors which exist for a short period of time and are sporadic, for example an advertising campaign.

If a salesperson feels that his improved performance was a result of one of the first three categories of attributions, then he is likely to put more effort into the sales task. This however will not occur if the salesperson feels that his past performance was the result of unstable external factors such as luck. In situations where the salesperson has performed badly and the cause for this is attributed to an unstable internal cause such as not putting enough effort, then one may find that this will motivate the individual to try harder next time. However if the result is attributed to any of the remaining categories this may demotivate the individual provided that he feels that the factor causing the failure cannot be changed. For example, if the salesperson feels that he is incapable of selling, then attributing failure to this will demotivate the individual. (Churchill et al., 1993, p. 552).

Research into the area of salespeople's personal characteristics and the levels of motivation experienced, suggest that salespeople with certain psychological characteristics will have a better understanding of an organisation's policies and the sales tasks they have to perform. It is these salespeople, with the 'correct' personal characteristics, that should be identified and employed by sales managers since they are easy to train and to motivate. (Churchill et al., 1993, p. 553).

The personal characteristics of sales people also have an impact on the type of rewards and incentives that are appealing to them. Sales managers should therefore try to determine the personal characteristics of their salespeople prior to developing their reward and incentive packages. Once the incentive packages are developed these should be monitored on a regular basis in order to determine their effectiveness in relation to changing demographics of salespeople. (Churchill et al., 1993, p. 553).

The various theories of motivation that have been developed have been concerned with the motivation of the individual as opposed to the motivation of a group. (The salesforce of an organisation consists of a group of people) Research into this area of motivation suggests that sales managers should segment their sales force into groups of individuals who have the same motivational needs. Once this is achieved the sales manager should then develop incentive programs and rewards for each group. (Ingram and LaForge, 1992, p. 395)

Ingram and Laforge, (1992, p. 395) quote a study in which the salesforce could be segmented into three groups namely, the comfort seekers, the spot light seekers and the developers. The characteristics of each of these segments were: -

- **The comfort seekers:** - these looked for job security, a sense of accomplishment, and liking and respect from their sales jobs.
- **The spot light seekers:** - wanted highly visible rewards such as pay and recognition awards.
- **The developers:** - these valued opportunities for personal growth as a job reward.

One of the problems that could be encountered with the segmentation of the salesforce would be that of the equity of reward. The type of motivational program that would be developed for each segment would have to be perceived by all salespeople within the organisation as being equitable. This should be done in order to avoid feelings of inequity amongst members of the sales force.

A salesperson will only put effort into a particular task, if he feels or believes that this will give rise to some level of improvement for which rewards will be given. The level of motivation that a salesperson experiences is influenced by his ability to predict which areas of improvement will give the biggest reward. The more experienced a salesperson is, the greater is his ability to do so. Similarly the type

of supervisory style a salesperson is exposed to and the knowledge and experience he has about the organisation will enable him to discern the level of performance required and in so doing, may motivate him to achieve or maintain it. However in situations where the demands placed on the salesperson by his role partners are ambiguous or conflicting, the desired level of performance becomes difficult to discern and this can demotivate the salesperson.

The motivational level of a salesperson can also be influenced by his perceptions of the desirability of attaining a particular goal. A salesperson whose needs in a particular area are not satisfied will be interested in attaining an increase in those rewards. For example a salesperson that is not satisfied with his current pay, job security, or any of his other lower order needs will want an increase in those rewards. Once a salesperson is satisfied with the externally mediated rewards, he will then look towards internally mediated rewards such as feelings of self-fulfilment, personal growth, career development and the like. The salesperson's degree of satisfaction with externally mediated rewards will be dependent upon the demands and responsibilities that are made upon them. A salesperson with a family to support will be less satisfied with any given level of externally mediated reward than a person who does not.

The characteristics of the organisation a salesperson works for can have a major impact on his motivational levels. A salesperson will tend to be more satisfied with the organisation's internal and external mediated rewards when he is relatively closely supervised and he feels he has a say in determining standards by which he is supervised and evaluated.

3.5 JOB SATISFACTION AND ITS IMPACT ON SALESPERSON MOTIVATION, BEHAVIOUR AND PERFORMANCE.

Job satisfaction can be regarded as referring to the characteristics of the job that sales representative's find rewarding, fulfilling, and satisfying or frustrating and unsatisfying. (Churchill et al., 1997, p. 336). Brown and Peterson, (1993, p. 63)

quote Locke's (1976, p. 1300) definition of job satisfaction as being, "*a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences.*" Locke differentiated job satisfaction from morale by saying that satisfaction has an individual referent whereas morale tends to have a group one. Similarly job satisfaction has a temporal orientation to the past and present rather than to the future.

Job satisfaction has consistently been shown to have an impact on salesperson turnover, absenteeism, and motivation. Salespeople who are satisfied with their jobs tend to stay with the organisation and they work harder than those who are not. Research into the relationship between job satisfaction and performance has revealed conflicting results in terms of the direction of the relationship between job satisfaction and performance. Brown and Peterson, (1994, p. 79) suggest that managers should not assume that their salespeople are satisfied with their jobs because they perform well. Research results have shown that the psychological benefits of work for salespeople are often not captured in the typical measures of sales performance. Effortful involvement in work has been found to be a better predictor of job satisfaction than performance.

Ingram and LaForge, (1992, p. 560) and Luthans (1995, p. 130) mention the fact that highly satisfied employees tend to have better mental and physical health, they learn job related tasks more readily, have fewer on the job accidents and file fewer grievances. Satisfied employees have also been shown to exhibit prosocial "citizenship" behaviours and activities. For example these people tend to be more co-operative in that they are prepared to assist fellow workers and customers.

Job satisfaction in the sales task is believed to have seven different dimensions (Churchill et al., 1997, p. 336). These are the task itself, co-workers, supervision, company policies and support, pay, promotion and advancement and customers. These seven dimensions will now be discussed in more detail below.

- **The task itself** which includes such aspects as the freedom of action, task significance, participation, influence over standards, the opportunity for personal initiative, the variety in the task itself as well as the financial rewards that can be attained. Other aspects of the task that can also be considered include favourable working conditions and good opportunities for career development and advancement (Churchill et al., 1993, p. 336; Brown and Peterson, 1993, p. 65). The type of selling task the salesperson is involved in also influences his level of motivation. Behrman and Perreault (1984) showed that the relationship between role perceptions and job satisfaction is stronger among salespeople with more difficult and challenging boundary spanning responsibilities.

Dubinsky, et al., (1986 p. 201.) found that salespeople with a realistic view of the positions they had taken up in the organisation had higher levels of job satisfaction than those who didn't. This means that during the recruitment stage, sales managers needed to give potential incumbents a realistic picture of the organisation and of the sales task. This is important since a person's level job satisfaction influences his level of motivation.

Babakus, Cravens, Johnston, and Moncrief (1996, p. 37.) studied the impact of met expectations on the salesperson's level of job satisfaction. The met expectations construct looks at how the actual job experience corresponds to expectations at the time of employment. Initially, in a new employment situation, it was postulated that met expectations would initially impact on job satisfaction but over an extended period time job satisfaction will impact on met expectations. This relationship was in actual fact found to be true. Met expectations were found to be a consequence of job satisfaction and the salesperson's compensation and his perceptions of the organisation's support impacted on it. Met expectations also had an impact on the salesperson's level organisational commitment.

Dubinsky et al., (1986, p. 201.) discovered that a salesperson would experience more job satisfaction if he was given a good initiation, for example training and socialisation since this reduced conflict within the workplace. Good initiation was also found to give salespeople a feeling of having some control or power over how the work was carried out in the salesforce (mutual influence). Feelings such as these enhanced a salesperson's ability to exhibit his skills on the job.

- Co-workers

Koli and Jaworski, (1994, p. 90) looked into the effects of different co-worker feedback on the salesperson's role clarity, level of job satisfaction and his performance. These researchers found that when behavioural feedback was given to salespeople by their peers, the level of job satisfaction experienced increased provided that the feedback was positive. If the feedback is negative, then this was found to be unrelated to job satisfaction. The behavioural feedback appeared to serve an informational function to salespeople when it was positive.

Output feedback in this study was not related to salesperson job satisfaction since it did not provide salespeople with useful information on selling strategies and techniques that could help them in their sales task. These researchers suggested that managers should encourage their salespeople to discuss their fellow worker's selling strategies and work procedures from a positive perspective rather than from a sales outputs or gross profits prospective.

- **Supervision** - this refers to the type of management style the salesperson is exposed to as well as the ability of the supervisor to provide technical assistance and behavioural support. (Luthans, 1995, p. 126) For example the amount of input the sales manager is prepared to accept from his representatives and the willingness of sales managers to express the problems experienced by salespersons to other members of management is a reflection of

the sales manager's supervisory style. (Churchill et al., 1997, p. 337) Research quoted by Brown and Peterson, (1993, p. 65) showed that the amount of consideration given to salespeople by their managers impacted on their levels job satisfaction, as did contingent approving behaviour. Arbitrary punishment was shown to give rise to negative job satisfaction.

- **Company policies and support** - in terms of employee benefits, training programs, management style, flexibility in the work place and so on. (Churchill et al., 1997, p. 337.)

Babakus et al (1996, p. 44.) suggested that training had a great deal of potential value in understanding and influencing job satisfaction. Training was found to enhance perceptions of organisational support that in turn enhanced the individual's level of job satisfaction. Training did not appear to have a direct impact on performance.

Perceived organisational support is a construct that considers how the salesperson views his relationship with the organisation in terms of it recognising individual accomplishments, responding to personal needs, considering personal views, and offering assistance when needed. A positive relationship exists between perceived organisational support and job satisfaction, role conflict, intrinsic motivation and met expectations. (Babakus et al., 1996, p. 44.)

- **Pay** - people's satisfaction with their pay is very dependant on his need level. For example is the salesperson attempting to satisfy his lower level needs or his higher level needs? The demands and responsibilities the salesperson must satisfy with his pay will influence his level of satisfaction with his compensation package. For example does the salesperson have a family and how big is it? The salesperson's perceptions of the fairness of his pay relative to relevant others within the organisation will also influences his level of job satisfaction. (Luthans, 1995, p. 126)

- **Promotion and advancement** - once again this is influenced by the need level of the salesperson as well as by his personality profile. For example does the salesperson have a high need for power? Salespeople with this characteristic have a high need to influence other people's behaviour and would therefore seek to become sales managers (Ingram and LaForge, 1992, p. 338)
- **Customers** – the customer's demands and the extent to which they are in conflict with the organisation's policies and procedures. The loyalty and trustworthiness of the customer, (Ingram and LaForge, 1992, p. 561) The customers' attitudes to the salesperson, for example the amount of respect they have for the salesperson's judgement and skill. (Churchill et al., 1997, p. 337)

The level of satisfaction that a salesperson feels is the sum total of his satisfaction with each of the above elements (Churchill et al., 1997, p. 336)

As discussed previously the amount of job satisfaction a salesperson feels is influenced by his role perceptions. For example a salesperson that perceives a great deal of role conflict will be less satisfied with his job than one who doesn't. The personality traits or characteristics of a salesperson have also been shown to influence the degree of satisfaction a salesperson feels with his job. Research into this area has revealed that people with cheerful dispositions tend to feel more satisfied with their jobs than those who don't. (Churchill et al., 1997, p. 338) The level of job satisfaction a salesperson experiences can also be influenced by his perception of causality (a personality trait previously mentioned). People who are "internals" tend to be more satisfied with their jobs than "externals". (Churchill et al., 1997, p. 551) The research of Franke et al., (1982, p. 235) showed that a person's locus of control is positively related to satisfaction while ambiguity has a negative impact on it.

Sales managers are concerned with the job satisfaction of their sales force because research has shown that salespeople who are satisfied with their job tend to stay with the organisation and work harder. Not only do they work harder but there is

reduced absenteeism and the sales force is more motivated. Attempts to find a relationship between satisfaction and performance have not revealed the direction of the relationship between these two variables. Researchers have not been able to prove whether job satisfaction does in actual fact enhance performance nor have they been able to prove that the converse is true. This was verified by the study of Franke et al., (1982, p. 236) and by the comments made by Ingram and LaForge (1992, p. 560). Brown and Petersen (1993, p. 73) in their meta analysis study were able to show that although there was a small positive correlation between sales performance and job satisfaction, there appeared to be no causal relationship between the two. It was suggested that the correlation between sales performance and job satisfaction arose as a result of the two variables having common antecedents.

3.6 THE SALESPERSON'S PERFORMANCE EVALUATION.

The evaluation of a salesperson's performance should be such that it is seen by all members of the sales force as being fair and equitable (Anderson et al., 1992, p. 462). This means that when the evaluation is taking place, the salesperson should only be judged on those factors that he is able to control and manipulate in his task. (Churchill et al., 1993, p. 761) Not only should these factors be taken into account but differences in the sales territory should also be considered. The differences that can occur between sales territories can include things such as: -

- The sales potential.
- The competitive environment within the territory
- The amount of organisational support available in each territory. For example the amount of promotion offered in a given area or region.
- The physical makeup of the territory and the amount of effort required to service the territory

All of the above have an impact on the ability of the salesperson to contribute to the organisation's sales objectives and they should be taken into account during the evaluation process. (Churchill et al., 1993, p. 761)

Brown and Peterson (1994, p. 79) in their research found that the effortful engagement in sales work had psychological benefits for salespeople. These benefits were not captured in the typical measurements of sales performance and it was suggested that sales managers should attempt to capture elements of performance that had the most psychological meaning to their salespeople. It was felt that by broadening their evaluative criteria to include dimensions that were important to salespeople and to the organisation, this approach would help to build organisational commitment by helping salespeople to link their personal goals with those of the organisation.

Oliver and Anderson (1994, p. 53) looked into the consequences of using behaviour based and outcome based sales control systems. These authors proposed that control systems could be characterised as points along a continuum anchored by two 'alternative' polar strategies labelled 'outcome control' and 'behaviour control'. Outcome control in this instance is seen as control system that places little emphasis on the manager's involvement with his salespeople. This system controls its salesforce by placing reliance on straight forward, objective measures (e.g. sales) and the use of compensation methods that shift the risk to the salesperson, for example, commission or bonus.

Behaviour based control systems on the other hand utilises high levels of supervisor monitoring, direction and intervention in salesperson activities. Performance evaluation tends to be more subjective and complex and it tends to centre on the salesperson's inputs, for example, their personal qualities, activities, sales strategies. (Oliver and Anderson, 1994, p. 53)

In their research Oliver and Anderson (1994, p. 60-63.) found that salespeople were more committed to the organisation when they were compensated using behaviour based control systems. These salespeople accepted management's

power more readily and this was reflected in their acceptance of authority, performance reviews and mandate to work in teams. Salespeople who were compensated using behaviour based control systems tend to be more competent professionally, they exhibited intrinsic motivation and they were more willing to pursue organisational objectives at the expense of other goals. These individuals also appeared to be more risk adverse and they perceived the organisation as being innovative and supportive. Behaviour based sales forces perform better in terms of expense control and presentation planning although their levels of performance are not higher than outcome compensated salespersons.

The typical salesperson's job is multidimensional in that salespeople have to perform a variety of selling and non-selling activities. This implies that the performance of salespeople needs to be evaluated in terms of multiple criteria. Salesperson evaluation in terms of their performance should take into account behavioural, professional development, results and profitability criteria. Behavioural and professional development criteria can be regarded as taking a behavioural based evaluation perspective, while results and profitability criteria can be regarded as an outcome based perspective. Each type of criterion in the evaluation process gives a different story as to how well salespeople have performed and it provides different diagnostic information for control purposes. (Ingram and LaForge, 1992, p. 544 -546, 550.)

3.6.1 Behavioural Criteria

This dimension looks at criteria that are related to the activities performed by the individual salesperson. It evaluates what the salesperson does and it should address activities that encourage both the short and long term objectives of the organisation. For example the short term generation of sales, customer satisfaction and the provision of customer information for the organisation. (Ingram and LaForge, 1992, p. 546)

The behavioural criteria which can be considered include: - (Ingram and LaForge, 1992, p. 546; Churchill et al., 1993, p. 768)

- Calls.

- The number of current customer and/or prospect calls.

This statistic is used to determine whether the salesperson is covering his territory effectively and efficiently. (Churchill et al., 1993, p. 766,767)

- The number of planned and unplanned calls.

The number of unplanned calls is often taken as an indication of the number of emergencies that have occurred within a given sales territory and very often this figure is compared to the number of planned calls made. A low ratio between these two values often indicates good territory management. (Churchill et al., 1993, p. 767)

- The number of calls per account

- The handling of customer complaints and the number of complaints received.
- The submission of the required reports
- Training meetings attended
- The number of letters written and the number of phone calls made to customers.
- Demonstrations
- Number of service calls made
- Number of dealer meetings and the number of training sessions for distributor personnel held.
- The number of advertising displays set up



The use of behaviour based criteria in salesperson evaluation facilitates the development of a professional, customer orientated, committed and motivated salesforce (Ingram and LaForge, 1992, p. 548).

3.6.2 Professional Development Criteria

This assesses the efforts made by the salespeople to improve their professionalism in their sales task. For example if product knowledge is critical in a particular selling situation then evaluations of the product knowledge of individual salespeople over various time periods should be done (Ingram and LaForge, 1992, p. 548, Churchill et al., 1993, p. 767, 768). The criteria that can be used to evaluate salespeople include: -

- The attitude of the salesperson to his or her task, customer, and development.
- The amount of product knowledge the salesperson has.
- The salesperson's initiative and aggressiveness.
- The salesperson's communication skills.
- The ethical behaviour of the salesperson
- The salesperson's selling skills
- The appearance and manner of the salesperson.
- The amount of goodwill generated by the salesperson
- The salesperson's ability to judge certain situations.
- The individual's planning ability
- The salesperson's knowledge of the competition.
- Time management capability.
 - * The number of days worked.
 - * The calls per day.

The above measures are used to assess salespeople's efforts since the product of the two quantities provides a direct measure of the extent of customer contact and by looking at the amount of time the salesperson spent travelling, making calls and doing office work, the sales manager is able to assess whether

the salesperson has maximised his face to face contact with the customers.(Churchill et al., 1993, p. 767)

- Creativity in the sales task.
- Citizenship - the ability of the salesperson to offer assistance and support to other members within the organisation.
- The salesperson's knowledge of the organisation's policy
- The willingness of the salesperson to prepare and write reports.

3.6.3 Results Criteria

These are the results achieved by salespeople and include measures such as (Ingram and LaForge, 1992, p. 549, Churchill et al., 1993, p. 763-766).

- Sales volume in rands
- The number of new accounts developed over a given time period.
- The number of lost accounts - this reveals whether the salesperson is satisfying the ongoing needs of his customers.
- The number of active accounts in the salesperson's portfolio - In using this measure the term active account needs to be defined. For example an active account may be an account where the customer has placed an order within the last three months.
- The number of prospective accounts - which assesses the salesperson's ability to identify potential customers.
- The number of orders secured. This value allows the sales manager to assess the salesperson's ability to make sales presentations that move the buyer through the purchasing process and it also gives an indication of the salesperson's ability to close the sale.
- The size of the order.
This gives the sales manager an indication of how the salesperson is allocating his time between small and large accounts. If the size of the orders he is getting are predominately small this may show that he is not putting enough

effort in the larger accounts but is concentrating more on the smaller accounts.

- Sales volume verses previous year's sales
- Sales volume verses quota.
- Sales volume verses market potential.
- Sales volume by product type.
- Sales volume per customer type.
- Percentage of market share achieved.
- Accounts buying a full line.
- Payments overdue.

Results criteria reflect the overall results of the salesperson's efforts but they do not give any indication of the territory situations faced by the salesperson. For example a salesperson may have the highest level of sales, yet he or she need not necessarily be the best performer in generating sales. (Ingram and LaForge, 1992, p. 549). One of the ways to address this problem is to compare the results to standards that reflect the unique territory situation faced by the sale representative.



3.6.4 Profitability

One of the difficulties with focusing on sales results is that the profitability of the sales is not addressed. Salespeople can impact on the profits achieved in two ways. The first is the profit margin of the product sold while the second relies on the expenses incurred during the performance of the sales task. (Ingram and LaForge, 1992, p. 550)

Examples of profitability criteria include: (Ingram and LaForge, 1992, p. 550; Churchill et al., 1993, p. 766, 767)

- Expenses

This looks at the total costs of the salesperson's efforts as well as a breakdown of these costs according to the type of expenses such as transport expenses, lodging expenses, entertainment expenses and so on. Sometimes these expenses may be looked at in terms of a percentage of the sales or quotas and they can be used to evaluate the salesperson.

- Selling expenses verses budget.
- Selling expenses as a percentage of sales.
- Average cost per call.
- The number of cancelled orders.

This value gives an indication of the type of sales technique the salesperson is using. If the number of cancelled orders is large this suggests that the salesperson is using high pressure tactics in his sales presentations.

- The order/call ratio

As stated earlier, the use of each set of criteria in the evaluation of salespeople gives a different perspective as to how well the salesperson has performed. This provides the sales manager with different diagnostic information for control purposes.

3.6.5. Ratios

These can be used to measure a salesperson's performance. Ratios combine various inputs and outputs in order to give the sales manager additional insights. (Churchill et al., 1997, 661-663) The types of ratios which can be used include the following:-

Expense ratios

- Sales to expenses ratio

These take into account the salesperson's inputs and the results produced by those inputs in a single value. The salesperson can control this value by either selling more or controlling expenses. This ratio can also be used to analyse the salesperson's expenses by type. For example sales/transportation expense may indicate that a salesperson is covering his or her territory inefficiently. However differences in sales territories need to be taken into account. (Churchill et al., 1997, p. 662)

- Cost per call ratio.

This measures the costs of keeping a salesperson in the field as a function of the number of calls made. The cost per call ratio can use total costs or the costs broken down to the various elements. For example expenses per call or travel costs per call. (Churchill et al., 1997, p. 662)

The sales to expense ratio and the cost per call ratio can be used to compare salespeople from the same industry and from the same organisation.

Account developing and servicing ratios

- Account penetration ratio

This ratio measures the percentage of accounts in the territory from which the salesperson secures orders. This measure looks at whether the salesperson is concentrating on the easier or big accounts or is he working the territory systematically and hard. (Churchill et al., 1997, p. 662)

- The new account conversion ratio.

Measures the salesperson's ability to convert prospects to customers (Churchill et al., 1997, p. 662).

- The lost account ratio

This ratio looks at how well the salesperson keeps prior accounts as active customers. It also reflects how well the representative is serving the established accounts in the territory. (Churchill et al., 1997, p. 662)

- The sales per account ratio

This ratio gives an indication of the salesperson's success per account. It is an average measure of his or her success and it gives the sales manager an idea of where the salesperson is exerting the most effort. For example if the ratio is low, this may mean that the salesperson is spending too much time on small non profitable accounts and not enough time on the larger more profitable ones. This ratio can also be used to measure the effectiveness of the salesperson when dealing with different types of accounts and it can reveal areas where training is required especially if there are certain types of accounts where the salesperson is consistently unsuccessful. (Churchill et al., 1997, p. 662)

- The average order size ratio

It is used to reveal the salesperson's call patterns. A low value may suggest that the salesperson is calling too frequently and perhaps the call should be spaced more (Churchill et al., 1997, p. 662).

- The order cancellation ratio

This gives an indication of the sales tactics used and a high ratio could reflect high pressure tactics in selling (Churchill et al., 1997, p. 662).

- Call activity and/or productivity ratios

These measure the effort and planning salespeople put into their customer call activities and the successes they derive (Churchill et al., 1997, p. 663).

- Calls per day

This compares the salesperson's activities in total. May also use calls per total number of accounts or type of account (Churchill et al., 1997, p. 663).

- The planned call ratio.

Can be used to assess if the salesperson is systematically planning territory coverage (Churchill et al., 1997, p. 663).

- The orders per call ratio, the hit ratio, the batting average.

This records the number of successes (hits or orders) in relation to the number of at-bats (calls) (Churchill et al., 1997, p. 663)

Many of the above measures provide overlapping information on the salesperson's behaviour and successes. Some of the above ratio's can be combined to give an equation that is often used to evaluate salespeople. (Churchill et al., 1997, p. 663.)

$$\text{sales} = \text{days worked} \times \frac{\text{calls}}{\text{days worked}} \times \frac{\text{orders}}{\text{calls}} \times \frac{\text{sales}}{\text{orders}}$$

Or

$$\text{Sales} = \text{Days worked} \times \text{call rate} \times \text{batting average} \times \text{average order size}$$

This equation is useful in that it shows the sales representative or the sales manager what needs to be done in order to improve sales. These individuals can: -

- Look at the number of days worked.
- Examine the number of calls made per day.
- Look at his success in securing an order on a given call.
- Try to increase the size of the order.

One of the disadvantages of this equation is that it focuses on the results of the salesperson's effort but it ignores the costs. It should be remembered that although all these ratios have advantages and disadvantages, the best method of evaluating a salesperson would be to use a combination of the above mentioned ratios. These ratios should be used as aids for judging the salesperson and should not replace human judgement.



3.6.6 Performance Evaluation Methods

Sales managers can use a number of different methods for measuring the behaviours, professional development, results and profitability of salespeople. Ideally, the method employed should have the following characteristics even though developing a performance evaluation method that has these entire characteristics is difficult to achieve. (Ingram and LaForge, 1992, p. 550, 551)

- Job relatedness

The performance evaluation method should be designed to meet the specific needs of the organisation using it.

- Reliability

The appraisal system should be stable over time and internally

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- Validity

The measures used should provide accurate assessments of the criteria they intend to measure.

- Standardisation

The instruments used to measure performance should be similar throughout the whole organisation.

- Practicality

Sales managers and salespeople must be able to understand the whole appraisal process and they need to have sufficient time to implement it.

- Comparability

One should be able to compare the performance of individual salespeople directly.

- Discriminability

Differences in the performance of individual salespeople need to be detected.

- Usefulness

The information that is obtained using the performance evaluation system must enable sales managers to make decisions.

3.7 SUMMARY

The main purpose of this chapter was to give a reasonable view of all the variables that influenced salesperson retention and performance. This chapter began with an introduction and a model developed by Churchill et al., (1993) which introduced the reader to the five basic factors that influenced sales performance. These five factors were identified as being: -

- The role perceptions of the salesperson concerned.
- The salesperson's aptitude or ability
- The skill level of the salesperson.
- The salesperson's level of motivation
- The characteristics of the individual, the organisation and the environment he or she works in.

Each of these factors was then discussed in the ensuing chapter.

In the discussion on the role perceptions of salespeople, role conflict, role ambiguity and role inaccuracy was looked at in terms of what these role perceptions actually were, how they arose within the salesforce and the consequences of these perceptions on salesperson performance and retention. Methods that could be used to alleviate these role perceptions were also discussed.

The next topic that was discussed in this chapter was that of the motivation of salespeople. Here one saw that there were a variety of theories that attempted to explain how salespeople were motivated. Each of these theories was seen to give a different viewpoint on how to motivate individuals, even though there were some areas of overlap in the content of these. The view that was taken was that it was important for sales managers to know these theories, in order to be able to design the appropriate compensation package for their work force. These theories also enabled sales managers to understand how different salespeople could

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respond to the same cues differently. An attempt was also made in this section to show how motivation influenced salesperson performance and retention.

The next issue which was looked at, was that of the effect of the environment, the organisation and personal variables such as demographics, personality traits and so on, on the motivational level of salespeople. It was found that the environment could have a negative impact on salesperson motivation particularly if it was perceived as being hostile to the attainment of the salesperson's objectives.

Variables that were discussed included the competitive environment, the economy of the region, the potential of the sales territory and so on

In terms of the organisation and its effect on the motivational level of salespeople, variables that were considered included: -

- the span of control of the sales manager
- the amount of communication taking place between the sales manager and his sub-ordinates
- the closeness of supervision
- the degree of socialisation experienced by the salesperson

and so on. These issues were discussed in terms of their positive or negative impact on the motivational levels of individuals.

Similarly in terms of personal variables of individuals which influence the motivational levels of individuals, factors which were considered include the demographics of the people concerned, their personality traits, their current level of satisfaction with present rewards, their level of experience. In this discussion it was shown that these factors could have a positive or negative impact on the motivation of the individual.

The next topic that was discussed was that of job satisfaction and its impact on the performance and motivation of salespeople. In this section it was found that

job satisfaction was found to have a relationship with turnover, absenteeism and motivation. It was also shown that job satisfaction had seven dimensions which included the job itself, co-workers, supervision, company policies and support, pay, promotion and advancement, as well as customers. The level of job satisfaction felt by a salesperson was the sum total of his/her satisfaction with each of these elements.

The next issue that was looked at was that of salesperson performance evaluation and the different criteria that could be used to conduct such an evaluation. It was suggested that behavioural, professional development, result and profitability criteria should be used in the evaluation process. This should be done in order to give a holistic picture of the salesperson's achievements. Ratios and their insights into salesperson performance evaluation were also discussed in this section, as was the use of a performance equation in the evaluation process. This chapter ended with a short description of the criteria a performance evaluation system should fulfil.

The next chapter in this study takes a topic that was mentioned several times in this section and it goes into depth into this area. The topic that will be discussed in the next chapter is that of the personality traits of salespeople and their impact on performance.

CHAPTER 4

THE IMPACT OF A SALESPERSON'S PERSONAL CHARACTERISTICS, INCLUDING HIS PERSONALITY TRAITS, ON HIS PERFORMANCE AND RETENTION WITHIN AN ORGANISATION.

4.1 INTRODUCTION

Although the personality traits of salespeople can account for, on average, only three percent of the variation in sales performance, research has shown that these traits can be used to identify suitable potential candidates for an organisation (Churchill et al., 1997, p. 383). Churchill et al., (2000, p. 345) suggest that some of the newer personality tests that focus only on a few broad, stable traits such as extraversion, openness to experience, and conscientiousness may be more strongly related to sales success. These authors quote research on page 347 that has shown that the traits required for industrial selling are different from those required for services selling. This research suggests that studies that were done on the personality traits of salespeople should have focused on salespeople selling one particular type of product and studies that did not do, so may not reflect an accurate assessment of the effects of personal characteristics on sales success.

Anderson et al., (1992, p. 214) state that organisations that have a large salesforce usually compare the characteristics of good, poor and average salespeople in order to find those traits that can be used to predict success in a sales career. Anderson et al., (1992, p. 211) also state that Eastman Kodak of Rochester, New York, looks for sales candidates who are self confident, committed to the task, persistent and show initiative in solving problems, gathering information and they ask direct questions.

Dion, Easterling, and Miller (1995, p. 5) found that the perceived similarity between buyer and seller personality had an impact on a salesperson's performance. These researchers found that there was an indirect and a direct relationship between these two variables. The perceived similarity between buyer and seller personality appeared to impact on the buyer's ability to trust the salesperson which in turn impacted on the salesperson's performance.

Weitzul (1994, p. xv) states that *'it is the individual's personality or behaviour style that influences his or her degree of success.'* He goes on to say that *'properly identifying and managing the person and recognising that the individual demonstrates a particular personality type will greatly enhance the probability of the individual's success in the firm'*.

Stanton and Matthews (1995, p. 66, 67) state that knowing the personality traits of a person can assist in the following applications: -

- **The selection of personnel.** Certain tasks require that people have particular dispositions and determining the person's personality traits can identify this.
- **The development of personnel.** Knowing the personality trait profile of the employee allows the organisation to develop the appropriate career development programme for that individual. The personality trait profile will reveal those areas where the individual needs further training or development.
- **Team building.** It has been suggested that in order for a team to function effectively, certain characteristics need to be present. By looking at the personality trait profile of individuals, these personality traits can be identified and incorporated into teams by selecting the correct people.
- **Personnel Research.** As is suggested in this study, people in different occupational groups need different personality traits.
- **Career counselling.** Knowledge of an individual's personality trait profile can be used to guide a person into a specific career choice.

also be described as people's characteristic behaviours and conscious motives (Meyers, 1995, p.473). In other words traits can be regarded as being a personal characteristic that persists over time and across situations (Meyers, 1995, p. 477). However, research has shown that human behaviour tends to vary according to the situation confronting the person. Therefore trying to predict behaviour on the basis of personal traits can be difficult since there are a number of other variables that have an impact on the individual's response. Variables such as one's reading of the question, the understanding of the topic, and concentration levels. It is suggested that the average accuracy over many questions on several tests is more predictable. Similarly, people's average outgoingness, happiness or carelessness over many situations is predictable. In other words, people's average behaviour across different situations is more consistent (Meyers, 1995, p 478).

Personality is defined by Schiffman and Kanuk (1994, p. 126) as being '*those inner psychological characteristics that both determine and reflect how a person responds to his or her environment.*' Meyers (1995, p. 461) states that personality is one's characteristic pattern of thinking, feeling, and acting. Weitzul (1994, p. xiii) limits his definition of personality to those traits which make an individual successful in the marketing of professional services. He considers personality traits such as an individual's technical knowledge, his or her intelligence, temperament and interpersonal traits.

In conclusion it can be stated that personality is one's characteristic pattern of thinking, feeling and acting. A person's personality can be described in terms of a number of traits. Each trait in turn can be made up of a number of dimensions. Aptitude as mentioned above is a trait or personal characteristic.

4.3 THE CHARACTERISTICS OF PERSONALITY

A person's personality is such that it reflects people's individual differences, is consistent and enduring, and in certain instances can be changed (Schiffman and Kanuk, 1994, p 137). Some psychologists view the stable nature of personality as arising either genetically, temperamentally, or as a direct result of early preverbal experience. This view does not account for any changes that can take place within the realms of a person's personality. Other psychologists believe that the apparent stability of personality can be accounted for by the lack of environmental change that can occur within an individual's life. This belief is borne out by the results of stimulus deprivation experiments which seem to suggest that receiving similar environmental inputs or nutrients over time may cause the stability of the individual personality (Durkin, Beker, and Feuerstein, 1995, p. 1).

There are, however, an increasing number of psychologists who believe that genetic factors and early experience interact with later experience to give rise to the observable consistency of personality and behaviour while at the same time accounting for the possibility of meaningful developmental change. Durkin et al., (1995, p. 7) describe second order personality traits which are those traits which enable an individual to organise or integrate other aspects of his personality in the light of the external situation or environment. In instances such as this, the environment is used by the individual rather than the individual being the environment's pawn. *Cognitive modifiability* - refers to the transformation which takes place in the structure of the intellect of the individual that allows for a better adjustment to life requirements and situations.

Weitzul (1994, p. 36) states that a person's trait profile is formed by approximately the chronological age of 20 years and it generally remains constant throughout the individual's life. He goes on to say that the scores obtained in behaviour personality tests reflect the relatively constant behaviour pattern of individuals. These behaviour

traits are not “learned” on the job but were formed by early adulthood and were maintained by the individuals. The ability to perform the marketing functions required might be improved by training, but he believes that the trait patterns remain constant.

The fact that the personality of an individual can change is important in that it implies that successful salespeople can be trained to develop certain characteristics that will enable them to be more successful. For example Strutton et al.,(1995, p. 139) mentioned two studies carried out by Dudley, Goodson and Weissenberger (1993) and Jolson and Commer (1992) in which they were able to show that salespeople could be successfully trained to be less fearful, more ego driven, and assertive. This was possible because these personality traits could be learnt at any point in life and it was suggested that sales managers should train salespeople to develop these characteristics. However in order to be able to train salespeople effectively, sales managers must be able to identify those personality traits which are lacking and necessary. Once this is achieved, they need to consider whether they can afford the time, effort and costs associated with this type of training. Sales managers also need determine whether the degree of enhanced performance achieved through training is worth the costs associated with it.

4.4 PERSONALITY TRAITS - THEIR IMPACT ON SALES PERFORMANCE

Churchill et al., (1993, p. 422, 423) suggest that salespeople are both born and made. They state that what is important in sales management and recruitment is identifying the right person to employ and managing him properly. Weitzul (1994, p. xv), says that the first step in developing the person’s market/sales ability is to select the correct person. He goes on to say that the enlistment, training, and development of a person is critical and that any error in this process can deter an otherwise capable person from achieving success in the organisation. He believes that an individual’s personality or behaviour style will influence his degree of success and that managers

must recognise this in order to ensure a person's success within the organisation. Weitzul states on page 11 that *'understanding people, with their unique habits and traits, is not an easy process, but it is essential to appreciate people as individuals in order to build a market-orientated service organisation.'* He goes on to say that *'the skills, abilities, and personal characteristics of the people within the organisation will influence the daily output and continuous success of the professional services company.'* It should be remembered that in industrial marketing, pre and post sale service is important and that the type of person employed can have an impact on the type of service offered to the customer. This could also be the way a particular industrial organisation could distinguish its product offerings from those of other organisations within a given industry, particularly when one is dealing with commodity type industrial products.

Churchill et al., (2000, pp.331-333) carried out a meta-analysis using the findings of a large number of past research studies to examine the relationships between the performance of the individual salespeople and the variety of personal and organisational factors that might influence performance. The variables examined in this study were grouped into six different categories namely:

- **Aptitude** –native abilities and enduring personal traits relevant to the performance of job activities (e.g. mental abilities, personality traits)
- **Personal characteristics** –physical traits, family background, education, work and sales experience and lifestyle
- **Skills levels** – learned proficiencies at performing job activities
- **Role perceptions** –perceptions of job demands and expectations of role partners
- **Motivation** – desire to expend effort on specific job activities
- **Organisational and Environmental Factors** – sales potential of salesperson's territory

Exhibit 4.1 The Percent of Variance in Salesperson Performance Explained by Various Personal Factors continued...

Variables affecting performance	No. of Correlations Reported	Weight Mean Correlation coefficient.	% of variance in performance explained
Aptitude	820	.138	.019
Personal Characteristics	407	.161	.026
Skill Levels	178	.268	.072
Role Perceptions	59	.294	.086
Motivation	126	.184	.034
Organisational/environmental factors	51	.104	.011

Source: Churchill et al., (2000, p. 333)

The results obtained in this study are shown in exhibit 4.1 where one can observe that no category of variables appears capable of explaining a very large percentage in variation in salesperson performance. While differences in role perceptions explain a greater share of variance in performance than any other category of variables, they only account for an average of 8.6% of that variance.

When interpreting the results given in exhibit 4.1 the following should be taken into account: -

- Each category contains a large number of variables. For example the aptitude category includes many specific personality traits and mental abilities. However some specific variables in each category do explain a larger proportion of the variation in performance while others explain a smaller portion.
- Different studies used in this analysis have measured the same variable in different ways. Consequently, low correlations between categories of variables and salesperson performance may be partly due to measurement error.
- The size of the correlations between each type of determinant variable and sales performance varied widely across studies. One of the reasons for this was that

different studies examined samples of people engaged in different types of sales jobs. The review found that some categories of predictor variables could explain a greater proportion of the variation in performance for salespeople selling certain types of goods or dealing with certain types of customers, but could not explain performance variations in other selling situations. For example aptitude variables were found to be more positively related to performance for people selling industrial products to organisational customers than for those selling either consumer goods or services.

Taking the above factors into account, the study concluded that: -

- While all six categories of personal and organisational variables account for some of the variance in performance across salespeople, no single category accounts for more than about 8.5% of the variance by itself. This suggests that the performance of a given salesperson is a function of a variety of influences, including both personal traits and organisational factors.
- The strengths of the relationships between some categories of variables and sales performance vary according to the type of customer and the kind of product or service being sold. This suggests that different personal traits, aptitudes, and skills are required for the success in different kinds of jobs.
- On average, factors that sales managers can control or influence – such as role perceptions, skills, and motivation – account for the largest portion of the variance in performance across salespeople. But enduring personal characteristics such as aptitude, personal background and personality traits – are also related to individual differences in performance.

The above conclusions suggest that successful salespeople are both born and made. Selecting recruits who have personal traits and abilities appropriate for specific selling tasks is an important determinant of their ultimate sales performance. However, how salespeople are managed is also crucial (Churchill et al., 2000, p.333).

4.5 PERSONALITY CONSTRUCTS AND QUESTIONNAIRES: THEIR USE AS PREDICTORS OF PERFORMANCE.

This section of the thesis will begin with an examination into the issue of whether personality constructs and questionnaires can be used to predict the sales performance of salespeople. A number of studies done in this field will be discussed with a view to illustrate their contribution to personnel selection and recruitment. Once this has been done, a study into the perceived fairness of psychometric testing will be given in order to illustrate the impact of this type of testing on potential recruits for an organisation.

4.5.1 Personality Questionnaires and their use in Predicting Performance

Corr and Gray, (1995, p. 241.) tried to determine the practical value of psychological testing to organisations by studying insurance salespeople in the UK. These researchers began their study by looking at the peculiar personality/motivational and cognitive demands of insurance selling. Corr and Gray (1995, p.242) found that insurance salespeople frequently encountered rejection in their sales task and this caused them to have lower levels of self esteem and dejection. This in turn resulted in a loss in motivation and performance by these individuals. This negative aspect of insurance selling is compensated to a certain extent by the high financial rewards associated with sales success.

In their study, Corr and Gray (1995, p.242) used three different measures to predict success in terms of insurance selling. The three measures selected were: -

- The attributional style (to measure reactions to potential reward and failure)
- Abstract and numerical reasoning (measuring two important aspects of intelligence required in the financial services sector)

- Socialisation (to measure capacity and willingness to engage in interpersonal relationships)

In the study mentioned performance was defined in terms of the number of appointments/prospects obtained (effort) and the number of policies sold (sales).

Two sets of psychological predictors were analysed. These were: -

- Individual psychological measures
- Pairs of interactive psychological measures

The results obtained in this study showed that a positive attribution style was positively correlated with effort and sales; socialisation was positively correlated with effort but negatively correlated with sales. The interactive variables revealed that complex interactions between attributional style and cognitive abilities led to a four fold increase in predictive variance (Corr and Gray, 1995, p. 247). These researchers concluded that personality measures were predictive of sales performance and therefore they could be used to the financial benefit of an organisation that engages in large scale recruitment. They also concluded that, in general, personality measures, and cognitive ability measures could make a contribution to personnel selection (Corr and Gray, 1995, p. 251).

Dunn, Mount, Barrick and Ones (1995, pp. 500, 501) quoted a number of studies in which it was shown that certain personality constructs were valid predictors of job performance. For example some studies indicated that conscientiousness was a valid predictor for all job related criteria since this aspect of personality appeared to tap traits depicting ones sense of purpose, obligation, and persistence. Extraversion was also found to be a valid predictor for two occupations namely managers and sales representatives. It was found that extraversion was important when interaction with others was a significant portion of the job. Traits such as being sociable, gregarious, talkative, assertive, and active contributed to success for jobs of these types.

Dunn et al (1995, p. 501) also quoted a study in which the relationship between specific personality constructs and counterproductive behaviour was measured. The results of this study showed that there was a negative correlation between counterproductive behaviour and dependability, as well as between counterproductive behaviour and achievement. Both of these traits are components of the conscientiousness factor. Additional research into counterproductive behaviour has also shown that agreeableness and emotional stability may also be linked to this behavioural characteristic. Overall there seems to be agreement that certain personality constructs can be used, as valid predictors of performance and a number of unquoted studies appear to support this. The above studies were given in order to show that personality constructs could be found to be valid predictors of performance.

4.5.2 Perceived Fairness in Situations where Psychometric Testing is used

Harland, Rauzi, and Biasotto (1995) carried out a study in which they tried to determine the perceived fairness of using a personality test in the selection procedure for personnel by organisations. These researchers found that subjects, who had experienced both an interview and personality test, tended to rate the whole procedure more negatively in eight of the nine dependant measures than individuals who experienced the interview only. In terms of the ninth measure, the subject's degree of discomfort with the procedure, there was no significant difference between the two selection methods (Harland, et al., 1995, p. 188).

These researchers then tried to determine whether giving the potential applicants a relevant explanation for using the personality tests would have an impact on the perceived fairness of the evaluations. The results obtained showed that people did not evaluate the perceived fairness of the selection procedure any higher in this situation nor did they feel that the procedure respected the rights and dignity of job applicants to a greater extent except for candidates who were given the sensitivity explanation.

(Harland, et al., 1995, pp. 188, 189). For the explanation conditions used in this test, see exhibit 4.2.

Exhibit 4.2 Explanation Conditions used to Determine their Effectiveness in Increasing the Perceived Fairness of Personality Testing.

Explanation Type	Explanation Given
No explanation condition.	This was the personality test control condition so subjects were given no explanation at all for the test. All they were given was a test kit.
Test Validity Explanation	A careful examination of the scientific studies of personality tests convincingly demonstrated that these tests are two of the most valid and accurate personality tests available to human resource professionals in organisations today.
Applicant Benefit Explanation	Over the years, we have learnt that many positive outcomes occur when there is a good fit between an employee's characteristics and the characteristics of the job. When there is a good fit, employees tend to enjoy their work more, are more successful on the job, and feel better about themselves. The use of personality tests such as these should help us achieve the best fit possible between our employees and their jobs.
Sensitivity Explanation	We are sensitive to the fact that taking personality tests can sometimes be an uncomfortable experience. We have worked hard at minimising such discomfort by carefully reviewing the available personality tests and specifically selecting the two tests that ask the fewest number of questions that are of a person nature.
Correctability Explanation	Personality Tests are just one part of the entire employee selection process. As such, a personality test should never be used as the sole basis for making hiring decisions. In the event that the results of the personality tests were inconsistent with the results of the other components of the selection process, the applicant would be personally consulted regarding his/her opinion of the accuracy of the personality test results. The opinion of the applicant regarding the accuracy of the personality test results would then be considered in the hiring decision.
Organisational Benefit Explanation	Over the years, we have learned that many positive outcomes occur when there is a good fit between an employee's characteristics and the characteristics of the job. When a good fit exists, we tend to see higher levels of employee performance and customer satisfaction, and lower levels of absenteeism and turnover. All of these positive outcomes help the company maintain a high level of overall effectiveness and profitability. The use of personality tests such as these should help us to select employees who will enhance long term organisational success

Source: Harland et al., 1995, pp. 186-187

4.6 PERSONALITY CONSTRUCTS AND TRAITS WHICH HAVE BEEN SHOWN TO AFFECT SALESPERSON PERFORMANCE

This section of the thesis seeks to present studies that were carried out in order to determine whether some of the criteria used by sales managers during selection and recruitment could be used to predict organisational commitment and sales performance. This section also seeks to look at the various studies that have been done on individual personality traits in terms of their ability to predict sales performance and their use in recruitment procedures. This section then concludes with a discussion on whether the sex of the individual has any impact on sales performance.

4.6.1 The Effectiveness of Biodata as a Predictor of Salesperson Commitment and Retention within the Organisation

Sager (1991, p. 102.) tried to determine whether some of the biodata used by sales managers during the selection and recruitment process could in actual fact be used to predict the potential salesperson's commitment to the organisation and his subsequent retention. He found that age, which is often thought to have a positive relationship with organisation commitment, was in actual negatively related to commitment. It was found that the older the salesperson was, the less committed to the organisation he tended to be. (Please note: this study was done in an organisation that had a relatively young sales force.) Sager also found that there was no difference in commitment between individuals who were married or unmarried or who did or did not own a home. The number or presence of children in the household was found to be negatively related to organisational commitment. The results of this study go against the conventional wisdom that is used in the recruitment of salespeople, namely that a salesperson who is married, owns a home, and/or has children is more likely to be attached to an organisation and less likely to leave (Sager, 1991, p. 100).

Sager (1991, p. 103) suggested that in order to overcome the problems associated with biodata, recruiters should use personality profiles and assessment centres during the recruitment process. He also suggested that during selection and recruitment, people should be selected on the basis of their ability to fit in with the organisation.

4.6.2 Salesperson's Personality Traits and their Effectiveness in Predicting Performance

Weitzul (1994, p. 11) suggested that the most successful professional marketer is the one who is able to reduce the anxiety level experienced by the client and is able to direct the client's energies to issues which can be resolved. The salesperson also needs to instil in the client a feeling of confidence by being professional and knowledgeable in solving the purchaser's problems. These skills could also be said to be necessary in the area of technical selling and marketing where the salesperson's ability and knowledge is needed to solve clients' problems.

Research into the effects of individual personality traits on sales performance have revealed that only 3% of the variability in performance could be explained by these factors (Churchill et al., 1993, p. 446). Avila and Fern (1986) in their study tried to determine the moderator effect of the selling situation on the correlation between personality traits and sales performance. These researchers found that depending on the type of selling situation they were dealing with, the personality traits of salespeople could explain 11% of the variance in performance in one selling situation and 36% of the variance in another (Avila and Fern, 1986, p. 60). However it should be remembered that when dealing with salespeople, issues such as the ability of the salesperson to fit in with the organisation, the retention of successful salespeople, and continuity within a given territory also plays a role in determining the success of an organisation in achieving its sales objectives. These factors are determined to some extent by the personality traits of the salesperson concerned and his ability to fit in with the organisation (Churchill et al., 1993, p. 427; Haas, 1995, p. 498).

Churchill et al., (1993, pp. 445, 446), comment that much conventional wisdom adhered to by sales managers and consultants over the years has stressed the importance of personality traits such as self-esteem, sociability, dominance, and a strong need for achievement as determinants of sales success. However it has been found that some personality traits have variable relationships with performance depending on the type of selling situation one is dealing with.

Haas (1995, p. 501) quoted a study which was carried out by Moss in 1978 and which revealed that the characteristics which sales executives looked for in their new recruits in America included: -

- Enthusiasm
- Ambition
- An ability to be well organised
- High persuasiveness
- Previous sales experience
- High verbal skills
- Excellent recommendations
- A willingness to follow instructions
- Sociability



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Of the characteristics mentioned, enthusiasm was regarded as being the most important.

Anderson et al., (1992, p. 212) quote the critical characteristics looked for by a Fortune 500 corporation in the health care industry. Potential sales candidates were initially screened for sales positions using the following criteria: -

- **Intelligence.** Evident in verbal expression, depth of response, analytical thought processes.

- **Decisiveness.** When asked, made definite choices, lets you know where he or she stood on issues, was not tentative.
- **Energy and Enthusiasm.** Was animated, positive, spontaneous, fast paced.
- **Results orientated.** Got to the point, emphasised achievement, responded in a manner which was relevant to interview objectives.
- **Maturity.** Showed poise, self-confidence, and maturity in dress, general demeanour and degree of relaxation.
- **Assertiveness.** Took charge, was forceful, convincing, persuasive.
- **Sensitivity.** Was sincere, friendly, tactful, responsive, not aloof.
- **Openness.** Responses were not canned and superficial
- **Tough-mindedness.** Discussed people and events critically, did allow emotions to their cloud perceptions.

Although the above results are interesting, they do not indicate objectively which of these personality traits actually play a role in determining the performance of the individual. This research was based on the criteria used by sales managers in their selection of salespeople and these criteria were not validated through formal research. Formal research into the relevant personal characteristics of salespeople was therefore necessary.

Anderson et al., (1992, p. 208) quotes a study carried out by two industrial psychologists, Mayer and Greenberg (1974), in which two personality traits, empathy (the ability to feel as the other person does) and ego drive were deemed necessary for salespeople to be successful. Empathy was regarded as being important because it was the characteristic that enabled the salesperson to get feedback from the client and it enabled him to adjust the message and to do what was necessary to close the sale. Ego drive was found to make the salesperson want and need to achieve the sale not only for the money, but also in a personal or ego way, The sale in this instance became a conquest and a powerful means of enhancing the ego. These findings are consistent with the philosophy of Eastman Kodac of Rochester, New York, whose

personnel manager indicates that they search for sales recruits with self-confidence, job commitment, persistence and initiative in solving problems and gathering information, and asking direct questions (Anderson et al., 1992, p. 211).

Brown and Peterson, (1994, p. 72) examined the effects of instrumentality and competitiveness on the amount of effort a salesperson was prepared to put into his task. These researchers also looked at the effect these personality traits had on a salesperson's performance. As was mentioned in the previous chapter, these traits were found to enhance both the salesperson's effort and performance (p. 78).

Strutton and Lumpkin (1993) looked at the level of a salesperson's dispositional optimism (their tendency to expect the best possible outcome) and they tried to determine how this impacted on the way a salesperson coped with stressful situations. These researchers found that optimistic salespersons tended to use problem focused coping strategies when confronted with job related stress. These individuals were more likely to engage in careful experiential based analysis and to increase their efforts at removing the stressor. Optimistic salespeople would tend to readjust and shape themselves for the better as a result of their stressful encounters. This strategy is known as the use of positive reinterpretation. Optimists were also less likely to engage in reckless or risky coping tactics such as the use of confrontive coping and they were more likely to act with restraint. In other words they tended to use self-control as part of their coping strategies (Strutton and Lumpkin, 1993, p. 80).

Pessimistic salespeople were those individuals who felt that the desired outcomes were unattainable and they could not remove or reduce the sources of stress. These people had a greater tendency to attend to their emotional woes and to pull back from stressful situations. In other words they tried to seek distance as one of their coping strategies. The manner in which these individuals tried to withdraw from stressful situations would probably result in unfavourable outcomes, both for the individual and the organisation, since the tactics employed would reflect self-

indulgent escapism and negative avoidance. Pessimistic salespeople also tended to use confrontational coping tactics when faced with a stressful situation (Strutton and Lumpkin, 1993, pp.75, 80).

Although optimistic and pessimistic salespeople have been described as using either problem solving or emotional solving strategies, these individuals could be found to use both types of strategies under a given stressful situation. However, it was found that pessimistic individuals tended on the whole to use more emotional based coping strategies than did optimistic individuals (Strutton and Lumpkin, 1993, p.72).

Sujan, Weitz and Kumar (1994) examined the effect of two personality traits, namely salespeople's learning orientations (mastery orientation) and their performance orientation (ego orientation) on working smart and hard. A salesperson's learning orientation was seen as a person's intrinsic interest in one's work and it looked at one's desire to improve one's abilities and to master the tasks one was required to perform in the accomplishment of one's job. A learning goal orientation was seen as a preference for challenging work, a view of oneself as being curious, and a search for opportunities that permitted independent attempts to master material (Sujan, et al., 1994, p. 39).

A performance goal orientation was seen as an extrinsic interest in one's work and it was the salesperson's desire to use one's work to achieve valued external ends. People who had this goal orientation were reluctant to experiment with new approaches, fearing that these behaviours would result in poor outcomes and consequently negative evaluations of their abilities and performance. They avoided challenging situations (Sujan, et al., 1994, p. 39).

In their study (Sujan et al., 1994, p.42.) found that a learning orientation motivated salespeople to work smart. In other words, these salespeople exhibited behaviours that were directed toward developing knowledge about sales situations and they

utilised this knowledge in the performance of their task. These researchers also found that salespeople with a learning orientation tended to work longer hours because they enjoyed the process of selling and they continued striving in the face of failure because they were not overwhelmed by the difficulties that faced them. Salespeople who had a performance orientation were found to work hard, but they were disinclined to experiment with new sales methods due to the fact that they felt that this could harm their performance.

Sujan et al.,(1994, p.42.) also found that positive and negative feedback enhanced a salesperson's learning orientation by signalling approval for the successful development of selling skills in the positive feedback situation and in the negative feedback situation it signalled a need for improvement. In terms of a salesperson's performance orientation, negative feedback was found to enhance this orientation since it indicated that these individuals had failed to demonstrate ability. In terms of positive feedback no change in performance orientation was found.

These researchers also looked into the moderating effects of self-efficacy on feedback influence. Self -efficacy in this instance was defined *as the ability of salespeople to judge themselves to be capable of organising and executing courses of action required to perform successfully at their jobs*. The results of this study showed that although there was a difference in the learning orientation between low and high efficacious salespeople, this difference was not statistically significant. Similarly it was found that negative feedback raised the performance orientation of both low and high efficacious salespeople. It was believed that people with low self confidence felt the need to react to negative feedback by attempting to demonstrate their ability. It was also shown that a performance orientation motivated hard work more for high self-efficacious salespeople than for low. Low self-efficacious salespeople appeared to feel "helpless" about their goal to demonstrate their ability. A performance orientation was found to motivate working smart more for high self-efficacious salespeople than for low self-efficacious salespeople. It appeared that the aversion by

performance orientated people to experiment was mitigated by their self-efficacy. Similarly it was found that low self-efficacious salespeople were motivated by a learning orientation to work hard whereas this was not true for high self-efficacious salespeople (Sujan et al., 1994, p.43).

Sujan et al., (1994, p.43, 44) suggest that salesperson productivity depends to some extent on the development of a learning orientation which motivates salespeople to work hard and smart. In other words these individuals engage in planning, after sales approaches in keeping with situational considerations, and they have the confidence to enact a wide variety of sales approaches. This result is in keeping with previous research on the effects of adaptive selling by Wietz, Sujan and Sujan (1986). Sujan et al., (1994, p. 44.) found that sales performance depended on working hard and smart. They also state that increasing the learning orientation of salespeople is unlikely to hurt their performance orientation and a learning orientation adds significantly to a performance goal orientation in causing salespeople to be effective.

McMurray and Arnold's (1968) study which tried to determine what made a salesperson successful was quoted by Anderson et al., (1992, p. 211). This study revealed that super salespeople were those who had:

- A high level of energy
- Were self-confident.
- Had a persistent hunger for money.
- Were able to work hard without close supervision.
- Possessed a habit for perseverance
- Had a natural tendency to be competitive.
- Had an inherent flair for winning the acceptance of others.
- Constantly attempted to gain acceptance and affection.

A similar study to the one described above was carried out by Garfield (1984) and quoted by Anderson et al., (1992, p. 211). This study found that successful salespeople were: -

- **Always taking risks and making innovations.** These individuals stayed out of the comfort zone and they tried to surpass their previous levels of performance.
- **They had a powerful sense of mission.** They set out the short, medium and long-term goals which were needed in order for them to achieve those goals. Their personal goals were higher than the sales quotas. The sales managers attitudes toward peak performance also encouraged these representatives to achieve maximally.
- **These salespeople were interested in solving problems,** not placing the blame or bluffing their way out of situations. They regarded themselves as professionals in training, so they continually upgraded their selling skills.
- **Super salespeople saw themselves as team players and partners** with their customers. They believed that their task was to communicate with people. Mediocre salespeople, other the other hand, psychologically changed their customers into objects and talked about the number of calls and closes they made as if they had nothing to do with people.
- **Salespeople who excelled in their task took rejection as information they could learn from,** whereas mediocre people personalised rejection.
- **Super salespeople use mental rehearsal** in that they reviewed each sale in their minds eye prior to making contact. This mental rehearsal began with greeting the customer and continued right through to asking for the order and leaving.

Bartkus, Peterson and Bellenger, (1989, p. 11.) looked at the relationship between Type A behaviour and experience with salesperson performance. Type A Behaviour Pattern, (TABP), a psychological trait, is defined as an *“action emotion complex that can be observed in any person who is aggressively involved in a chronic incessant struggle to achieve more and more in less and less time and if required to do so,*

against the opposing efforts of other things or persons.” TABP manifests itself when people are engaged in a task that has moderate difficulty and it involves competition, harassment or an incentive for winning. It occurs under conditions where a person is presented with a challenge and time pressure. These individuals tend to gravitate towards competitive situations such as selling. (Sager, 1991, p. 2, 3.)

Type A people actively resist a loss of control and their desire for control and the aggression and hostility associated with these individuals imply that close supervision would create role stress. It is believed that these people will work better in situations where there is autonomy in decision making. Type A's like to be compared to other individuals and enhanced performance can result when others evaluate them. This high responsiveness to the evaluation of others appears to be the result of their competitiveness and aggression. This result suggests that these individuals will work well in environments, which allow social interaction since this will trigger their competitive need for achievement and result in higher performance levels being achieved. Type A individuals require less social support and they are more autonomous and self confident than Type B's. (Bartkus, Peterson and Bellenger, 1989, p. 12.)

Individuals who exhibit Type A behaviour may be able to control certain forms of stress such as role ambiguity since they appear to have more complex internal coping strategies designed to cope with stress at their disposal. The coping behaviour of Type A individuals is characterised by action proneness, refusal of social support, denial of disappointment, and repression of fatigue. This result suggests that Type A individuals may not acknowledge role stress as readily as Type B's although they are more likely to enter situations which are more inherently stressful (Bartkus, Peterson and Bellenger, 1989, p.13).

The results of Bartkus, Peterson and Bellenger's (1989, p. 14) study revealed that a Type A Behaviour Pattern had a significant positive effect on both work effort and role clarity. Salespeople who exhibited this behaviour characteristic tended to work harder and have a clearer understanding of their roles and this in turn impacted on their performance. Type A behaviour has an indirect impact on performance through effort. Similarly it was found that experience tended to have a positive impact on role clarity and performance but it did not relate to work effort.

The three components of TABP (Type A) studied by Bartkus, Peterson and Bellenger, (1989, p. 11.) are:

- Competitive achievement striving.
- Time urgency.
- Aggression and hostility.

The absence of these traits characterises gives rise to the Type B Behaviour Pattern. People who exhibit the Type A were found to put more effort into their tasks and they outperform Type B people in challenging positions. They also tend to have higher occupational status, more rapid career achievement, longer working weeks and greater job travel. People who exhibit these behaviours also tend to be more persistent in achieving a particular goal and they tended to ignore the extraneous factors in the environment and concentrate on the task at hand. These individuals would continue to persist even after a brief, salient failure. Type A people also tended to have task related self-esteem, and they experienced involvement in their jobs and were committed to the organisation. Type B people outperformed Type A's in tasks that required slow, careful responses and a broad focus of attention. They were more deferent and submissive than Type A's and they relied more on a formal leader than on co-workers and family to alleviate stress and to change stressful environments. Type B's were also found to respond better to close supervision (Bartkus, Peterson

and Bellenger, 1989, p. 11-13). Type B males tended to be deliberate and placid and they exhibited greater balance (Sager, 1991, p. 1).

This study was conducted in the offices of a large privately held real estate sales company that had a strong entrepreneurial orientation. Pay for everyone in the organisation was based on commission, and sales managers allowed their salespeople considerable initiative as long as they produced sales. There were no formal controls, such as the number of hours that had to be worked per week and potential salespeople were only required to pass a state licensing exam. No psychometric testing took place. These researchers suggest that employing experienced Type A personalities could have a positive impact on sales performance in some situations. For example, this type of person may function effectively in an entrepreneurial type of organisation. Bartkus, Peterson and Bellenger's (1989, p. 16) suggest that prior to recruitment and selection, sales managers should first determine what their organisational culture and control systems are to ascertain whether their organisational environment is such that it facilitates TABP behaviours.

Sager (1991) tried to determine the extent to which TABP was found within a sales force and its relationship to job stress. This researcher found TABP type salespersons tended to have greater self-esteem than TBBP individuals and they were more involved in their sales tasks since they tended to immerse themselves in their jobs. Similarly it was found that TABP salespeople exhibited more organisational commitment than did TBBP salespersons. This study also found that there was no difference in the amount of job satisfaction experienced by both these two groups Sager (1991, p. 7). In terms of TABP and job stress relationships, this researcher found that job involvement was predictive of job stress. In the case of Type B individuals it was found that organisational commitment, work satisfaction and life satisfaction was negatively related to job stress. This suggests that Type B salespeople employ satisfaction and commitment to balance job stress, even though

these individuals are less committed to the organisation. In terms of satisfaction with work and life both groups showed the same positive result.

Sager (1991, p. 10) suggested that Type A individuals should be used in situations where account servicing is emphasised since these people will give the impression of being highly involved and committed to the task on hand. TABP individuals should not be used in situations where prospecting and generating sales growth is important. It should however be remembered that TABP salespeople, particularly if they are Caucasian, white collar males will have a tendency to have coronary heart disease. Sager (1991, p.2.)

In this study, Sager (1991, p.8) found that his sample could be divided into three subgroups, a Type A subgroup, a Type B subgroup, and a subgroup which the researcher labelled as the X group. This group of salespeople was composed of individuals who did not fit in with either of the other subgroups. In this group it was found that self-esteem, organisational commitment and life satisfaction was negatively related to stress. Sager also found that the Type B group was smaller than the Type A group and he concluded that salespeople on the whole tend towards the Type A group (Sager, 1991, p. 9)

Research into the area of specific personal characteristics and traits has revealed that some traits can be used to distinguish between high and low performing salespeople. This section of the thesis has revealed those personality traits that can be considered important in determining the performance of salespeople. However it should be remembered that different types of selling situations exist which may require salespeople with different personal traits and abilities.

In the next section of this thesis, the impact of gender on performance will be discussed because women are making inroads into the area of industrial selling (Churchill et al., 2000,p.341).

4.6.3 The Impact of Gender on Sales Performance

One of the current trends in business marketing is the increasing use of women in this area of marketing (Haas, 1995, p. 488; Jolson and Comer, 1992, p. 69; Sigauw and Honeycutt, Jr., 1995, p. 45). The major reasons for this trend is according to Haas, (1995, p. 489): -

- Women have been found to be successful in business selling - gender does not appear to have any effect on personality.
- There does not appear to be sufficient men with the attributes for selling.
- Women have become interested in sales and they see it as a good way to higher managerial positions.
- Equal opportunity employment requirements have opened up the business sales area to women.

Jolson and Comer (1992) looked at using the “sex role identity” construct to identify saleswomen who would most likely display the characteristics and behaviours that would detract them from effective salesmanship. Sales managers were asked to evaluate the saleswomen in their employ in terms of the “sex role identity” construct and in terms of their performance effectiveness.

Sex role identity was defined as *“the relative degree to which one endorses the socially desirable traits or stereotypes associated with one’s own and one’s opposite gender.”* Males in western culture are socialised to be dominant, assertive, and competitive. These activities are consistent with a male instrumental gender role. Women on the other hand are socialised to be nurturing, relationship oriented and emotionally dependant. These qualities are associated with an expressive gender role (Jolson and Comer, 1992, p. 70).

The index that was used to measure sex role identity was the Bem Sex Role Inventory (BSRI) [12]. In this index the “masculine” traits and the “feminine” traits which are relevant to selling performance are ascertained. See Exhibit 4.2 for the traits that were measured and the qualities these traits are supposed to tap.

Exhibit 4.3 A short form of the Bem Sex Role Inventory and those Aspects of Selling Which They are Applicable to.

MASCULINITY ITEMS: -aspects of selling which these traits tap include: establishing contacts with new prospects, delivering persuasive sales presentations, bringing sales interviews to strong closes.	FEMININITY ITEMS: -aspects of selling which these traits tap include: establishing rapport, listening to customers, maintaining good long term working relationships.
Defends own beliefs	Is affectionate
Is independent	Is sympathetic
Is assertive	Is sensitive to the needs of others
Has a strong personality	Is understanding
Is forceful	Is compassionate
Has leadership abilities	Is eager to soothe hurt feelings
Is willing to take risks	Is warm
Is dominant	Is tender
Is willing to take a stand on issues	Loves children
Is aggressive	Is gentle

Source: Jolson and Comer, 1992, p.70

The results obtained in this study showed that the regression coefficients for masculinity were significant and positive for the following six functions of selling.

- Prospecting (identifying and qualifying new customers for the organisation's product).
- Contacting (Getting in the door and making a good impression).
- Probing for Needs (establishing the prospects requirements).

- Stimulating Desire (making the actual presentation).
- Closing (asking for, and getting, the order)
- Retaining activities (post-transaction activities, retaining the sale and developing ongoing relationships with the customer)

Regression coefficients for non-selling activities which were defined as *tasks not actually involved in selling but which were essential to the performance of the job*, for example the keeping of accurate records, reporting and so on, these were also found to be statistically significant. The regression coefficients for femininity scores were also significant and positive for the functions of prospecting, contacting, probing for needs, retaining and non-selling activities (Jolson and Comer, 1992, p. 73).

This study also looked at the effect of rating a person's sex on the final result and this was found to have no effect. However, the amount of experience a person had did appear to impact on the relationships of interest. It was found that there was very little change in the relationship between sex role identity and overall effectiveness in terms of experience. However in terms of the masculinity effect, this decreased slightly while that of the femininity increased. In terms of the individual function effectiveness scores, the regression coefficient was significant in three of the six individual functions of stimulating desire, closing and retaining (Jolson and Comer, 1992, p. 73, 74).

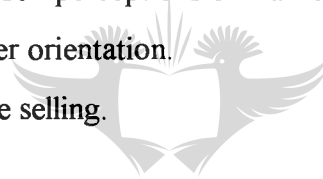
The results of this study showed that experience seemed to relate to the quality of performance independent of the sex role identity. Sales managers did however strongly favour sex role identity as predictors of effective performance. Sales managers perceived saleswomen's "masculine" qualities as the characteristics most strongly associated with effectiveness in performing the five selling functions of prospecting, contacting, probing for needs, stimulating desire and closing. The feminine traits were felt to contribute more toward explaining saleswomen effectiveness in retaining customers and in non-selling activities. Jolson and Comer, (1992, p. 74) suggested that salespeople with high femininity scores and moderate masculinity scores may be ideally suited for sales support

and customer service roles. Women could also be used in situations where maintaining a long-term relationship was essential.

4.6.3.1 Gender Differences in Selling Behaviours and Job Attitudes

Siguaw and Honeycutt, (1995, p. 46.) also looked into the issue of gender differences in selling behaviours and job attitudes. These researchers examined the effects of gender differences on: -

- Job satisfaction.
- Organisational commitment
- Role ambiguity
- Role conflict.
- Sales performance.
- Salesperson perceptions of market orientation.
- Customer orientation.
- Adaptive selling.



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The results of this study revealed that male sales representatives experienced a greater degree of role conflict and ambiguity than their female counterparts (Siguaw and Honeycutt, 1995, p. 49). These results in terms of role ambiguity are contrary to previous findings that indicated that female salespersons tended to experience more role ambiguity. In terms of role conflict, this study confirmed previous studies which showed that men tend to experience more role conflict than women. The reasons given why females perhaps experienced less role conflict may be due to the personality traits typically associated with women - communicative, empathetic and sensitivity toward others. These traits are believed to facilitate greater communication between management, customers, and female salespersons, thus reducing unclear or contradictory expectations. Another explanation for this result could be the fact that women who have remained in industrial sales, have the ability to better mediate

conflicting demands imposed upon them by their role partners and they are able to discern which job tasks are seen by management to be more critical.

In terms of job satisfaction and organisational commitment, it was found that male and female sales representatives had the same attitudes (no statistical significance) although the means of the results obtained were higher for females indicating higher job satisfaction and commitment. These findings were supported by earlier studies (Siguaw and Honeycutt, 1995, p. 49).

In the study by Siguaw and Honeycutt the salespeople involved were asked to rate their sales performance in terms of other sales representatives in their organisation. The results obtained showed that there was no difference, thereby indicating that female salespersons had sufficient self-confidence to rate themselves on a par with men. This finding was in contradiction with some earlier studies, but it is believed that acceptance and recognition of women's abilities in industrial sales has changed perceptions. It is also surmised that sales managers have learnt how to manage women in industrial sales positions (Siguaw and Honeycutt, Jr., 1995, p. 49)

The results obtained for adaptive selling reveal that both sexes practice this form of selling although women tend to engage in a significantly higher level of customer orientated selling than men. This supports earlier studies, which indicate that women place greater emphasis on customer relationships. In terms of the organisation's degree of market orientation, women tend to perceive the organisation as being more market oriented than their male counterparts. (Siguaw and Honeycutt, Jr., 1995, p. 50.) These results have been attributed to women's passive socialisation, in other words their unwillingness to express dissatisfaction. However, these results could also be explained in terms of the organisations that are more market oriented, employing more females or they could be explained in terms of women's propensity to be more customer oriented than men.

4.7 THE USE OF PERSONALITY TRAITS IN PROFESSIONAL SERVICES MARKETING: A PRACTICAL APPLICATION

Weitzul (1994, pp. xiii, xiv) limited his definition of personality to those traits which made people successful in the marketing of professional services. He looked at the necessary levels of technical knowledge required by these individuals, their intelligence and interpersonal skills. He defined technical knowledge as the means of acquiring the education, training and/or certification and licensing to function as a professional. Intelligence was defined as a person's reasoning and problem solving abilities and it took into account numerical, verbal, and conceptual reasoning. People with superior reasoning abilities were able to understand, define issues and solutions that people with lesser intellectual ability were not able to comprehend.

Weitzul (1994, p. xiv) mentioned the fact that the personality traits which are associated with success in the marketing professional services, these traits are in some way similar to those which are linked to success in many traditional sales positions. The personality traits that were found to be important include self-discipline, entrepreneurial drive, energy, and social dominance. It is the combination of these traits which distinguishes the market orientated professional from other sales personnel.

Weitzul (1994, pg. 29) identified seven behaviour traits which could be used to distinguish whether an individual would be successful at the marketing of professional services. These seven behaviour traits will be discussed in detail in order to show what they are and how they or other personality traits can be used to identify people with the correct characteristics for a specific task. The work of Weitzul (1994) provides a practical example of how personality traits can be used to identify the right person. The seven traits that were identified by this researcher are: -

Over achiever - Stable, controlled, diligent, constructive, self-controlled and restrained.

The over-achiever trait is regarded as the most critical of all traits and it operates as a separate and independent function in determining a person's behaviour style. It also influences the other traits in a person's total trait pattern

Entrepreneur - Money motivated, competitive, driven, ambitious, goal orientated, risk taking, clever and perceptive.

Active - Happy, sociable, well meaning, alert, enthusiastic, team orientated, group conscious.

Passive - Sympathetic, empathic, apprehensive, occasionally anxious, inactive, ambivalent.

Aggressive - Determined, tenacious, power seeking, suspicious, assertive, forceful and contentious.

Sensitised - Reserved, introverted, withdrawn, secretive, perceptive, intuitive, analytical and creative.

Compulsive - Precise, thorough, methodical, systematic, orderly, purposeful, task orientated, practical and logical.

In order to identify these seven behavioural traits, candidates were asked questions that were used to detect the presence of the following personality traits (Weitzul et al., 1994, pp. 47-49): -

- Self-Esteem.

In its simplest form, this personality trait reflected people's believe in themselves, their profession and in their ability to perform their tasks well.

- Risk Taking.

This measured people's ability to make balanced, rational, and defensible decisions with incomplete information. It was also regarded an additional measure of self-confidence.

- Drive.

Measured people's persistence in the face of adversity, their determination to accomplish the task at hand regardless of the circumstances.

- Stress Tolerance

Stress is an inherent condition of the sales process. The successful person was the one who could and did effectively channel the stress into useful energy.

- Adaptability.

This was defined as the ability of the person to remain flexible and accept change within the organisation. It meant possessing the maturity to work with other personnel within the organisation.

Taking each of the behaviour traits mentioned above and analysing them in terms of the five personality traits mentioned, one can conclude the following: - Weitzul (1994, pp. 49-58)

4.7.1 Characteristics of Over-achievers

Individuals who were found to be overachievers, demonstrated in their life patterns and everyday behaviours evidence of self discipline, control, and a perpetual habit of overcoming significant obstacles which were regarded as being possible to overcome. In

terms of the five personality traits mentioned above, these individuals had the following profiles.

- Self Esteem.

Overachievers tend to see themselves as being somewhat direct, no nonsense, purposeful individuals. These people meet challenges head on and they tend to be proud of their conservative bend. They may to some extent be self effacing and they are willing to prove themselves before gaining acceptance.

- Risk Taking

Overachievers do not usually bet on games based on pure chance since they feel that they cannot influence the outcome. The amount of risk overachievers are prepared to take is influenced by the amount of control they have over the outcome. The more control overachievers perceive, the more risk they are willing to take.

- Drive

Overachievers are internally driven to achieve and they are interested in monitoring their own progress according to the norms and indicators that they regard as being important. They are not satisfied with minimal standards of performance and they usually try to surpass them for their own satisfaction.

- Stress Tolerance

Overachievers have a high level of stress tolerance and they effectively channel their anxiety into tangible accomplishments. Overachievers do not tolerate continual small errors in tasks to be accomplished, they believe in being prepared. Overachievers believe that success is achieved by executing the fundamentals of the game.

- Adaptability.

Over-achievers are not good at changing their behaviours midstream and this is due to their internally driven sense of focus, determination, and channelled ambition. These people also see change as a sign of weakness.

4.7.2 Characteristics of the Entrepreneur

- Self Esteem.

These individuals have an over abundance of self-esteem even though there may be no reason for it. They are not self-effacing and they take a great deal of pride in talking about their accomplishments. These people like to take credit for everything they do and they do not readily give credit to others.

- Risk Taking



Entrepreneurs are risk takers and are prepared to wager on almost anything. They have this perception of the get rich quick view of the world and they want to earn their money before the time is up. They are also eager and anxious to partake in the winnings. Entrepreneurs are not good at delivering results on time or within budget. They are good at creating a good impression and they need close supervision.

- Drive

Entrepreneurs have a great deal of drive but they usually harness these energies, skills and talents for some single victory where they get the reward individually and personally. They are driven by the competitive sense of the word, but their level of sustained drive can quickly lapse if they are not continuously rewarded for their efforts.

Entrepreneurs believe that the best reward for a task well done is money and they like to control in some manner, the way in which they are rewarded for their unique contributions.

- Stress Tolerance

Entrepreneurs tend to indicate that they are well able to cope with stress but one usually finds that as the amount of stress they have to face increases, these individuals tend to become increasingly self-preservational. They are great believers in rewards for work done and they get increasingly upset if the rewards are not forthcoming. They dislike commission structures that are changed midstream.

- Adaptability.

Entrepreneurs are quite capable of adapting in appearance and in terms of social decorum. They can change their presentation needs to fit the needs of the audience and they are able to adapt to new business situations. Entrepreneurs strive to put the best possible face for all situations. They are inherently persuasive, flexible, and adaptable to changing business environments. These individuals may not like a new deal but they will readily endorse it until they can make new arrangements for themselves. Entrepreneurs are the least likely to openly complain but they are also the first to jump ship if they perceive the situation is turning against them.

4.7.3 Characteristics of Active People

- Self Esteem.

People who exhibit this type of behaviour show a solid degree of self-esteem. They like themselves and they feel good about their ability to complete their tasks. Active people can be focused, energised and directed under pressure. They believe themselves to be

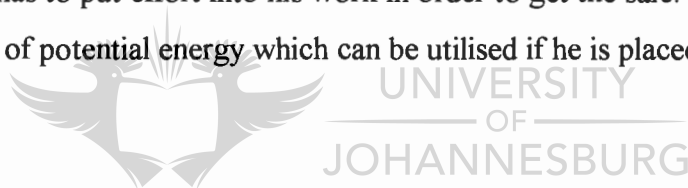
team-orientated and enthusiastic. These people get frustrated when they are unable to complete tasks even though they have given them their best effort.

- Risk Taking.

Active people are willing to take risks for the fun of it since they like excitement and frivolity and they see risk as part of a great adventure. Risk is also seen as an opportunity to grow emotionally. The outcome of the situation is less important to them than the thrill of the experience.

- Drive

Active people possess a great deal of emotional drive although they may sometimes need to have this channelled in the right direction. The active person is ambitious, and he realises that he has to put effort into his work in order to get the sale. The active person has a great deal of potential energy which can be utilised if he is placed in the correct environment.



- Stress Tolerance.

Active people can deal with stress provided it is not continuous. Under continuous pressure, active people will increase their activity level without necessarily increasing their level of work output. Active people are good at starting assignments but they can become distracted when deadlines approach. These people are candid in explaining the limitations of their temperament and for this reason they can be effectively supervised.

- Adaptability.

Active people are able to adapt socially and they are flexible in their interpersonal interactions. They are known to 'roll with the punches' and to adapt their schedules to

meet the demands of others, provided their willingness to do so is not abused. If active people feel that their willingness to accommodate others is being misused, then they will become frustrated and disgruntled. Active people want to have a reasonable chance to fit in and be appreciated by members of the group.

4.7.4 Characteristics of Passive People

- Self-esteem.

Passive people have low levels of self-esteem and they are prone to rate their abilities low, understate their qualifications, and they will perform in such a way that this is reinforced. They see themselves as middle-level functionaries but not as leaders.

- Risk Taking

Passive people prefer to try to take the risk out of situations before they embark on any activity. They make extensive plans, check lists twice, and re-analyse assumptions prior to commencing any activity. They prefer group decisions so that any potential blame can be shared. They are also not particularly interested in claiming credit for any successful operation.

- Drive

This appears to be lacking in passive people but they will be productive provided they are controlled by some outside force. Passive people prefer to work in a team environment and they do not like to initiate activities.

- Stress Tolerance

Passive people have a low tolerance to stress and they dislike ambiguity. They respond well to a set structure, defined rules and consistency.

- Adaptability

Passive people feel a great deal of compassion for others who may be experiencing some difficulty in a given situation but they themselves are not very good at adapting to change. They are scared of change and will freeze when dealing with it.

4.7.5 Characteristics of Sensitised People

- Self-esteem

Sensitised people possess a high but generally fragile amount of self-esteem. They isolate themselves from negative input but they can filter the information that they receive about themselves to such an extent that they only perceive the positive opinions. Sensitised people think highly of themselves but they are also self aware in that they realise that they are affected by contrary information and that they shut themselves from it. They know they are different (i.e. introvert and shy) but they see this as a strength and a mark of uniqueness.

- Risk Taking

Sensitised people may take intellectual risks and play games in their heads but emotionally, socially and financially they are generally quite conservative. They see little value in overtly risky behaviour especially when they can enjoy all the adventure they want in their imagination.

- Drive

Sensitised people may appear to lack drive but when they are focused on a specific issue or technical problem, they can become a workaholic. Sensitised people like to accomplish a task for the pleasure of being able to accomplish it. Money, status or power does not drive them.

- Stress Tolerance

This tends to vary from one sensitised person to the next. Under stress, sensitised people will either wilt and 'cave-in' fairly quickly to the pressure of the moment or they may demonstrate an incredible amount of personal and emotional strength. In the latter case, they will accept increasingly heavy loads of pressure and stress, and they will internalise the feelings of discomfort they are experiencing.

- Adaptability



Sensitised people can have difficulty in adapting to rapid change and their behaviour can be quite different during a change process. Under situations such as these they may accommodate to the change or they may resist and sabotage any efforts aimed at promoting change.

4.7.6 Characteristics of Aggressive People

- Self-esteem

Aggressive people believe in themselves, their purpose, and their ambitions. They tend to be very focused and goal driven. These individuals will openly describe themselves as strong-willed and they are prepared to persevere at a task in order to accomplish their goals. Their egos are firmly intact and they believe that their ways are correct.

Aggressive people suggest that their record of accomplishments will speak for themselves.

- Risk Taking

Aggressive people prefer to avoid random risk and they do not believe in gambling. These personality types will wager money on events where they are personally involved, since they feel that their inputs will have an impact on the outcome. Aggressive people try to limit risk by extensive preparation and by contingency planning. They do this in order to be able to ensure that they can cope with the various choice decisions they have to make along the way. Aggressive people are suspicious of people and events and they try to allay these feelings through planning and anticipation.

- Drive

Aggressive people are highly driven, they are focused, determined and will persevere in order to achieve their objectives. They can be seen to be overly ambitious.

- Stress Tolerance

The aggressive person has difficulty in understanding disagreements with his plan, purpose and results. He is convinced of the rightness of his approach, and although he may listen to the opinions of others, he frequently charges ahead relying only on his own perceptions. He also becomes visibly and verbally upset when there is a lack of progress in his task and he becomes increasingly demanding of his subordinates. He sees himself as living up to deadlines and he expects others to do the same.

- Adaptability

The aggressive person can adapt to change if he has to but he prefers others to accommodate him. He may demand that people follow certain routines even though they may be cumbersome and outdated. He expects people to comply with his wishes because he is the boss. The aggressive person can be charming and persuasive if he is eager to sell something but this behaviour will only last as long as it is required by the situation: then he will revert to his old self.

4.7.7 Characteristics of Compulsive People

- Self-esteem

The compulsive person holds a high, but not especially public, opinion of himself. He is not concerned with peer or organisational performance measures but is concerned with accomplishing his task within the criteria laid down by himself. He has a positive but not showy opinion of himself.



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- Risk Taking

The compulsive person will compute the odds of a given event occurring but he is not interested in placing bets. He will only place a bet if it proves the accuracy of his system.

- Drive

The compulsive person will work at his chosen pace and he will not consider the urgency of the task.

- Stress Tolerance

The low emotional levels of a compulsive person enable him to work with a constant sense of determination under even significant levels of stress.

- Adaptability

The compulsive person does not readily adapt to changing working conditions. He prefers to work on one assignment at a time even though he can change his focus from one task to another. He is not very good at working at a multitask environment.

Weitzul (1994, pp. 58, 59) states that when using the above traits to identify the appropriate individuals for professional services, the recruiter needs to understand that the relationship between and among traits begins with recognising the primary importance of the over-achiever trait. This is due to the fact that the overachiever trait acts as a separate and independent function in determining a person's behaviour style. It also influences other traits in the total pattern by acting as a switch for the other six behavioural traits. The higher the achiever trait, the more reliable and controllable is the person and his behaviour style, in that he has discipline, integrity and perseverance.

The above traits do not combine additively to form a unique behaviour style. People can have various degrees and combinations of the above traits. People can, however, be characterised by focusing on two or three traits. It should be remembered that the amount of overachiever in a person's behaviour needs to be determined prior to focusing on the other traits. An example of how the other traits given in this study can combine is now given.

Active-Passive

These two traits can combine to varying degrees in different people. The active behaviour type is recognised by an overall cheerfulness, enthusiasm for the activity he is currently engaged in, and genuine warmth for people he is presently involved with. Active-Passive people may show periods of reduced activity from time to time but they

will attempt to get the energy needed to accomplish a task to which they have been assigned.

When active-passive people lack self-control, their enthusiasm is likely to become irksome to the more serious members of the organisation. As control diminishes, these individuals will begin to show periods of moodiness and downheartedness that will impact on their overall performance. Similarly it will be found that with time, these mood swings will appear unpredictable and increasingly irksome to fellow employees. The amount of time spent on elation and depression will vary according to the individual.

Active -passive people will start the day feeling tired and barely able to meet its minimal requirements. However after some self -prodding, these individuals will become a bundle of energy and they will begin taking responsibility, and looking into projects. The active-passive is really a cyclic behaviour pattern with frequent changes in aspect showing itself at any given time.



As stated earlier, the work of Weitzul (1994) provides a good example of how personality traits can be used to identify the correct person for the task. Personality traits also provide the sales manager with an idea of how that person will react under different conditions and the type of compensation packages that will work for these people. Thus the sales manager, who knows the personality traits of his subordinates, will be able to manage them better. Weitzul (1994, p. 112) suggests that sales managers should also strive to understand themselves in terms of the personality traits that they have so that they are able to see where they differ from their sub-ordinates. This is important, because during performance appraisal, the manager needs to understand what is important to him and what is important to his subordinate in order to provide relevant feedback. An understanding of the personality traits of salespeople will also assist the sales manager to develop the appropriate compensation packages for his sub-ordinates.

4.8 PSYCHOLOGICAL TRAITS AND ABILITIES USED IN THE SELECTION OF SALESPEOPLE

Churchill et al., (1993, p. 433-435) described some of the psychological traits and abilities which were used as selection criteria for sales representatives. These traits and abilities are by no means comprehensive but they do give an indication of what has been and can be used (See Exhibit 4.2 below).

Exhibit 4.4 Categories of Psychological Traits and Abilities used as Selection Criteria for Sales Personnel.

Variable Category	Definition
Aptitude	Enduring personal characteristics that determine an individual's overall ability to perform a sales job
Intelligence	Summary measurement of mental abilities.
Cognitive abilities	Examines the specific mental processes and abilities, including mental flexibility, ideational fluency, spatial visualisation, inductive and logical reasoning, associative and visual memory.
Verbal intelligence	Mental abilities related to the comprehension and manipulation of words; verbal fluency
Math ability	Mental abilities related to the comprehension and manipulation of numbers and quantitative relationships
Sales aptitude	Enduring personal characteristics and abilities thought to be related to the performance of certain sales tasks.

Exhibit 4.4 continued

Variable Category	Definition
Personality	Enduring personal traits that reflect an individual's consistent reactions to situations encountered in the environment
Responsibility	The person is dependable, emotionally stable, punctual, adjusts well to frustration, keeps promises, follows plans
Dominance	The person takes command, exerts leadership, pushes his own ideas, wants power verses being submissive, is egotistic
Sociability	The person enjoys social activities and interaction, likes to be around people, is talkative, gregarious, enjoys attention
Self -esteem	The person is confident physically, personally, and careerwise; can stand criticism, claims to have abilities and skills, is confident of success, believes others have a positive attitude toward him/her.
Creativity/flexibility	The person is innovative, flexible, ready to entertain new ideas and ways of doing things, individualistic, tolerant toward human nature.
Need for achievement/ intrinsic rewards	The person works hard, likes to do his/her best, seeks success in competition, wants to produce something 'great,' gains satisfaction from accomplishment and personal development.
Need for power/ extrinsic rewards.	The person is motivated primarily by desires for money or advancement, has a strong need for security, desires increased power and authority.

Exhibit 4.4 continued

Variable Category	Definition
Skills	Learned proficiencies and attitudes necessary for effective performance of specific job tasks; skill can change over time with training and experience.
Vocational skills	Job and company specific skills; technical knowledge and vocabulary related to the firm's product line, knowledge of the company and its policies.
Sales presentation	Skills related to evaluating customer needs, presentation style, ability to handle objections and close the sale
Interpersonal	Skills related to understanding, persuading, and getting along with other people
General management	Skills related to organising, directing, and leading other people
Vocational esteem	Degree of liking or preference for the tasks and activities associated with sales jobs.

Source: Churchill et al., (1993)

Formal research into the relevant personal characteristics of salespeople has revealed that different types of selling situations seem to require different personality traits and abilities (Churchill et al., 1993, p. 488). One study quoted by Churchill et al., (1993, p. 488) showed that in industrial selling to institutional customers, the personality trait which appeared to impact sales performance the most was found to be self-

esteem whereas this is only partially true in the case of consumer goods selling, and in services marketing.

Another study which was quoted by Churchill et al., (1993, p. 449-451) examined the personality traits which were necessary in the industrial selling tasks of trade selling, missionary selling, technical selling and new business selling. The results obtained from this study revealed the following: -

- Trade selling.

This occurs when the salesperson is expected to give assistance to the customer in order to increase the sales volume. The products sold here are normally standardised and the aim is to get the firm's direct customer to purchase more by providing him with merchandising and promotional assistance.

In this type of selling task, long term personal relationships are important and the salesperson needs to show empathy with his customers needs. The type of salesperson in this type of selling situation tends to be more mature and experienced than those found in other areas of the industrial selling task and he must be capable of a certain amount of aggressiveness, although this not a vital characteristic.

- Missionary selling.

In this type of selling the salesperson sells to the purchasers' customers and tries to persuade them to purchase from the firm's customers. This selling task is low pressure and low key and the type of salesperson who is successful in this area is one who is a good communicator, is persuasive, energetic and articulate.

Weilbaker (1990) looked at those characteristics needed by missionary salespeople in the sale of ethical medicines. He tried to determine which selling abilities were

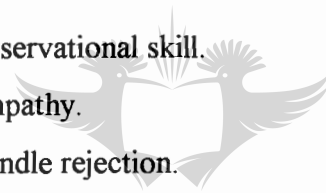
important in the sales task from the salesperson's , sales manager's and customer's point of view. The results he obtained in his study showed the following (Weilbaker, 1990, p. 52.):-

- **Abilities Common to All Parties**

- * Ability to learn.
- * Communication skill.
- * Adaptability.
- * Comprehension.
- * Interrogative skill.
- * Enthusiasm (this characteristic just made the inclusion criteria).

- **Abilities Common to Both Salespeople and Sales Managers**

- * Observational skill.
- * Empathy.
- * Handle rejection.
- * Perseverance.
- * Creativity.
- * Confidence.
- * Organisational skill.



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- **Ability Unique to the Physicians Perspective**

- * Likeability (could be a surrogate for trust)

In this study, this researcher found that 44% of all the physicians interviewed mentioned likeability as an important characteristic of missionary salespeople. It seemed that likeability made the interruption of the physicians work more pleasant

and made justification for the interruption easier. It could also as stated earlier be regarded as a surrogate for trust.

- Technical selling.

The task of the salesperson in this type of selling is to provide existing customers with technical advice and assistance in order to increase the volume of sales to them.

In technical selling the salesperson must be able to identify, analyse and solve customer problems. Technical competence and knowledge of both product and customer is important since these people must be able to discover customer problems and explain the product benefits for solving the problem. A person who performs this type of selling task must show empathy with the customer, be persuasive and aggressive when the need arises.

- New business selling.

The main area of responsibility for salespeople who are in new business selling is to seek and persuade new customers to buy from the organisation for the first time. Persuasiveness, aggressiveness, and persistence are important in this type of selling. Frequent rejection with its consequent deflation of ego is common, so that the type of salesperson who is successful at this type of selling is the older person with substantial selling experience. Younger salespeople tend to get discouraged and the turnover rate is high. Older more experienced salespeople like the challenge and independence from supervision that goes along with 'cold canvassing' potential new accounts.

Avila and Fern (1986) looked at the moderator effect of the selling situation on the personality-sales performance relationship. These researchers looked at two different selling situations, that of selling large computer systems and that of selling small

computer systems. Taking the three personality traits locus of control, planfulness and tenacity these researchers found that large system salespeople scored higher on locus of control and planfulness than small system salespeople. In terms of tenacity there was no difference in terms of these traits in the two selling situations. (Avila and Fern, 1986, p. 60. For a description of the traits used in this study see exhibit 4.3)

In terms of the moderator effects of the selling situation on the personality performance relationship it was found that when sales quotas were used to measure performance, the three personality traits were found to explain three percent of the variance if an aggregate sample was used. If the sample for large computer systems was analysed then the three personality traits could explain 36% of the variance, while 11% of the variance could be explained by these traits if the sample for small computer systems was analysed. In terms of other the other performance criteria, (a global subjective measure and the unweighted sum of seven performance criteria), the percentage variance was less dramatic but the pattern was consistent with that obtained for the quota measurement (Avila and Fern, 1986, p. 61).

In terms of the personality traits of individuals in different selling situations, it was found that among large system salespeople, planfulness and locus of control were related to salesperson quotas and the unweighted combination of managerial ratings. For small system salespersons it was found that locus of control was negatively related across all dependant measures of performance. Tenacity was the second most important predictor of performance but only in determining the per cent of quota achieved (Avila and Fern, 1986, p. 61).

The results obtained in this study seem to suggest that different success traits may be required for different selling situations. As Weitzul (1994) suggests, using personality traits to select sales staff should be preceded by the determination of the selling tasks

required of the salesperson. Once this has been done, the success traits of salespeople need to be determined prior to selection of personnel.

Exhibit 4.5 Definitions of locus of control, planfulness, and tenacity.

Personality trait	Trait Descriptions
Locus of Control	Refers to the extent a person feels he is in control of his destiny. People who feel they have control over their lives are known as internals while those who believe in fate, chance or luck are known as externals.
Planfulness	These are people who do things according to a preconceived plan or routine. They do not like ambiguity or uncertainty about the future. The converse refers to people who do not like to do things the old way; they act impulsively and spurn rules and regulations.
Tenacity	Refers to not wanting to let go. A tenacious person is strong willed and does not accept failure. Success is viewed simply as a matter of will-power and these people see themselves as usually getting what they go after.

Source: Avila and Fern, 1986, p.55

Ingram, Schwepler, and Hutson (1992, p. 227) carried out a study in which they tried to determine why salespeople failed in their sales task. These researchers asked sales executives to state which factors they thought contributed to salesperson failure. The results obtained showed that the factors that were thought to contribute the most to the failure of salespeople were: -

- Poor listening skills.
- Failure to concentrate on top priorities.
- A lack of sufficient effort.
- Inability to determine customer needs.
- Lack of planning for sales presentations.
- Inadequate product/service knowledge.

The results obtained by these researchers showed that these were factors which management could influence through training and motivation, since salespeople could for example be trained to be better listeners.

Leigh and McGraw (1989) attempted to determine the procedural knowledge structures which successful salespeople possessed since this was thought to have an impact on their ability to succeed in their sales tasks. Weitz, Sujan and Sujan (1986, p. 176.) emphasise the importance of salesperson knowledge in terms of specific selling situations and the behaviours relevant to each of these. Szymanski (1988, p. 65.) suggests that customers have desires and wants in relation to each aspect of the selling process. For example a customer may desire a short sales presentation due to the fact that he has little discretionary time. A long sales presentation in situations such as these will have a negative impact on the buyer. Szymanski (1988, p. 65.) suggests that failure to consider and evaluate the customer's sales process needs will lessen the probability that the sale will take place. Weitz, et al., (1986, p. 185) suggested that the salesperson's skill at obtaining customer information also impacted on their ability to perform well. These researchers hypothesised that experienced, effective salespeople had sophisticated knowledge structures which enabled them to categorise selling situations more effectively and efficiently on the basis of similarity to other recalled sales situations. Once a particular selling situation was categorised, these individuals were then able to apply the appropriate activities and behaviours relevant to that particular selling situation. Szymanski (1988, p. 65.) suggested that effective salespeople may organise their knowledge structures in the brain differently to individuals who were not so successful. He suggested on page 68, that the declarative and procedural knowledge of salespeople may differ among salespeople showing different performance levels. Declarative knowledge is defined as "*the set of situational cues that enable a salesperson to recognise or classify a particular selling situation.*" For example a sales person may decide that a buyer is task orientated (Leigh and McGraw, 1989 p. 17). Procedural knowledge on the other

hand is defined “*as a set of learned behavioural routines that fit the various selling situations*” (Leigh and McGraw, 1989, p. 17).

Szymanski (1988, p. 68.) suggests that the information which is stored under each category in the brain is done in a linear hierarchical fashion from the most important to the least important. Incoming information that is structured in a similar way to the stored information is easier to comprehend and to categorise in the brain. It also facilitates learning and it enables the salesperson to determine the appropriateness of his classification for a particular selling situation. This researcher suggests that it is the ability of salespeople to accurately perform these identifications and classifications, which distinguishes an effective sales representative from a non-effective one.

Leigh and McGraw, (1989, p. 18) tried to determine the sales goals and generic scripts of experienced, effective industrial salespersons. These scripts are abstract knowledge structures that give meaning to typical sales situations and they provide the typical activities that fit in with those situations. In other words, these scripts represent mini theories on “how to sell” with the generic activities and rules to combine them included in the script.

In the study by Leigh and McGraw (1989), generic scripts for four different sales situations were developed. These situations were: -

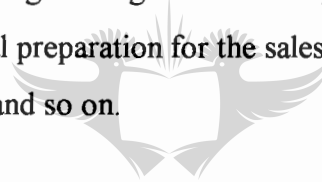
- An initial sales call.
- A follow up sales call.
- A regular sales call.
- An “out supplier” sales call where this was described as a potential customer who was rumoured to be unhappy with his current vendor.

Leigh and McGraw, (1989 p. 21) found that successful salespersons, that made an initial sales call on a major potential client, performed behaviours that followed a relationship selling approach. Initial sales calls were used to: -

- Acquire and verify information.
- Create favourable impressions.
- Identify buying centre constituents.
- Evaluate the likelihood and potential sales opportunity.
- Open the possibility of future meetings.

The planning call script in this instance was weak. It had common activities associated with it but no essential sequence structure. The activities mentioned include: -

- Information gathering both internally and externally.
- The actual preparation for the sales encounter such as getting the relevant literature and so on.



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In terms of the initial sales call interaction script, this was a strong script in which there was content and sequence associated with it. The script was found to have the following content and sequence: -

- Look at the buyer and smile.
- Exchange greetings.
- Personal introductions.
- Shake hands
- Invitation to office.
- Exchange business cards.
- Seating ritual.
- Small talk.

- Thank buyer for the appointment.
- Transition to meeting purpose.
- Discuss and modify meeting agenda.
- The client's or the organisation's history
- The buyer's/ salesperson's professional background.
- The buyers experience with the supplier.
- The supplier organisation's background.
- Purchasing protocols and rules
- Key needs and expectations by the purchaser in term of the supplier.
- Current problems being experienced by the client
- Specific products and services needed.
- Potential supplier's literature is handed over.
- Members of the buying centre are identified
- A discussion of the follow-up visit
- A date and time is set for the follow-up visit
- Ritualistic "thank yous" then take place.

In terms of a follow-up sales call to a major client, the sales call objectives and interaction script were found to be as follows (Leigh and McGraw, 1989, pp.23-24).

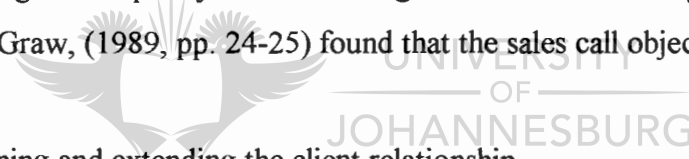
Sales objectives: -

- To offer a specific product or service.
- To make sure all questions were answered.
- To obtain approval for a product or service.
- To build a strong relationship.

The follow up sales call interaction script consisted of the following (Leigh and McGraw, 1989, pp.23-24): -

- An exchange of greetings with the participants.
- Introduction of meeting participants.
- A discussion on the purpose of the meeting and its agenda.
- A sales presentation with all its associated activities.
- Probing by the salesperson to identify client needs, interests and priorities.
- A discussion on the products and services which could meet these needs
- A discussion on cost savings and pricing.
- Ask for the business.
- Ask the client questions and concerns
- Offer/set up visit to company office site.
- Summarise meeting.
- Identify actions to take place and time frame.
- Thank participants and exchange goodbyes.

When examining the script objectives for a regular sales call on a major current client, Leigh and McGraw, (1989, pp. 24-25) found that the sales call objectives were: -

- 
- To maintaining and extending the client relationship
 - To identifying new opportunities
 - To renew the relationship and rapport with the buyer.
 - To follow-up on unfinished business
 - To introducing new product ideas.
 - To demonstrating excellent service.
 - To attempting to get an order for or an evaluation of a new business concept.

The regular sales call interaction script was found to be as follows: -

- The ritualistic personal exchange.
- Transition to business topics beginning with a discussion on the agenda

- A discussion on the unfinished business of the previous meeting.
- Back order or delivery problems discussed.
- Current needs or problems experienced by the client identified.
- Status on past product proposal or problem commented on.
- Solutions to current or needs problems discussed.
- Review game plan to be presented to department heads
- Identify and discuss new product or service ideas
- Visit special departments.
- Attempt closing on product evaluation or trial
- Discuss key decision-makers to be contacted.
- Small talk.
- Schedule follow-up sales call time
- Thank for time and co-operation
- Goodbyes.

The regular sales call planning script was found to be as follows: -

- Review and update current file
- Review last sales call.
- Check follow up activities.
- Contact customer service to assess any account problems.
- Order/review related account reports.
- Check for back order problems.
- Assess credit status/problems.
- Resolve account problems.
- Make necessary appointments.
- Contact manufacturer representatives for involvement
- Adjust schedule as necessary
- Select new product to show

- Obtain samples, literature etc.
- Review/study products if necessary.
- Develop pricing for products
- Prepare and think through presentation
- Confirm appointments.

The Out-Supplier Sales Call. (Leigh and McGraw, 1989, pp. 25-26)

This was described as a situation in which the business of a company not currently a customer was rumoured to be potentially available because of dissatisfaction with the current supplier. In this instance the sales call objectives were: -

- Establishing the vendor company as a potential supplier.
- Confirming the rumoured dissatisfaction.
- Asking for an order or commitment.
- Identifying specific reasons for client dissatisfaction.
- Presenting an organised plan to meet the clients objectives.
- Demonstrate willingness to service the client.

The out-supplier sales call script included the following planning activities:-

- Attempting to confirm the rumour.
- Trying to get the sales managers involved.
- Contacting purchasing personnel for a meeting.
- Determining the nature and severity of the dissatisfaction.
- Planning how to approach the account.
- Determining if the vendor's capability will meet the client's needs.
- Setting goals and strategy for approach.
- Preparing a specific sales presentation.

The interaction script for the out supplier includes activities such as: -

- A personal meeting with the purchasing agent and key decision-makers where the salesperson will probe for information on the rumour.
- identifying client needs
- express a desire for the business
- Stress vendor and product strengths

The script closes with an offer for a site visit, a product trial and/or follow-up meeting arrangements

The results of this study reveal that in industrial selling impression management skills, the ability to make transitions between social and business agenda, general communications facility, understanding social facility and leave taking and relationship management may have considerable impact on sales effectiveness and efficiency. (Leigh and McGraw, 1989, p. 31)

The results of the research of Leigh and McGraw (1989) have been described in great detail due to the fact that Weitz et al., (1986, p. 175) suggest that the knowledge structures of salespeople influences their ability to practice adaptive selling. Adaptive selling is defined as *“the altering of sales behaviours during customer interactions or across customer interactions based on perceived information about the nature of the selling situation.”* Weitz et al (1986, p. 176) suggest that in order to practice adaptive selling effectively, salespeople need elaborate knowledge structures of sales situations, behaviours and contingencies that link specific behaviours to situations. It is also suggested that salespeople need to be skilful in collecting information about customers so that they can relate this to previous sales situations. Research into the performance of salespersons has shown that adaptive selling can be effective in situations where larger orders are placed if the salesperson tailors his presentation to each customer’s needs. (Weitz et al., 1986, p. 186)

4.9 SUMMARY

This chapter on the impact of the personal characteristics of salespeople on their performance was designed to give an in-depth view of what personality traits are, their significance in terms of salesperson identification for recruitment purposes and their impact on sales performance and salesperson retention. This chapter began with a brief discussion on the importance of personality traits in the identification of the right person for the organisation and it continued to describe the characteristics of personality. It was shown that personality is consistent and enduring and in certain instances it can be changed. These characteristics are important for the identification of individuals and for training purposes as well, since people can be taught to exhibit more of those characteristics which are important in the sales task.

Once the characteristics of personality had been discussed, the next topic was the impact of personality traits on performance. It was shown that the percentage variance in performance accounted for by a person's personality traits could be up to 3%. However it was also shown that this variability could increase by virtue of the fact that some traits could be influenced through training. The percent of variance in salesperson performance explained by various personal factors was also given in this chapter. This was done in order to show the variety of personal factors that had an impact on performance.

The use of personality constructs and questionnaires in the recruitment of individuals and their use as predictors of performance was discussed next. In this section it was seen that personality questionnaires are seen in a negative light by potential candidates even when appropriate and relevant explanation for their use are given. It was also shown in this section that certain personality traits can be used to predict performance particularly if the correct traits are identified. This was illustrated to be true by an in-depth discussion of the traits which affect a salesperson's performance. An in-depth description of the work of Weitzul was given in order to illustrate how

personality traits and constructs could be used to identify the correct candidate for an organisation.

In this chapter it was also shown that various types of selling required different personalities and these were discussed in terms of trade selling, missionary selling, technical selling and new business selling. The work of Avila and Fern (1986) was discussed in detail in order to show the moderator effect of the selling situation on the personality-sales performance relationship. This discussion was followed by a look at the knowledge structures and content of successful salespeople since this was believed to reflect the personality traits of individuals. Weitzul (1994, p. xiii.) considers personality traits such as an individual's intelligence, technical knowledge, temperament and interpersonal characteristics as important.



CHAPTER 5

RESEARCH METHODOLOGY AND RESEARCH DESIGN

5.1 INTRODUCTION

In chapters two, three and four of this study, the objective was to give a description of the published research that had been undertaken in the areas of market orientation, salesperson performance and motivation, and salesperson's personality traits. This chapter, on the other hand, describes the procedures used in the empirical research phase of this study. It looks at the type of sampling method used and the reasons for doing so. It discusses the size of the sample and looks at the types of questionnaires that were used in this study. Reasons for the use of these particular questionnaires will also be given.

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The empirical component of this research focuses on the chemical industry. The chemical industry in South Africa includes those organisations that are involved in supplying all base and raw material products including gases, fanning extracts, prepared pigments, colours, and organic chemicals. Manufacturers of proprietary chemicals for specialised industries as well as the petroleum industry also fall under this category. Manufacturing organisations that produce chemical products are also included.

This study was carried out in the areas surrounding Gauteng in South Africa due to the fact that the personality trait questionnaire had to be personally administered and organisations located in this region were accessible to the researcher. Some of the respondents in this study came from other regions in South Africa and they were accessible to the researcher due to the fact that they had to attend a sales meeting.

Salespeople in the chemical industry were selected for this study due to the fact that selling in these markets requires different skills to those found in retail selling. In industrial selling the products and services sold by salespeople operating in these markets tend to be more expensive and technically complex than those in retailing. Similarly, industrial customers tend to be larger and to engage in extensive decision making processes involving many people. Consequently the activities and skills needed to sell to the industrial chemical markets tend to be different to those of retailing selling (Churchill et al., 2000, p.59). People in industry selling often need a variety of analytical skills in order to accomplish their jobs effectively. Sales representatives in the chemical industry often have to identify and obtain business from new customers as well.

The sample used in this study (see paragraph 5.4) consisted of people who were involved in sales in the chemical industry. The majority of the respondents identified themselves as salespeople although some sales managers and a director of a company were included in this study. The sales managers and the director were included due to the fact that they were intimately involved with their companies' sales activities and they identified themselves with the salespeople working for the organisation.

5.3 QUESTIONNAIRE CHOICE

In this study two different questionnaires were used in order to determine the market orientation of the firm and the personality trait profile of the salesperson. These two questionnaires will be discussed in more detail.

5.3.1 Market Orientation Questionnaire

The market orientation of organisations used in this study was measured using Narver and Slaters' Market Orientation questionnaire. Narver and Slater (1990, pp.20-21) state that in order for an organisation to achieve above average returns it must create sustainable competitive advantage and it can only do this if it creates and maintains a culture that will produce the necessary behaviours. The organisational culture that will

achieve this is one that is market oriented, in other words market orientation is the organisation culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers.

Narver and Slater go on to say that a market oriented seller understands that creating desired benefits for the customer requires the organisation to constantly examine different sources of sustainable competitive advantage in order to see how it can create sustainable superior value for its present and future target market. In order to maximise long term performance the organisation must build and maintain a long run, mutually beneficial relationship with its buyers and it can do this if it is market oriented (Narver and Slater, 1990, p.21).

Narver and Slater's market orientation questionnaire measures three behavioural components, namely a customer orientation, a competitor orientation and an interfunctional co-ordination component. The customer and competitor orientation component measures those activities involved in acquiring information about buyers and competitors in the target market and disseminating it throughout the organisation. The interfunctional co-ordination component is based on the customer and competitor information and it consists of the total organisation's co-ordinated efforts to create superior value for the customer (Narver and Slater, 1990, p.21).

The customer component of market orientation focuses on understanding one's customers in order to be able to continuously create superior value for them. A customer orientation requires an in-depth understanding of the buyers value chain both currently and in the future (Narver and Slater, 1990, p.21).

A seller can create value for a customer in two ways, namely:

- Increasing the benefits offered to the customer
- Decreasing the customer's total acquisition and use costs

A seller also needs to understand not only the cost and revenue dynamics of its immediate target buyer firms but also the cost and revenue dynamics facing the buyer's buyers, from whose demand the demand of the immediate market is derived. The seller therefore needs to understand all the influences that impact on all levels of the channel (Narver and Slater, 1990, p.21).

The customer component of market orientation measures the following dimensions (Narver and Slater, 1990, p.24):

- Customer commitment
- Creating customer value
- Understanding customer needs
- Customer satisfaction objectives
- Measuring customer satisfaction
- After sales service

The competitor component of market orientation evaluates the seller's understanding of the short term strengths and weaknesses and long term capabilities and strategies of both current and potential competitors. The analysis of current and potential competitors must include the entire set of technologies capable of satisfying the current and expected needs of the sellers' target market (Narver and Slater, 1990, pp.21-22).

The competitor component of market orientation measures the following (Narver and Slater, 1990, p.24):

- The degree to which salespeople share competitor information
- The speed of the organisation's response to competitor actions
- Top managers' willingness to discuss competitor strategies
- Target opportunities for competitive advantage

The interfunctional co-ordination component of market orientation measures the following (Narver and Slater, 1990, pp.24, 31):

- The degree to which information is shared amongst the various functions
- The willingness of top managers from various functional departments to visit the organisation's customers
- The integration of different functional activities in strategy development and implementation
- The willingness of all functional departments to create value for the customer.

The section of the questionnaire that measured the degree of market orientation consisted of 14 questions with a rating scale from one to seven. Four of the questions in this section of the questionnaire measured the competitor orientation component, six questions measured the customer orientation component and four questions measured the interfunctional co-ordination component. Narver and Slater (1990, pp.23-26) had tested the market orientation questionnaire for face and construct validity as well as for reliability.

The market orientation questionnaire also included a biographical section where respondents were asked to answer a number of questions on:

- The type of qualification they possessed
- The type of marketing courses they had done
- The number of years they had worked in selling excluding those in the organisation they were currently employed in.
- The number of years they had been employed in a non-selling position
- The number of years they had been employed in selling in the organisation they currently worked for.

These questions were asked in order to gain more insight into the type of respondent that was used in this study (See the appendix for a sample of the questionnaire).

5.3.2 Occupational Personality Questionnaire

The Occupational Personality Questionnaire (OPQ5.2) used in this study was one provided by SHL South Africa. This questionnaire is based on a deductive model of personality and it can be used to give a self-report measure of a person's typical ways of behaving (Saville and Holdsworth, 1993, p.2) The definition of personality on which the OPQ is based is that personality is concerned with a person's typical ways of behaving, thinking and feeling. (Saville and Holdsworth, 1993, p.4)

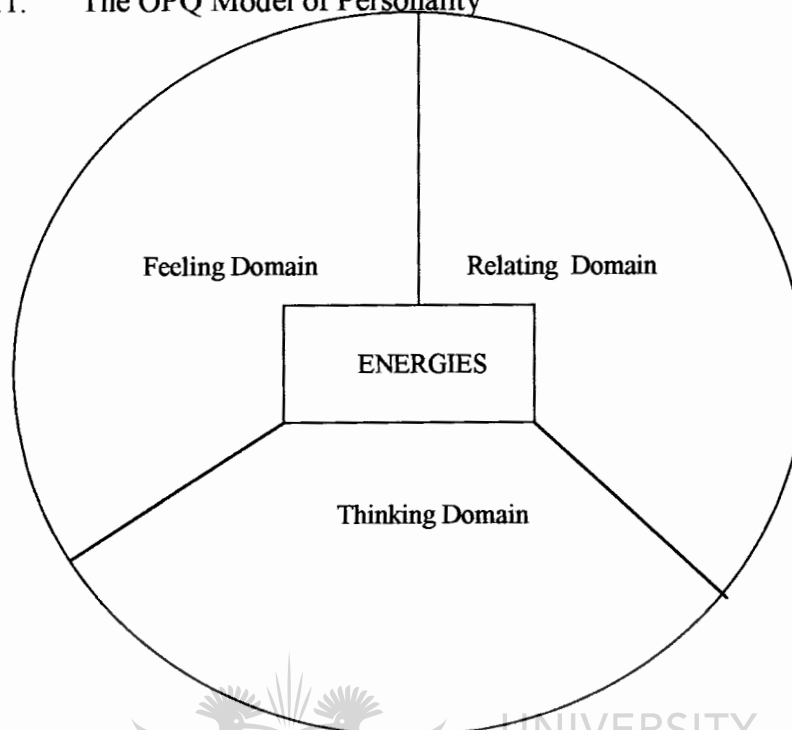
The structure of the OPQ model of personality includes the following three broad domains:

- Relationships with people – the relating domain that measures such characteristic traits as assertiveness, outgoingness and empathy
- Thinking style reflects how people typically think and this is known as the thinking domain. This domain evaluates traits such as conservatism, abstract thinking and detail consciousness.
- Feelings and emotions fall under the Feeling domain and include traits such as anxiety, tough-mindedness and optimism.

Potentially there may be a fourth area – the Energies Domain – characterised by traits such as active, competitive, and decisiveness. However the Energies domain impinges upon the three other domains. For example, one of the implications of competitive drive might be the wish to put others down and decisiveness is clearly related to thinking style. Moreover, traits like the need for affiliation (relating domain) and the need for change (thinking domain) can themselves be seen as energies (Saville and Holdsworth, 1993, p.4).

The OPQ model of personality is illustrated in the diagram (Fig. 5.1) below:

Figure 5.1. The OPQ Model of Personality



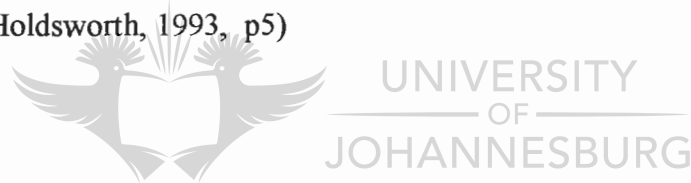
Saville and Holdsworth Ltd. 1993, P.4

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The definition and structure of personality that has been described by Saville and Holdsworth (1993, pp.4-5) is based on the following assumptions:

- People vary in their behaviour and this can be shown and measured.
- The differences in human behaviour are consistent to a great extent. In other words, behaviour has a certain stability around a value that depends upon many interacting variables such as the situation and the biological state of the individual. Personality can change and yet be consistent in certain areas. Peoples' behaviours can vary on a day to day basis but there will be certain behaviour styles, which some individuals will find difficult to adopt. Individuals who have difficulty in adopting behaviour styles in their jobs will find it difficult to maintain these behaviours over a long period of time. Therefore in the occupational context, personality can be seen as ability as much as an emotional construct.

- In terms of the nature-nurture question³, the OPQ approach is interactionist, in other words behaviour is an interaction between environmental and constitutional influences. The environment potentially influences all behaviour but constitutional differences can obviously be responsible for those of similar background behaving in different ways. Influences that are more constitutional than environmental are the genetic, physiological and hormonal.
- This model also takes into account the importance of a person's inner experience of 'self' in understanding personality. Whilst certain behaviour (e.g. reflexes) may be understandable as stimulus-response chains, more complex behaviours have to take into account the "self" or "self-concept"
- People can also be seen as being proactive to varying degrees rather than merely reactive. The need to act can result as much from negative as well as positive motivations, for example the need to reduce stress. It is also believed that although personality is complex, it can be studied and ultimately understood.
(Saville and Holdsworth, 1993, p5)



³ The nature-nurture refers to whether you are born with the personality trait characteristics or you develop them throughout life through your experiences

Table 5.1 The dimensions of personality measured by the OPQ.

Domains	Trait Characteristic	Scale Title	Scale Descriptions	
Relationships with people	Assertive	Persuasive	Enjoys selling, changes opinions of others, convincing with arguments, negotiates	
		Controlling	Takes charge, directs, manages, organises, supervises others.	
		Independent	Has strong views on things, difficult to manage, speaks up, argues	
	Gregarious	Outgoing	Fun loving, humorous, sociable, vibrant, talkative, jovial	
		Affiliative	Has many friends, enjoys being in groups, likes companionship, shares things with friends	
		Socially confident	Confident with strangers, likes to put others at ease	
		Empathy	Modest	Reserved about achievements, avoids talking about self
		Democratic	Encourages others to contribute, consults, listens and refers to others	
		Caring	Considerate to others, helps those in need, sympathetic, tolerant	
		Practical	Likes repairing and mending things, enjoys using hands	
Thinking Style	Fields of Use	Data Rational	Likes to work with data, operates on facts, enjoys assessing and measuring	
		Artistic	Appreciates culture, sensitive to the visual arts and music	
		Behavioural	Analyses thoughts and behaviour, psychologically minded, likes to understand people	
		Traditional	Preserves well proven methods, prefers the orthodox, disciplined, conventional	
		Change orientated	Enjoys doing new things, seeks variety, prefers novelty to routine, accepts change	
		Conceptual	Theoretical, intellectually curious, enjoys the complex and abstract	
		Innovative	Generates ideas, shows ingenuity, thinks up solutions	

Table 5.1 continued

Domains	Trait Characteristic	Scale Title	Scale Descriptions
Thinking Style	Structure	Forward planning	Prepares well in advance, enjoys target setting, forecasts trends, plans projects
		Detail conscious	Methodical, keeps things neat and tidy, precise, accurate
		Conscientious	Sticks to deadlines, completes jobs, perseveres with routine, likes fixed schedules
Feelings and Emotions	Anxieties	Relaxed	Calm, relaxed, cool under pressure, free from anxiety, can switch off
		Worrying	Worries when things go wrong, keyed up before important events, anxious to do well
	Controls	Tough minded	Difficult to hurt or upset, can brush off insults, unaffected by unfair remarks
		Emotional Control	Restrained in showing emotions, keeps feelings back, avoids outbursts.
		Optimistic	Cheerful, happy, keeps spirits up despite setbacks
		Critical	Likes probing the facts, sees the disadvantages, challenges assumptions
	Energies	Active	Has energy, moves quickly, enjoys physical exercise, does not sit still
		Competitive	Plays to win, determined to beat others, poor loser
		Achieving	Ambitious, sets sights high, career centred, results orientated
		Decisive	Quick at reaching conclusions, weighs things up rapidly, may be hasty, takes risks
		Social Desirability Response	Has tended to respond in a socially desirable way

(Saville and Holdsworth, 1993, pp 5,6)

5.4 SAMPLING

Sampling was used in this study because the entire population in this instance is too large and too dispersed to survey in totality.

5.4.1 Sample Design

The members of a sample can be selected using either a probability or non-probability basis (Emory and Cooper, 1994, p. 244). Probability sampling is based on “*random selection*” which consists of “*a controlled procedure that assures that each population element is given a known non-zero chance of selection.*” In other words everyone in the population has an equal and known chance of being selected into the sample. In the case of non-probability sampling, the selection of individuals in the sample is non-random.

In this study non-probability sampling was used due to the fact that the researcher had to have access to the respondents since the personality trait questionnaire had to be personally administered.



5.4.2.1 Forms of Non-Probability Sampling

There are three main forms of non-probability sampling. These are convenience, purposive and snowball.

- Convenience sampling
- In this type of sampling there is no sample design. The choice of respondents is left entirely to the interviewer and it may take the form of interviewers questioning people as they encounter them or it may involve the use of multiplicity sampling where one respondent provides the names of potential respondents (Blankenship and Breen, 1992, p. 172).

- Purposive sampling

A non-probability sample that conforms to certain criteria is called purposive sampling. There are two main types of purposive sampling, judgement sampling and quota sampling. (Emory and Cooper, 1994, p 275; Blankenship and Breen, 1992, p. 172)

a) Judgement sampling

In this instance the researcher handpicks sample members that conform to some criterion. For example the mall interviewer is asked to select young chic women for questioning. In this instance the interviewer must be told what 'chic' represents and what young represents (Emory and Cooper, 1994, p. 275)

b) Quota sampling



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Quota sampling is used when the researcher wants to ensure that the sample is representative of the population from which it is drawn. Here the researcher starts with knowledge of how the universe is divided by strata and the investigator fills the cells so that the representative sample is obtained. The reasoning behind quota sampling is that certain relevant characteristics describe the dimensions of the population. If the sample has the same distribution on these particular variables, then it is reasoned that it is likely to be representative of the population with regard to other variables on which we have no control (Emory and Cooper, 1994, p 275; Blankenship and Breen, 1992, p. 172)

The weaknesses of quota sampling (Emory and Cooper, 1994, pp. 276, 277)

- * The belief that quotas on some variables assume representativeness on others is an argument by analogy. It gives no real assurance that the sample is representative on the variables studied.
 - * The data used to provide controls may be out of date or in some other way inaccurate.
 - * The practical limit on the number of simultaneous controls that can be applied may not allow the quota to be precise enough.
 - * The choice of subjects may be left to the field workers who make the judgmental basis. For example field worker may only select friendly people.
- Snowball sampling

Respondents in this instance are located through referral networks. Initially a number of individuals are discovered and these are then used to locate others who possess similar characteristics and who, in turn identify others. The “snowball” gathers respondents as it rolls along (Emory and Cooper, 1994, p 275)

In this study a combination of convenience and multiplicity sampling was used due to the fact that it was extremely difficult to get sales managers to agree to have access to their salespeople. Similarly some salespeople once they were spoken to, were unwilling to fill in the questionnaires while others were extremely helpful and gave the researcher the names of other salespeople for the researcher to contact.

The method used by the researcher to get in touch with sales managers and sales people was to contact chemical organisations (that the researcher knew) by phone and then to ask the receptionist if the researcher could speak to the sales manager or marketing/managing director of the company. If sales managers were contacted, the researcher would then explain the purpose of the research and would ask the sales

manager if the researcher could have access to the salespeople after a meeting. This was done to ensure that the questionnaire was administered to a number of people simultaneously and it also gave the researcher access to appropriate facilities. Early in the research it was discovered that the number of salespeople an industrial chemical organisation had operating in an area was small and therefore it was more effective to administer at a sales meeting when all the potential respondents were present. In the case of some of the mining company suppliers it was easier to travel to certain branches and to administer the questionnaire there since the number of salespeople warranted this travel.

If the researcher was able to contact the director of a company and get his co-operation, it was found that in some instances access to salespeople was facilitated. The problem with this strategy was first of all to get in touch with the right person, then to be able to actually talk to him or her, since these people were extremely busy and were often out of the office.

If the sales manager agreed to give the researcher access to his subordinates, he would then provide a date and a time whereby the researcher could administer both questionnaires to his sales team. Sometimes salespeople who had been spoken to at the meeting would refuse to fill in the questionnaires. The impression gained was that people felt that they were exposing their character or personality to a stranger even though it was pointed out to them that the results would be analysed anonymously and would be aggregated in the analysis process.

One of the problems encountered in this study is that salespeople in the chemical industry are only required to come to meetings about once a quarter since sales managers feel that salespeople need to be out selling as much as possible. As a result gaining access to salespeople becomes more difficult because should something else occur that was regarded as more important for the meeting then access to the salesforce was denied.

Getting in touch with the appropriate sales managers can also be a problem due to the fact that many sales managers are often out of the office assisting their salespeople in the field. This means that a number of phone calls have to be made before one can get in touch with the appropriate individual. Leaving messages to phone back are not very effective due to the fact that the sales manager does not know the researcher and he/she often does not return the call. Sometimes one is able to get in touch with the appropriate person but then the researcher is asked to phone back in a couple of weeks and then the whole cycle starts again with just trying to get in touch with the sales manager.

5.4.2 Population Parameters

The people who participated in this study included mostly salespeople and sales managers/directors who were involved in the selling process in industrial chemical companies. Salespeople who had been working for the company for at least one month were asked to fill in the questionnaire, although most of the respondents had been working with the company for a much longer period of time.

Industrial salespeople were chosen for this study because they are responsible for identifying new accounts and servicing existing customers. They also need to have some degree of technical competence and some customer problem solving capability in order to satisfy customer needs.

5.5 DATA COLLECTION

This was usually done after a sales meeting, whereby the researcher would go to the organisation and personally administer the two questionnaires to the people present at the meeting. This had to be done due to the fact that the OPQ had to be personally administered by the researcher.

The data was collected from organisations in the Gauteng province of South Africa although people from other provinces participated in the study when they came to Gauteng for a sales meeting.

5.6 ANALYSIS OF DATA

The data that was obtained was analysed using a variety of methods. The methods that were used in this study will be described in more detail below.

5.6.1 Market Orientation

The market orientation construct is one-dimensional and it consists of three behavioural components, namely a customer and competitor orientation component and an interfunctional co-ordination component. These three components of market orientation are regarded as being equally important and therefore they are given equal weights in the calculation of market orientation (Narver and Slater, 1990, pp.22-23, 26).

The market orientation value for an organisation is calculated by taking a simple average of the sums of scores of responses on the three components of market orientation (Narver and Slater, 1990, p.26).

5.6.2 Evaluation of the Personality Trait Profile of Salespeople

The OPQ5.2 questionnaire used in this study measured 31 dimensions of personality that were used to measure nine personality traits (Please see table 5.1 on pages 225-226). In order to calculate the values for each personality trait, the average scores for each dimension was used to give an indication of the dominance of that trait.

5.6.3 The Perceived Level of Market Orientation and its Impact on the Personality Trait Profile of Salespeople

A Pearson's Product Moment Correlation was used to determine if there was any correlation between the perceived level of market orientation by the salesperson and his personality trait profile. P values less than 0.05 indicated that there was a correlation between the perceived level of market orientation and the trait under consideration.

5.6.4 Determination of a Salesperson's Dominant Customer or Competitor Orientation

As stated earlier in this study, the OPQ5.2 questionnaire measures 31 dimensions of personality. In order to reduce the dimensionality of the data obtained from the OPQ, a statistical technique known as Principal Axis Factoring using Direct Oblimin (Oblique) Rotation was used. This method yielded 8 factors that were then named according to the personality dimensions that make up each factor.

The next step in this analysis involved taking the maximum score of either the customer or competitor dimension of market orientation as perceived by the respondent. Respondents were then classified as being dominantly competitor or customer oriented depending on which dimension had the maximum score.

This result was then used to determine whether one could predict whether the respondent had a dominant customer or competitor orientation based on his/her scores on the eight factors. Logistic regression with the most dominant orientation (customer or competitor as the dependent variable and the eight factors as explanatory (or independent) variables was used in a stepwise procedure.

5.7 SUMMARY

In this study two questionnaires were used. Narver and Slater's questionnaire was used to measure salespeople's perceptions of their firm's level of market orientation while the other, the OPQ 5.2 developed for and used by SHL South Africa was used to measure nine different personality traits using thirty dimensions of personality.

The respondents in this survey were people involved in the selling of industrial chemicals, although the majority of the respondents identified themselves as salespeople.

The perceived market orientation of the organisations hiring the respondents was calculated using an average of the sums of the scores obtained for all three dimensions. The correlation between the perceived level of market orientation and personality trait profile of salespeople was done using A Pearson's Product Moment Correlation. The dominant respondent customer or competitor orientation was determined by first reducing the dimensionality of the data using Principal Axis Factoring using Direct Oblimin (Oblique) Rotation. The resultant eight factors were then named and a logistic regression was done using the most dominant orientation as the dependent variable and the eight factors as the explanatory (or independent) variable.

In the following chapter, the data obtained from this study will be summarised and presented. The results of a statistical analysis on the data will also be given.

CHAPTER 6

DATA ANALYSIS AND INTERPRETATION

6.1 INTRODUCTION

The previous chapter focused on the methodology used in this study. The two questionnaires used were, in the one instance derived from the work of Narver and Slater (1990) while the other was one used by SHL South Africa and is known as the OPQ5.2. Narver and Slater's questionnaire enables one to measure the perceived level of market orientation in organisations while the other measures the personality traits of individuals. Both questionnaires have been tested for reliability and validity.

The type of sampling method used in this study was a combination of convenience and multiplicity sampling due to the fact that it was extremely difficult to get access to salespeople and the OPQ questionnaire had to be administered personally.

The results obtained from the data collection process will now be discussed in this chapter in terms of: -

- The demographic characteristics of the respondents in this study
- The market orientation survey
- The correlation between market orientation and the personality traits of salespeople
- The ability of the researcher to predict whether a salesperson has a customer or competitor orientation.

6.2 SUMMARY OF THE DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

This section of the study focuses on the type of response that was obtained from the sample and it also discusses the demographic characteristics of the respondents. The demographic characteristics of the respondents is displayed in table 6.1 page 252

Since the researcher was personally present at the time the questionnaire was administered the response rate was quite good with a total of seventy-nine responses altogether. One of the respondents was left out due to the fact that he had only been working for the organisation for a few days and it was felt that he would not have had time to really understand the culture of the organisation. It should however be remembered that some people (not many) did not fill in the questionnaires even after they had spoken the researcher.

The number of organisations that participated in this study numbered fourteen, although it should be remembered that some of these had a number of separate divisions which the researcher had to call on at different times. This was due to the fact that these divisions operated independently. Some of the organisations in this sample produced various types of solvents, lubricants, plastics, organic chemicals and explosives while others were involved in water treatment.

Some of the respondents in this study did not fill in the questionnaires completely and it is for this reason that in the statistical data one sometimes sees different values for N. The number of respondents that did this were three

In terms of the demographic characteristics of the respondents, one can see from the results that are shown on table 6.1, ninety one percent of the sample was male while nine percent was female. The majority of respondents (76,9%) had a tertiary qualification either in the form of a degree(s) or diploma/certificate. The majority of the respondents were English speaking (62,8%), while the remaining respondents were mostly Afrikaans speaking (33,3%). A few of the respondents spoke other

Table 6.1 Summary of the Demographics of the Respondents

Gender	%
Males	91
Females	9
Race	
White	87,2
Asian	5,1
Coloured	3,8
African	3,8
Qualifications	
Grade 12/ Matric	23,1
Certificate/diploma	47,4
One degree	20,5
More than one degree	9,0
Language	
English	62,8
Afrikaans	33,3
Other	3,9
No of years employed by the organisation	
0-0,5	11,5
1-3	46,2
4	6,4
5-9	11,5
10	7
11-47	16,7

6.3 MARKET ORIENTATION RESULTS

In this section, the different levels of market orientation as perceived by the respondents will be labelled and given. The average values for each of the dimensions of market orientation at the different levels will also be shown and discussed. The ranges for the scores of the three behavioural components will also be given in order

to give some indication of the variety of scores that was obtained. This issue will be discussed in more detail later on.

The market orientation results obtained in this study are displayed in table 6.2. As can be seen from the table, there are four identifiable perceived levels of market orientation. These levels have been labelled low (average score value 2,2), below average (average score value 3,4) above average (average score value 5,1) and high (average score value 6,3). The average score value of 3,4 was labelled below average due to the fact that the value did fall below the average score value of 3,5 even though it did so by only 0,1.

Table 6.2 Respondents Perceived Levels of Market Orientation in Employing Organisations

No. of respondents	%	Level of market orientation	Average market orientation score
2	2,7	Low	2,2
7	9,3	Below average	3,4
53	70,7	Above average	5,1
13	17,3	High	6,3

Table 6.2 shows that most of the respondents (70,7%) felt that their organisation had an above average level of market orientation while 17,3% of the respondents perceived their organisation to have very high levels of market orientation. At the other end of the market orientation scale, 2,7% of the respondents felt that their organisation had low levels of market orientation while 9,3% perceived their organisation's level of market orientation as being below average.

The market orientation construct consists of three behavioural dimensions that are given equal weighting in the determination of an organisation's level of market orientation. These three dimensions of market orientation are a customer orientation, a competitor orientation and an interfunctional co-ordination component. In this study

the average score values for each of the dimensions market orientation was calculated. The results obtained (see Table 6.3) reveal that the mean values for market orientation, competitor and customer orientation and the interfunctional co-ordination component were above average (above 3.5) having values of 5.05, 5.08, 5.29 and 4.69 respectively. The results obtained reveal that on the whole salespeople tend to see their organisations as being relatively more customer oriented than competitor oriented. The lower interfunctional co-ordination value may suggest that the organisations are perhaps not focusing as much on this aspect of business or the interdepartmental connectedness in these organisations is not so high. The N values for the statistical analysis vary from one dimension to the next due to the fact that some of the respondents did not full the questionnaire completely.

Table 6.3 Market orientation, customer orientation, competitor orientation and interfunctional co-ordination values.

	No. of respondents	Minimum value	Maximum value	Mean	Standard deviation
Competitor orientation	75	2.25	7.00	5.08	1.01
Customer orientation	76	1.33	7.00	5.29	1.18
Interfunctional co-ordination	77	2.00	6.75	4.69	1.05
Market orientation	75	2.00	6.64	5.05	.97

The theoretical minimum for each of the above dimension was 1.00 and the theoretical maximum for each of the above was 7.00

Taking the various levels of market orientation given in table 6.2, an analysis of the results was done for the various dimensions of market orientation. This was done in order to determine whether there were differences in terms of a competitor and customer orientation between the different levels of market orientation (See table 6.4). The results obtained show that for the different levels of market orientation there is a difference in the scores for the customer orientation, competitor orientation and the interfunctional component.

Table 6.4 Average market orientation, customer orientation, competitor orientation and interfunctional co-ordination scores according to market orientation levels.

Levels of Mkt. Orient.	Comp Orient.	Range	Cust. Orient.	Range	Inter. Co-ord.	Range	Av. Mkt. Orient.	Range
low	2.9	2.3-3.5	1.7	1.3-1.8	2.4	2.0-2.8	2.2	2.0-2.4
Below average	3.4	2.8-4.0	3.5	2.3-5.5	3.3	2.3-4.5	3.4	3.1-3.9
Above average	5.1	3.8-6.3	5.4	3.3-6.8	4.6	2.8-6.7	5.1	4.0-5.9
high	6.3	5.5-7.0	6.4	5.9-7.0	6.1	5.3-6.8	6.3	6.6-6.0

Com. – competitor orientation

Cust. – Customer orientation

Inter Co-ord– interfunctional co-ordination Mkt – market orient - orientation

As indicated in table 6.4, the differences between the average scores obtained for customer orientation and competitor orientation do indicate that there is a trend for the customer orientation scores to be higher than the competitor orientation score except in the case of low market orientation. However the differences in scores between the competitor and customer orientations tend to be relatively small. Nevertheless, if one looks at the range of values that is found for each level of market orientation, one finds that the range of values for customer, competitor and the interfunctional co-ordination component tend to be bigger. This suggests that in some instances the competitor and customer orientation values may be quite dissimilar. Take for example respondent number 74 who recorded an average competitor score of 3.75; an average customer score of 6.83 and an average interfunctional co-ordination score of 6.7. This result shows that even though in some instances the overall average scores for the various dimensions may be quite close, there is some variability in the actual average score given by respondents.

Similarly if one looks at the interfunctional co-ordination dimension of market orientation one sees that this value is always lower than the other two dimensions except in the case of low market orientation. The results obtained for the low market

orientation score however only reflects 2,7% of the sample and will be ignored in future discussions.

If one looks at the competitor orientation scores for low, below average, above average and high market orientation scores one sees that these tend to increase as one moves from low market orientation levels to high. The same can also be said for the two other behavioural components of market orientation.

Using the results obtained for the three dimensions of market orientation, a Pearson Product Moment Correlation was done in order to determine whether there was a linear association between the customer, competitor and interfunctional co-ordination dimensions of market orientation. The results obtained revealed that there were significant correlations between all three dimensions since the p-values were less than 0.001 and 0.05. (See table 6.5)

Table 6.5 Pearson Product Moment Correlation Coefficients for the three Dimensions of Market Orientation

		Comp. Average	Cust. Average	Inter. Co-ord. Average	Mkt orient. Average
Competitor Average	Pearson's Correlation Sig (2-tailed) N	1.000 76	.631 .000 75	.682 .000 76	.841 .000 75
Customer Average	Pearson's Correlation Sig (2-tailed) N	.631 .000 75	1.000 76	.658 .000 76	.918 .000
Competitor Average	Pearson's Correlation Sig (2-tailed) N	.682 .000 76	.658 .000 76	1.000 77	.860 .000 75
Competitor Average	Pearson's Correlation Sig (2-tailed) N	.841 .000 75	.918 .000 75	.860 .000 75	1.000 75

Com. – competitor orientation

Cust. – Customer orientation

Inter Co-ord– interfunctional co-ordination Mkt – market orient - orientation

The analysis of the market orientation questionnaire revealed the following:

- Most of the respondents in this study evaluated their organisations as having either above average or high levels of market orientation
- The average customer orientation scores for below average, above average and high levels of market orientation were higher than those for the competitor and interfunctional co-ordination dimensions of market orientation. The average interfunctional co-ordination score was lower than the average competitor score in all instances.
- The average scores for the three dimensions of market orientation increased as one move from below average levels of market orientation to high levels of market orientation
- The range values for the three dimensions of market orientation showed that there was greater variability in the average scores given by respondents than was reflected in the overall average score for each dimension. This issue will be discussed in more detail when one looks at the respondents dominant customer or competitor orientation.
- A Pearson Product Moment correlation done on the three dimensions of market orientation revealed that there was a linear correlation between all three dimensions of market orientation

6.4 THE ORGANISATION'S PERCEIVED LEVEL OF MARKET ORIENTATION AND THE PERSONALITY TRAITS OF ITS SALESPEOPLE.

This section of the dissertation examines the relationship between the perceived level of an organisation's market orientation and the personality trait profile of its salespeople. A statistical analysis was done using the results obtained from the market orientation questionnaire and the nine personality traits measured using the OPQ5.2. The results of this analysis will be given and the rationale behind the correlations will be given.

In order to determine whether there was a correlation between the perceived level of market orientation of the organisation and the personality trait profile of its salespeople, a Pearsons Product Moment Correlation was done on the data. The data that was used for this correlation included the scores obtained for three dimensions of market orientation and the overall market orientation score for each salesperson as well as the salesperson's personality profile that was derived from the OPQ5.2. The results obtained showed that there was significant correlation between the perceived level of market orientation and two of the salesperson's personality traits, namely gregariousness and energies. Similarly there was a significant correlation between these two traits and the customer orientation dimension of market orientation. There was no significant correlation between market orientation and the other seven personality traits that were measured in this study (See table 6.6 for a summary of the results). However if one looks at the correlation values for the interfunctional component and the personality trait dimensions of gregarious and empathy one can see that although the values obtained are not statistically significant, there may be a relationship between these two traits and the interfunctional co-ordination component (See table 6.6). Similarly if one looks at overall market orientation and the personality trait of controls one can see a possible relationship between these two variables.

In terms of the competitor dimension of market orientation there appears to be not significant correlation between the personality traits measured and this dimension of market orientation.

The statistically significant results obtained for the customer dimension and overall market orientation scores in relation to the two personality traits of gregarious and energies indicate that the higher the values obtained for the gregarious and energies personality traits the more comfortable the salesperson will feel in firms with corresponding high levels of market orientation. This in turn means that companies with high levels of market orientation should employ people who have high scores on both these traits.

Table 6.6 Correlation between Market Orientation and the Salesperson's Personality Profile based on Nine Dimensions of Personality

Trait		Competitor Average	Customer Average	Co-ordinational / interfunctional average	Market orientation
Assertive	Pearson Correlation	0.0087	0.0938	0.1750	0.1259
	Sig (two-tailed)	0.9405	0.4202	0.1279	0.2817
	N	76	76	77	75
Gregarious	Pearson Correlation	0.1077	0.2592	0.2082	0.2522
	Sig (two-tailed)	0.3543	0.0238	0.0692	0.0290
	N	76	76	77	75
Empathy	Pearson Correlation	-0.0137	0.1271	-0.0187	0.0549
	Sig (two-tailed)	0.9062	0.2738	0.8715	0.6398
	N	76	76	77	75
Fields of Use	Pearson Correlation	0.1061	0.1068	0.2080	0.1598
	Sig (two-tailed)	0.3616	0.3586	0.0695	0.1707
	N	76	76	77	75
Abstract	Pearson Correlation	0.0605	0.9045	0.1347	0.1303
	Sig (two-tailed)	0.6034	0.4371	0.2429	0.2650
	N	76	76	77	75
Structure	Pearson Correlation	0.1081	0.1245	0.1526	0.1486
	Sig (two-tailed)	0.3526	0.2838	0.1853	0.2032
	N	76	76	77	75
Anxiety	Pearson Correlation	0.0380	0.1039	0.0357	0.0682
	Sig (two-tailed)	0.7444	0.3714	0.7576	0.5604
	N	76	76	77	75
Controls	Pearson Correlation	0.1423	0.1794	0.1756	0.1990
	Sig (two-tailed)	0.2200	0.1209	0.1266	0.0870
	N	76	76	77	75
Energies	Pearson Correlation	0.1050	0.2876	0.1534	0.2299
	Sig (two-tailed)	0.3667	0.0117	0.1830	0.0472
	N	76	76	77	75

The gregarious personality trait measures the following dimensions of personality:

- Outgoing – fun loving, humorous, sociable, vibrant, talkative jovial
- Affiliative – has many friends, enjoys being in groups, likes companionship, shares things with friends

- Socially confident – confident with strangers likes to put others at ease.

The dimensions that make up the gregarious trait reflect those salesperson characteristics that enable him to be able to develop relationships not only with his customers but also with his colleagues. A salesperson needs to be outgoing if he is to be able to successful since he must be able to communicate with all types of people and he must be prepared to talk and communicate with people he has never dealt with before. The affiliative dimension is important since it enables the salesperson to develop relationships with the people he deals with since he enjoys the company of other people. Similarly the socially confident dimension facilitates a customer orientation since it enables him to feel at ease with strangers – a constant feature in the salesperson job. In terms of the market orientation construct, the area where these dimensions will have the most impact is that of the customer orientation component, although being people oriented is also important in the other dimensions but to a lesser degree.

The other personality trait that was positively correlated with the customer orientation dimension and market orientation was that of energies. This trait was measured using the following dimensions:

- Active – has energy, moves quickly, enjoys physical exercise, does not sit still
- Competitive – plays to win, determined to beat others, poor loser
- Achieving - ambitious, set sights high, career centred, results oriented
- Decisive – quick at reaching conclusions, weighs things up rapidly, may be hasty, takes risks.
- Social Desirability Index – has tended to respond in a socially desirable way

Once again one can intuitively sense the relevance of these dimensions in enhancing salesperson performance. For example if a salesperson is active he will have sufficient energy to put a great deal of effort in his sales task. A salesperson needs to be competitive if he is to be able to take business away from his rivals. He needs to be an

achiever if he is to meet his objectives and he also needs to think on his feet, particularly when he is dealing with his customers.

The Social Desirability Index measures the extent to which the respondent is trying to project himself in a socially desirable light. This personality dimension is important since it reflects the extent to which the respondent tried to shift his/her responses toward the good direction for those questions of the questionnaire that are judged as having a good and bad alternative. In the case of this study the tendency of the salesperson to respond in a socially acceptable manner may have an impact on the end result although the salesperson in this instance did not receive any beneficial reward form participating in this study. Similarly prior to the administration of the questionnaire, these people were told that a computer would scan the OPQ and that the results would only be used in aggregate. Hopefully the social desirability scale will be a true reflection of the individual.

Having looked at the personality traits that have a significant correlation with the perceived level of market orientation within an organisation, one will now look at the probable link between the two personality traits of gregarious and field of use with the interfunctional component. Could one possibly justify a relationship between these variables?

The interfunctional co-ordination component of market orientation measures the following according to Narver and Slater (1990, pp.24, 31):

- The degree to which information is shared amongst the various functions
- The willingness of top managers from various functional departments to visit the organisation's customers
- The integration of different functional activities in strategy development and implementation
- The willingness of all functional departments to create value for the customer

The personality trait of gregarious as stated earlier measures the following dimensions of personality:

- Outgoing –fun loving, humorous, sociable, vibrant, talkative jovial
- Affiliative – has many friends, enjoys being in groups, likes companionship, shares things with friends
- Socially confident – confident with strangers likes to put others at ease

If one looks at the interfunctional co-ordination component of market orientation one can see that many of the behaviours that are performed are actually outside the realm of salesperson in the sense that he has no control over those activities. However if one looks at the interfunctional co-ordination component in terms of the dissemination of information to all functional departments and the development of personal relationships within those departments, one can understand that there may be a possible link between interfunctional co-ordination and the personality trait labelled gregarious.



A salesperson who possesses the gregarious trait is able to facilitate the interfunctional co-ordination dimension of market orientation by disseminating information about his customers and their needs and preference to all the people he encounters within the organisation. A salesperson who is socially confident is able to talk and communicate with everyone in the hierarchical structure of the organisation and in so doing disseminates information along the formal and informal lines of communication. Similarly a salesperson who is affiliative will develop friends and networks in the organisation he works for and in so doing facilitate the flow of information to various departments. A salesperson that is outgoing will be willing to talk with anyone within the organisation and in so doing enable people in other functional departments to know his customers' needs and preferences.

Although a salesperson has no control over interdepartmental factors such as:

- The willingness of top managers from various functional departments to visit the organisation's customers
- The integration of different functional activities in strategy development and implementation

he can facilitate the flow of information about his customers to those individuals who can make a difference by talking to them at every possible opportunity about his customers and by establishing networks within the organisation. The fact that relationship building and the dissemination of information is only a small part of the interfunctional co-ordination component, this may explain the statistical result.

The other personality trait that showed a possible link to the interfunctional co-ordination dimension of market orientation was fields of use. The fields of use personality trait measures the following dimensions of personality:

- Practical – likes repairing and mending things, enjoys using his hands
- Data Rational –likes to work with data, operates on facts, enjoys assessing and measuring
- Artistic – appreciates culture, sensitive to the visual arts and music
- Behavioural – analyses thoughts and behaviour, psychologically minded, likes to understand people.

Once again the possession of these traits can influence the interfunctional component of market orientation in the sense that they assist in the dissemination of information and internal networking. The Artistic and Behavioural traits will facilitate the salesperson in his relationships with people within the organisation by enabling him relate to all individuals. The Practical and Data rational traits will enable him to be more persuasive in his task by enabling him to put forward his point of view rationally and practically. The fact that this relationship is not statistically significant may be due to the fact that as in the case of the gregarious trait, the dissemination of information is only a small part of the interfunctional co-ordination component.

Analysis of the data presented in table 6.6 reveals that the personality trait of Controls could also have an influence on the overall perceived level of market orientation. The Controls trait reflects such behavioural dimensions as:

- Tough minded – difficult to hurt or upset, can brush off insults, unaffected by unfair remarks
- Emotional control – restrained in showing emotions, keeps feelings back, avoids outbursts
- Optimistic – Cheerful, happy, keeps spirits up despite setbacks
- Critical – likes probing the facts, sees the disadvantages, challenges assumptions

The Controls trait could influence the overall perceived levels of market orientation in the sense that the Controls behavioural dimensions reflect those behavioural characteristics that enable a salesperson to be market oriented and to develop relationships in the market place. For example a salesperson needs to be tough minded if he is to accept the rejection associated with his job and he is prepared to keep trying even in the face of adversity. A salesperson has to be pleasant all the time if he is to gain new customers and to keep existing customers. The salesperson cannot afford to show his emotions during negotiation and rejection if he is to build relationships with potential customers. A salesperson needs to be optimistic if he is to keep going when times are tough and he needs to be critical if he is going to come up with novel solutions for his customer's problems.

The Pearson's Product Moment Correlation that was done on the data that was derived from the OPQ5.2 and market orientation questionnaire revealed the following:

- There was a significant correlation between market orientation, the customer orientation component of market orientation and two personality traits namely gregarious and energetic.
- There was a probable relationship between the personality traits of gregarious and energetic with interfunctional co-ordination component of market orientation.

- There was a probable relationship between the personality trait known as Controls and the overall perceived level of market orientation.

The final stage of this analysis will now be presented, namely can one identify whether a respondent has a dominant customer or competitor orientation.

6.5 DETERMINATION OF A RESPONDENT'S DOMINANT CUSTOMER OR COMPETITOR ORIENTATION

The personality trait questionnaire used in this study looked at 31 personality dimensions that have already been described in the previous chapter. It was decided that one could try to determine whether a salesperson had a dominant customer or competitor orientation using the data obtained in this research. This section of the dissertation describes the methodology and results used to determine this.

In order to reduce the dimensionality of the data obtained using the OPQ5.2, a factor analysis was carried out. The method used was Principal Axis Factoring using Direct Oblimin (Oblique) Rotation. This method yielded 8 factors that explained 69,4% of the variance. (See table 6.7)

The eight factors that were derived from the above exercise were then named according to the dimensions that go to make up that particular factor. Some dimensions had a positive loading while others had a negative loading. (See table 6.8 for the personality dimensions that go to make up each factor and see table 6.9 for the names and reasons given to each factor.)

Table 6.7 Personality Trait Factor Analysis Results (Pattern Matrix)

Factor type	Factor							
	1	2	3	4	5	6	7	8
CM52 D1	-.561							
CM52 R3	.504							
CM52 R2	.439							
CM52 R7	-.406							
CM52 F8	.405							
CM52 T10		.780						
CM52 T11		.765						
CM52F10		-.830						
CM52 T9		.439						
CM52 R8		.354						
CM52 R4			.689					
CM52 R5			.681					
CM52 R6			.641					
CM52F5			.505					
CM52R9			.350					
CM52 T3				.720				
CM52 T8				.673				
CM5.2 T4				.546				
CM52 F3					-.783			
CM52 F1					-.685			
CM52F2					.663			
CM52 T7						-.830		
CM52 T2						-.661		
CM52 T5						.525		
CM52 T6						-.425		
CM52 F8							.610	
CM52 F7							.504	
CM52 F9							.495	
CM52 T1								-.564
CM52 F4								-.420
CM52 R1								.337

The eight identified factors were made up of the following dimensions of personality.

Table 6.8 The personality dimensions that make up the different factors

Factor	Personality dimensions	
	Traits that should have positive loading	Traits that should have negative loading
Factor 1	<ul style="list-style-type: none"> • Independent [CM52 R3] • Controlling [CM52 R2] • Critical [CM52 F6] • Social Desirability [CM52D1] 	<ul style="list-style-type: none"> • Modest [CM52R7]
Factor 2	<ul style="list-style-type: none"> • Detail conscious [[CM52 T10] • Conscientious [CM52 T11] • Forward planning [CM52 T9] • Democratic[CM52 R8] 	<ul style="list-style-type: none"> • Decisive [CM52 F10]
Factor 3	<ul style="list-style-type: none"> • Outgoing [CM52 R4] • Affiliative [CM52 R5] • Socially confident [CM52 R6] • Caring [CM52 R9] • Optimistic[CM52 F5] 	
Factor 4	<ul style="list-style-type: none"> • Behavioural [CM52 T4] • Artistic [CM52 T3] • Innovative [CM52 T8] 	
Factor 5	<ul style="list-style-type: none"> • Worrying [CM52 F2] 	<ul style="list-style-type: none"> • Relaxed [CM52 F1] • Tough minded [CM52 F3]
Factor 6	<ul style="list-style-type: none"> • Traditional [CM52 T5] 	<ul style="list-style-type: none"> • Change oriented [CM52 T6] • Conceptual [CM52 T7] • Data rational [CM52 T2]
Factor 7	<ul style="list-style-type: none"> • Active [[CM52 F7] • Competitive [CM52 F8] • Achieving [CM52 F9] 	
Factor 8	<ul style="list-style-type: none"> • Persuasive [CM52 R1] 	<ul style="list-style-type: none"> • Emotional control [CM52 F4] • Practical [CM52 T1]

[T] – Thinking domain

[R] – relationship domain

[F] – Feeling domain

Table 6.9 Descriptors for the eight factors and the reason(s) for the names

Factor Number	Descriptor	Reason (s) for the Descriptor term
1	Leader	This factor evaluates characteristics such as the willingness of individuals to speak out and hold their views. It also looks at whether the individual is willing to take charge of others, managing and directing them. Another characteristic that is measured is does the individual enjoy probing facts, critically evaluating plans and is this person prepared to voice criticisms.
2	Planner	This factor measures the extent to which a person is consultative, accurate and precise. It also evaluates the individual in terms of his/her ability to persevere with routine, is methodical and how quickly this person makes decisions. This factor also measures the individual's propensity to plan ahead.
3	Sociable	This factors measures the people dimensions of the individual for example to which does a person need to be amongst others, do they enjoy other people and do they feel comfortable amongst them.
4	Creative	Understanding people, enjoying the arts and coming up with novel solutions to problems are the dimensions that are measured using this factor. All these trait dimensions have a positive loading
5	Apprehensive	The traits that go to make up this factor suggest that a person is tense, unable to relax and easily hurt.
6	Conservative	The dimensions that go to make up this factor suggest consistency and proven methodology is the way to go. Abstract innovation, statistical analysis and change do not feature.
7	Focused	This factor is made up of trait dimensions that imply that the individual is knows what he/she wants to win and achieve out of life. This person also has the energy to achieve this.
8	Cerebral	This factor reflects traits that show that a person enjoys using his/her mind in order to achieve his/her objectives, they are not practical and do not exercise emotional control.

In order to determine if one could predict whether a salesperson would have a predominant customer or competitor orientation based on their scores for the eight factors, a logistic regression was done using the most dominant orientation (customer or competitor) as the dependent variable and the eight factors as explanatory (or (independent) variable).

In this regression analysis the customer orientation value was compared against the competitor orientation value and the orientation with the highest value was used regardless of the magnitude of the difference. For example if the customer orientation value was 4.1 and the competitor value was 4.2, the competitor orientation was taken as being the dominant orientation. The interfunctional co-ordination dimension was left out since this was out of the salesperson's control and was dependent on the firm's structure and its policies.

Analysis of the market orientation dimensions of customer and competitor orientation revealed that 28 respondents had higher values for the competitor dimension than for the customer dimension while 40 respondents had the converse. Seven respondents showed higher values for the interfunctional co-ordination dimension rather than a customer or competitor orientation. After analysing these results it was decided to reclassify the seven respondents that fell under the interfunctional co-ordination dimension due to the fact that the interfunctional co-ordination dimension was more related to the characteristics of the organisation as opposed to the characteristics of the individual. These respondents were then reclassified as being either customer orientated or competitor oriented. The results that were obtained are shown in Table 6.10. Three of the respondents that fall under the interfunctional co-ordination dimension of market orientation were reclassified as being competitor dominant while the remaining four were classified as being customer dominant.

Table 6.10 Comparison of the most dominant orientation – customer or competitor

	Most dominant market orientation			Total
	Competitor	Customer	Interfunctional Co-ordination	
Type Competitor	28		3	31
Customer		40	4	44
Total	28	40	7	75

Once the above results had been obtained, the logistic regression was done with the most dominant orientation being either customer or competitor as the dependent variable and the eight factors as explanatory (or independent) variables was carried out. A stepwise procedure was used. The results obtained are shown in table 6.11

Table 6.11 Variables in the equation

	B	S.E	Wald	df	Sig.	Exp (B)
Step 2 Factor 5	.218	.072	9.186	1	.002	.806
Factor 6	.178	.081	4.876	1	.027	.873
Constant	9.356	3.084	9.202	1	.002	11567

The regression analysis revealed that there were two variables, factors five (Apprehensive) and six (Conservative) with a negative loading that could be used to predict whether a salesperson would have a dominant customer or a competitor orientation. Using this model, with factors five and six entered into the model in that order; one would be able to predict 68% of overall respondents correctly in terms of their customer or competitor orientation. It was found that if the probability was greater than 0.05, then one could predict the person as customer oriented whereas if the probability was less than 0.05 then one could predict that the salesperson was competitor oriented. In other words, the more the person exhibits Apprehensive characteristics (factor 5) the less likely that person is to be customer oriented.

Similarly the more conservative characteristics (factor 6) a person has the less likely he or she is to be customer oriented. The formula that be used to determine whether a person was customer or competitor oriented is:

$$\text{Probability (Customer)} = \frac{1}{1 + e^{-Z}} = \frac{1}{1 + \exp^{-Z}}$$

where $Z = 9,356 - 0,178 \times \text{factor 6}$

$Z = 9,356 - 0,218 \times \text{factor 5}$

Why should organisations be interested in knowing whether their salespeople had a dominant customer or competitor focus? Narver and Slater (1994) identified four moderator variables that are likely to influence the relationships among customer and competitor orientations and business performance. These moderator variables included market growth rate, buyer power, seller concentration and competitor hostility. These researchers argued that a customer orientation has stronger impact on profitability in markets characterised by a high growth rate, low buyer power, a high degree of competitive hostility and low seller concentration (many sellers). A competitive orientation has a stronger impact on profitability in markets characterised by a low level of market growth, high buyer power, low competitive hostility and high seller concentration.

Similarly Greenley (1995) showed that organisations in the UK exhibited five different forms of market orientation. These were:

- Customer focus orientation
- Undeveloped market orientation
- Fragmented market orientation
- Comprehensive market orientation
- Competitive focus market orientation

Organisations that had a competitor or a customer orientation would probably be interested in recruiting salespeople who had similar dominant characteristics since they would fit more easily into the culture of the organisation and they would reflect its culture. Williams and Attaway (1996, p. 36) state that the customer orientation of the organisation's salespeople will be influenced and even potentially predetermined by the organisation's culture. They were able to show (p. 43) that a selling organisation's culture is a significant predictor of a customer orientation.

These researchers also found that the selling firm's organisational culture was significantly related to relationship development. They state that for maximum impact in buyer-seller relationships there must be synergy between the seller firm's supportive culture working through customer oriented salespeople. In the absence of a customer oriented salesforce, even the most highly supportive culture lacks a contact vehicle through which to impact relationship development (Williams and Attaway 1996, p. 44). In this study a supportive culture is defined as one *'which is empowered, innovative, co-operative and adaptive. Members recognise, accept and promote an obligation of interdependence that goes beyond the simple exchange of labour for salary. Managerial control systems are based on socialisation, interrelationships and the internalisation of norms that leads to mutual commitment based on mutual interests. High levels of goal congruity promote a long term perspective based on equity of rewards and costs. Pressure to conform is high, and members share a strong sense of pride, goal congruence, and identification'* (Williams and Attaway 1996, p.36). This research suggests that firm's need to identify customer-oriented salespeople if they want to facilitate the development of long term relationships.

6.6 SUMMARY

The demographic data obtained in this study showed that the majority of individuals in this study consist of white males with the rest of the sample being made up of Asian, Coloured and African individuals. A few females did participate in this study but the majority of respondents were male. Similarly most of the sample was made up

of white males although males from other cultural groups did participate but these were in the minority. Salespeople in this study were seen to be quite mobile in this industry in that over half of the sample had worked for their firms for less than three years. The number of years worked for the firm by the rest of the respondents ranges from five to forty-seven years. Most of the respondents in this study were English speaking.

In terms of market orientation, the results obtained show that on the whole salespeople in organisations in the chemical industry in South Africa perceive their organisations to have above average and high levels of market orientation. This result could be reflecting changing trends in the marketplace where establishing long term relationships with customers is becoming increasingly important.

In terms of the mean values for the competitor, customer and interfunctional coordination dimension, these were found to be 5.08, 5.29 and 4.69 respectively. The mean value differences for the three dimensions appear to be very small although the ranges for each of these three values are quite large.

In terms of the correlation between the personality traits of sales people and the perceived degree of market orientation, this study was able to show that there was correlation between two of the salespersons' personality traits and market orientation. These two traits were termed the gregarious trait and the energies trait. These two traits could be used to identify those salespeople who would exhibit the appropriate behaviours and feel comfortable working for an organisation's with a given level of market orientation. The correlation between these two traits and the organisation's perceived level of market orientation was found to be positive and significant.

This study also showed that there existed two factors (Apprehensive and Conservative) that could enable a sales manager or a human resource person to determine whether a salesperson had a dominant customer or competitor orientation. Knowing this could be important for organisations that operate in environments where

a customer orientation would have a major impact on the profitability of the organisation. Similarly knowing whether a person had a competitor orientation could be important to organisations operating in environments where a dominant competitor orientation was important. Narver and Slater (1994) showed that in some environments having a customer orientation was more profitable, while in others having a competitor orientation proved to be more beneficial.

In the next chapter, a general discussion on the findings of this study and its implications, as well as specific references to the degree to which the study met its objectives will be deliberated.



CHAPTER 7

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION AND THEORETICAL FOUNDATIONS OF THE STUDY

The primary purpose of this study was to try to correlate the perceived degree of market orientation of an organisation – as perceived by its salespeople - with their personality trait profiles. The results obtained revealed that there were two personality traits (gregarious and energies) that were significantly correlated with market orientation. This study also showed that organisation's in the chemical industry in South Africa did have different degrees of market orientation and that on the whole the majority of salespeople rated their organisation's as having above average levels of market orientation. Statistical analysis of the data obtained revealed that one could use certain dimensions of personality to predict whether a salesperson has a dominant customer or competitor orientation.

This chapter contains a general discussion on the findings of this study and its implications, as well as specific references to the degree to which the study met its objectives. Firstly, the theoretical basis of this study will be briefly revisited since this was the basis of the research. Once this has been done a summary of the empirical results will be given and a brief reference to the findings and implications of this research will be made.

7.2 THE MARKET ORIENTATION CONSTRUCT

Although a number of researchers have put forward their viewpoints with regards to market orientation, the construct that was chosen for this study was that developed by Narver and Slater (1990, p.29). These researchers define market orientation as consisting *'of three behavioural components –customer orientation, competitor*

orientation and interfunctional co-ordination and two decision criteria namely a long term focus and profitability. The two decision making criteria were not considered because the long term focus was regarded as being implicit in market orientation and profitability was regarded as being one of the objectives of the organisation.

Narver and Slater's (1990) questionnaire was chosen because: -

- The questionnaire was shown to be reliable and valid.
- Other researchers in the same field have used this questionnaire in their research.
- The market orientation construct developed by Narver and Slater is similar in essence to the one developed by Kohli and Jaworski (1990) even though the three dimensions have been described differently.

The Narver and Slater questionnaire used in this study had minor adjustments made to it, in order to bring it in line with South African terminology.

The market orientation construct developed by Narver and Slater consists of three dimensions namely a customer orientation, a competitor orientation and an interfunctional component. Each of these three behavioural components are of equal conceptual importance and an organisation's market orientation score is determined by taking a simple average score of the three dimensions.

Since the market orientation construct has three dimensions, all of equal conceptual importance, two organisations with the same overall degree of market orientation could exhibit different forms of this construct. This would occur by virtue of the fact that respondents in the two different organisations could emphasise each of the three behavioural dimensions to a different degree. Greenley (1995) showed that organisations in the UK exhibited five different forms of market orientation. These were:

- Customer focus orientation
- Undeveloped market orientation

- Fragmented market orientation
- Comprehensive market orientation
- Competitive focus market orientation

Similarly in this study, a statistical analysis was carried out in order to determine if one could predict whether a salesperson had a dominant customer or competitor orientation. This information could be useful since it could give an indication of how the salesperson approached a sale situation and it could also enable organisations that were predominately customer or competitor focused to select salespeople with the appropriate personality dimensions.

Identifying salespeople with a customer orientation is also important because even organisations that have a highly supportive organisational culture need individuals who are capable of developing long term relationships with their customers.

(Williams and Attaway, 1996, p.44)

Narver and Slater (1994) identified four moderator variables that were likely to influence the relationships amongst customer orientation, competitive orientation and business performance. These moderator variables include market growth rate, buyer power, seller concentration, and competitive hostility. These researchers argued that a customer orientation has a stronger impact on profitability in markets characterised by high growth rate, lower buyer power, a high degree of competitor hostility and low seller concentration (many sellers). A competitive orientation has stronger impact on profitability in markets characterised by a low level of market growth, high buyer power, low competitive hostility and high seller concentration.

7.3 SALESPERSON'S PERSONALITY TRAITS AND THEIR IMPACT ON PERFORMANCE

Aptitude and personal characteristics are typically thought to place an upper limit on the individual's ability to perform a given sales job. Two salespeople with equal motivation, role perceptions and training might perform at different levels because

one does not have the personal traits or abilities necessary to do the job as well as the other (Churchill et al., 2000, p.235). Personal characteristics or traits are defined as *'Any distinguishing relatively enduring way in which one individual differs from another'* (Schiffman and Kanuk 1994, p.137) whereas personality is defined by these authors as *'those inner psychological characteristics that both determine and reflect how a person responds to his/her environment'*

Research into the effects of individual personality traits on sales performance have revealed that only 3% of the variability in performance could be explained by these factors (Churchill et al., 1993, p.446). However this result should take the following factors into account:

- The number of variables that have an impact on the performance of a salesperson are very large, and there are some variables which may be more strongly related to differences in sales performance than the average for the whole category (Churchill et al., 2000, p.335)
- Different types of selling situations appear to require salespeople with different personal traits and abilities (Churchill et al., 2000, p.339). Avila and Fern (1986) in their study tried to determine the moderator effect of the selling situation on the correlation between personality traits and sales performance. These researchers found that depending on the type of selling situation they were dealing with, the personality traits of salespeople could explain 11% of the variance in performance in one selling situation and 36% of the variance in another (Avila and Fern, 1986, p.60).
- The different studies that were utilised in this research measured the same variable in different ways. Consequently, the low correlations between categories of variables and salesperson performance may be partially due to measurement error. Some studies may have used inaccurate or invalid instruments to measure a given trait or characteristic (Churchill et al., 2000, p.331).

A number of studies have been carried out in order to determine whether the personal characteristics of salespeople did have an impact on performance. The following studies were done in this area: -

- Mayer and Greenberg (1974) quoted by Anderson et al., (1992, p.208) showed that empathy and ego drive were necessary for salespeople to be successful. Empathy enabled the salesperson to get feedback from the client and enabled him to adjust the message and do whatever was necessary to close the sale. Ego was found to make the salesperson want and need to achieve the sale not only for the money but also in a personal ego way.
- Brown and Peterson (1994) examined the effects of instrumentality and competitiveness on the amount of effort a salesperson was prepared to put into his task. These researchers found that there was a positive correlation between the two traits examined and the amount of effort the salesperson was prepared to put into his job and his resultant performance levels (Brown and Peterson, 1994, p.78)
- Strutton and Lumpkin (1993) looked at the levels of a salesperson's dispositional optimism (their tendency to expect the best possible outcome) and they tried to determine how this impacted on the way a salesperson coped with stressful situations. The results obtained revealed that optimistic salespersons:-
 - * tended to use problem focused coping strategies when confronted with job related stress
 - * were more likely to engage in careful experiential based analysis
 - * increased their efforts at removing any stressor
 - * would tend to readjust and shape themselves for a better result of their stressful encounters
 - * were less likely to engage in reckless coping tactics such as the use of confrontative coping
 - * were more likely to act with restraint (Strutton and Lumpkin, 1993, p.80)

Pessimistic salespeople on the other hand were those individuals who felt that the desired outcomes were unattainable and they could not remove or reduce the amount of stress. These people had a greater tendency: -

- * to attend to their emotional woes
- * to distance themselves from stressful situations
- * to use confrontative coping tactics when faced with stressful situations (Strutton and Lumpkin, 1993, pp.75, 80).
- * used more emotion based coping strategies (Strutton and Lumpkin, 1993, p.72).

This type of behaviour would most likely result in unfavourable outcomes for both the individual and the organisation, since the tactics employed would reflect self-indulgent escapism and negative avoidance (Strutton and Lumpkin, 1993, pp.75, 80).

- Sujan, Weitz and Kumar (1994) examined the effects of two personality traits, which they named a learning orientation (mastery orientation), and performance orientation (ego orientation) on working smart and hard. These researchers found that salespeople with a learning orientation tended to work smart. In other words, these salespeople: -
 - * exhibited behaviours that were directed toward developing knowledge about sales situations
 - * utilised the knowledge that they gained in the performance of their task.
 - * tended to work longer hours
 - * continued striving in the face of failure
 - * used negative feedback as a sign that improvement in performance was needed
 - * saw positive feedback as approval for the successful development of selling skills (Sujan, et al., 1994, p.42.)

Salespeople who had a performance orientation were found to work hard, but they were disinclined to experiment with new sales methods due to the fact that they felt that this could harm their performance. Negative feedback was found to enhance this orientation since it indicated to these individuals that they had failed to demonstrate ability. Positive feedback resulted in no change in performance orientation (Sujan, et al., 1994, p.42).

- McMurray and Arnold's (1968) study which was quoted by Anderson et al., (1992, p. 211) revealed that super salespeople were those who had: -
 - * A high level of energy
 - * Were self-confident.
 - * Had a persistent hunger for money.
 - * Were able to work hard without close supervision.
 - * Possessed a habit for perseverance
 - * Had a natural tendency to be competitive.
 - * Had an inherent flair for winning the acceptance of others
 - * Constantly attempted to gain acceptance and affection.

- Garfield's (1984) study that was quoted by Anderson et al., (1992, p. 211) revealed that successful salespeople were: -
 - * Always taking risks and making innovations
 - * They had a powerful sense of mission
 - * These salespeople were interested in solving problems
 - * Super salespeople saw themselves as team players and partners with their customers
 - * Salespeople who excelled in their task took rejection as information they could learn from, whereas mediocre people personalised rejection.
 - * Super salespeople use mental rehearsal in that they reviewed each sale in their mind's eye prior to making contact.

- Bartkus, Peterson and Bellenger, (1989, p. 11.) looked at the relationship between Type A Behaviour Pattern (TABP) and experience with salesperson performance. The three components of TABP studied by Bartkus, Peterson and Bellenger, were: -

- * Competitive achievement striving.
- * Time urgency.
- * Aggression and hostility.

The absence of these traits characterises gives rise to the Type B Behaviour Pattern (TBBP).

People who exhibit the TABP were found to: -

- * put more effort into their sales tasks
- * they outperform Type B people in challenging positions
- * they tend to have higher occupational status, more rapid career achievement
- * they have longer working weeks and greater job travel
- * tend to be more persistent in achieving a particular goal
- * tended to ignore the extraneous factors in the environment and concentrate on the task at hand
- * persist even after a brief, salient failure
- * have task related self – esteem
- * are involved in their jobs
- * show organisational commitment
- * actively resist a loss of control
- * did not function well under close supervision – like autonomy
- * like to be compared to other individuals and enhanced performance can result when others evaluate them

- * will work well in environments that allow social interaction since this will trigger their competitive need for achievement and result in higher performance levels being achieved.
- * are more autonomous and self confident than Type B's (Bartkus, Peterson and Bellenger, 1989, p. 12.)
- * may be able to control certain forms of stress such as role ambiguity since they appear to have more complex internal coping strategies designed to cope with stress at their disposal (Bartkus, Peterson and Bellenger, 1989, p.13.)

Type B people outperformed Type A's in tasks that required slow, careful responses and a broad focus of attention. They were more deferent and submissive than Type A's and they relied more on a formal leader than on co-workers and family to alleviate stress and to change stressful environments. Type B's were also found to respond better to close supervision (Bartkus, Peterson and Bellenger, 1989, p. 11-13.). Type B males tended to be deliberate and placid and they exhibited greater balance. (Sager, 1991, p. 1.)

The results of Bartkus, Peterson and Bellenger's (1989, p. 14) study revealed that a Type A Behaviour Pattern had a significant positive effect on both work effort and role clarity. Salespeople who exhibited this behavioural characteristic tended to work harder and have a clearer understanding of their roles and this in turn impacted on their performance. Type A behaviour has an indirect impact on performance through effort. Similarly it was found that experience tended to have a positive impact on role clarity and performance but it did not relate to work effort.

As can be seen from the above discussion on the personality traits of salespeople, a considerable amount of research has been carried out in this area. The information given above is to a certain extent only an indication of what has been done since organisations such as SHL South Africa Ltd do have their own psychometric tests that they use to identify salespeople for organisations.

Personality traits or variables are measured using psychometric tests that are developed by industrial psychologists. In this study, the OPQ5.2 questionnaire supplied by SHL South Africa Ltd was used to determine the dominant personality traits of industrial chemical salespeople. This questionnaire measures thirty-one dimensions of personality and nine traits.

7.4 CONCLUSIONS FROM THE STUDY

In this study, the researcher was able to show: -

- that organisations in the chemical industry on the whole have above average levels of market orientation
- that two of the personality trait measured in this study showed a positive correlation with the perceived level of market orientation of the organisation
- that two factors, namely apprehensive and conservative could be used in predicting whether a salesperson had a dominant customer or competitor orientation.

These issues and the conclusions reached will now be discussed in more detail below.



7.4.1 Market Orientation

Most of the salespeople that were surveyed in this study perceived their organisations as having above average levels of market orientation. This result is interesting in that it may be reflecting the nature of the business these salespeople are operating in. In business to business marketing establishing and maintaining relationships is important since business markets are fewer in number than consumer markets and business markets buy larger quantities. (Brierty et al, 1998, p.25). This means that in business markets it is essential that salespeople develop long term relationships with their customers if they are to achieve their sales objectives in the long term. Similarly, since your customer buys large quantities, it pays for the seller organisation to be market oriented. Current trends overseas in terms of business to business selling is to develop relationships with customers and suppliers (Churchill et al., 2000, p.12) and the South African market may be reflecting this.

The results obtained in this study in terms of market orientation could perhaps be reflecting the results obtained by Nel et al., (1996) in which they stated that people had an exaggerated view of the degree of market orientation that their organisation possessed. It would be interesting to conduct a market orientation survey of the purchaser's of these organisations' products to see if in actual fact these organisations reflected such a high level of market orientation.

In terms of meeting the market orientation objective, this study was able to show that firms in the chemical industry in South Africa do exhibit different degrees of market orientation, although on the whole the level of market orientation tends to be high.

7.4.2 Perceived Level of Market Orientation and Its Influence on the Personality Trait Profile of Salespeople

The second objective of this study was determine if there was a relationship between the personality trait profile of salespeople and their perceptions of their organisation's level of market orientation. This study was able to show that there was a significant correlation between two personality traits namely gregarious and energies and the perceived level of market orientation. There was no significant correlation in terms of the other seven traits that were measured in this study and the perceived level of market orientation. The results obtained indicate that the two traits, gregarious and energies, could be used to determine whether a salesperson would be able to work in an organisation with a given perceived level of market orientation. O'Hara et al., (1991) mentioned the fact that although organisational variables have been shown to influence a salesperson's performance and commitment, work on the personality characteristic of salespeople has revealed that these factors do in fact impact on the type of organisation he will work for.

In instances where this information is used for recruitment purposes, the perceived level of market orientation would have to be determined by salespersons working for the organisation and one would need to assume that the incumbent would probably

perceive the organisation as having the same level of market orientation. It would be interesting to determine whether most of the people in the organisation would perceive it as having the same degree of market orientation.

7.4.3 Identification of Salespeople with a Dominant Customer or Competitor Orientation

The third objective of this study was to determine whether one could identify those salespeople with a dominant customer or competitor orientation using the personality dimensions measured in this study. The results obtained show that there are two factors, namely factor five (apprehensive) and factor six (conservative) with a negative loading, that could be used to predict whether a salesperson had a dominant customer or competitor orientation. These two factors have to be loaded in the given sequence and one could predict 68% of the overall respondents correctly in terms of their dominant customer or competitor orientations.

This result is interesting since the work of Narver and Slater (1994) suggested that organisation's with a dominant customer orientation would be more successful in markets characterised by high growth rate, lower buyer power, a high degree of competitor hostility and low seller concentration (many sellers). Salespeople who have a dominant customer orientation would probably feel more comfortable working for organisations with a customer orientation rather than a competitor orientation since they would be exhibiting the appropriate behaviour for organisations with those specific cultural values. Similarly salespeople with a dominant competitor orientation would also feel more comfortable working for organisations with a competitor orientation since these would be more profitable in environments where there was a low level of market growth, high buyer power, low competitive hostility and high seller concentration existed.

Greenley (1995) showed that there were five different forms of market orientation in organisations in the U.K. This researcher showed that there were organisations with a dominant customer or competitor orientation and there were organisations with a

comprehensive market orientation. Organisations with a dominant customer orientation would seek salespeople who had a customer orientation rather than a competitor orientation since customer oriented people would reflected the behaviours and norms required of them more readily than competitor oriented individuals. Similarly in term of organisations with a dominant competitor orientation, these would seek individuals with a competitor orientation.

The results obtained in terms of dominant customer and competitor orientations should also be looked at in terms of an organisation that has a comprehensive market orientation. In instances such as this, is it significant that a person has a dominant customer or competitor orientation? Common sense seems to suggest that with comprehensive market orientation one need to have a balanced approach to the competitor or customer dimension, however this would have to be proven. An analysis of table 6.4 (p. 247) reveals that on the whole most organisations appeared to have a dominant customer orientation as opposed to a competitor orientation, particularly if one looks at the mean values. Similarly the differences in mean values for a customer or competitor orientation appear to be very small, suggesting that most firms place an almost equal amount of emphasis on customer and competitor activities. However if one looks at the ranges for the customer and competitor orientations one finds that the ranges do tend to show greater variability.

In terms of the interfunctional co-ordination dimension, these mean values are lower than those obtained for the customer and competitor dimensions in all market orientation categories except for the organisations exhibiting the lowest levels of market orientation. This lower result may be an indication of the fact that salespeople do not spend a great deal of time in their organisation and therefore they are not as sensitive to interfunctional co-ordination aspects of the business as are other people in the organisation. Similarly if they have a co-ordination problem in the organisation it is usually the sales manager who sorts out the problem, since the salesperson is expected to be out on the road selling.

7.5 RECOMMENDATIONS

The findings of this research suggest that organisations in the chemical industry have adopted the marketing concept as part of their business philosophy. Organisations operating in this industry usually do not have a large customer base and therefore they need to ensure that they retain their customers over a long period of time if they are to survive. It is probably for this reason that they tend to exhibit such high levels of market orientation.

An area for future research could be to try to find out if the salespeople's customers felt that the organisations that supplied them were in actual fact as market oriented as the salespeople said they were. Deshpandé et al., (1993, p.30) found that there was little correlation between customers' and marketers perceptions of market orientation. They found that the customers' perception of the organisation's level of market orientation was a better predictor of business performance. Similarly Nel et al., (1996, p. 5) found that in South Africa people had an exaggerated view of their organisation's level of market orientation in that they felt that their organisation had higher levels of market orientation than they actually did.

In terms of market orientation it would also be interesting to see if other people in different positions in the firm felt the same way about the firm's level of market orientation.

In terms of the correlation between the personality traits of salespeople and the level of market orientation in the organisation, this study showed that two of the nine personality traits have a significant positive correlation with market orientation. Since this study was carried out using salespeople who were employed in the chemical industry in South Africa, it is felt that a similar study should be carried out using salespeople from other industries to see if a similar result would be obtained. If this finding was found to be the same in other industries, then this knowledge could be used in the recruitment of salespeople since the more market oriented the

organisation, the higher the salesperson's rating should be in terms of the gregarious and the energies personality trait.

It is also suggested that similar studies should be carried out using people who had different positions in the organisation. It would be interesting to see if the same two traits had a positive correlation with the perceived level of market orientation of an organisation. This study could be duplicated using other personnel in the organisation since the psychometric test used was not specifically designed for salespeople. It would also be interesting to find out if the same study using different personnel in the same organisation would hold for organisations operating in different industries. The only limitation that may exist is the fact that the OPQ5.2 is proprietary and belongs to Saville and Holdsworth Ltd.

The third objective in this study was to identify those salespeople that had either a dominant customer or competitor orientation. This was achieved quite successfully although it should be remembered that the loadings for factors five (apprehensive) and six (conservative) are negative and the factors have to be loaded in the given sequence.

This section of study was carried out using 75 respondents. It is felt that since the number of personality dimensions that were measured were 31, this part of the study could be duplicated using a bigger sample of respondents, perhaps 124 respondents. A study that achieved this would enable the researcher to predict with more conviction the relationship between these two factors and the dominant customer or competitor orientation of salespeople.

As stated before it is recommended that this part of the study be duplicated not only using more respondents but also using respondents in other industries. It would be interesting to find out if a dominant customer or competitor orientation would be necessary for other personnel working for the same organisation. Intuitively it is felt that it must be so, however this would have to be shown to be true using empirical research.

With regards to the dominant customer or competitor orientation of salespeople, this study could be extended in such a way that the results of Narver and Slater (1994) study could be verified in a South African context and the importance of a customer or competitor orientation could be established. It might be that being able to identify the customer or competitor orientation of your salesperson could be significant for a business in terms of attracting the right person for the job particularly if the organisation has a strong customer or competitor focus.

Williams and Attaway, (1986, pp. 44 -45) were able to show that organisational culture was significantly related to a customer orientation and relationship development in a selling context. A buying firm's organisational culture was not found to be a significant predictor for either variable. These researchers go on to say that sales representatives that are customer oriented but not members of a strongly supportive organisational climate can still maintain and develop positive relationships. Sales representatives who possess customer-oriented skills can develop and maintain better relationships with buyers than salespeople who do not possess those skills.

7.6 LIMITATIONS OF THE STUDY

This study was able to show the following:

- Organisations in the chemical industry in South Africa do exhibit different levels of market orientation.
- There is a significant correlation between two of the personality traits found in salespeople and the perceived levels of market orientation in the organisation from the salesperson's point of view.
- It is also possible to determine whether a salesperson has a customer or competitor orientation using two factors identified in this study, namely the apprehensive and the conservative factors.

As in all investigations, this study suffers from a number of limitations that need to be considered. Firstly, the study incorporated a convenience sample methodology and

although the sample does contain sales personnel from different types of chemical companies, caution should be used in generalising the results beyond the sample. Ideally, a random sample of salespeople should have been used but this would have been difficult to implement due to the fact that the personality trait questionnaire had to be personally administered and the number of salespeople operating for a given company in specific area was usually very small.

Secondly the personality trait questionnaire should have been administered under a neutral environment. However this was not always possible since one had to administer the questionnaire in venues provided by the firms that the researcher visited. However it is assumed that this would not have a major impact on the way the respondents answered the questionnaire since they would be quite familiar and comfortable in the environments they operated in.



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APPENDICES

The OPQ5.2 questionnaire is a proprietary product and therefore is not freely available to anyone. For further information on this product, please contact:

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School of Applied Marketing
Faculty of Business Management

BUSINESS PRACTICES SURVEY.

This survey is being carried out in order to determine business practices in the Pretoria/Johannesburg area of South Africa. The answered questionnaires will be treated in a **strictly confidential manner** and the **respondents answers will not be divulged to anyone**, so please give your **honest opinion**.

Please answer all questions. There is no correct or wrong answer for any given question. All you have to do is to circle the code that corresponds with your answer.

Question 1

To what extent do you feel your company performs each of the activities listed in the grid below. Just circle the number that correspond with your opinion. For example you will circle a 1 if you feel that the company does not perform this activity at all, whereas circling a 7 means that the organisation performs this activity to an extreme extent, or you may choose to circle any one of the numbers in between depending on how you feel the organisation performs this activity. Please remember that there is no right or wrong answer. All we are interested in is the extent to which you feel the organisation is performing each of these activities.

In our company.....	Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent.	For data processing purpose
We salespeople, do not regularly share information within our business concerning competitor strategies	1	2	3	4	5	6	7	4
Our firm's objectives are based primarily on customer satisfaction.	1	2	3	4	5	6	7	5
Our company rapidly responds to competitive actions that threaten us.	1	2	3	4	5	6	7	6
Our company constantly monitors our level of commitment and orientation to serving customer needs	1	2	3	4	5	6	7	7
Our company's top managers from every function regularly visit our current and prospective customers	1	2	3	4	5	6	7	8
In this company we do not freely communicate information about our successful and unsuccessful customer experiences across all business functions	1	2	3	4	5	6	7	9
Our company's strategy for competitive advantage is based on our understanding of customer needs	1	2	3	4	5	6	7	10

In our company.....	Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent.	For data processing purpose
All our business functions (eg. marketing/sales, manufacturing, R&D, finance/accounting etc) work together in serving the needs of our target market.	1	2	3	4	5	6	7	11
Our company's business strategies are driven by our beliefs about how we can create greater value for our customers.	1	2	3	4	5	6	7	12
Our company measures customer satisfaction systematically and frequently.	1	2	3	4	5	6	7	13
Our company gives close attention to after-sales service.	1	2	3	4	5	6	7	14
Top management regularly discusses competitor strengths and strategies	1	2	3	4	5	6	7	15
All our managers understand how everyone in our business can contribute to creating customer value.	1	2	3	4	5	6	7	16
We target customers where we have an opportunity for competitive advantage	1	2	3	4	5	6	7	17

Are there any other aspects you feel should have been included in this questionnaire? Please write them down below.

18
19
20

In order to analyse the information you have provided, we need the following information.

Please tick the appropriate box

Question 2

What is the highest formal qualification that you have obtained?

	YES	NO	For data processing purposes only
Post graduate qualification	1	2	21
Degree	1	2	22
Diploma	1	2	23
Certificate	1	2	24
Any other (please specify)	1	2	25
	1	2	26
	1	2	27
	1	2	28

Question 3

What marketing courses have you completed?

	YES	NO	For official purposes only
National Diploma with marketing as a subject.	1	2	29
National Diploma Marketing.	1	2	30
Bachelor Degree with Marketing as a major	1	2	31
Bachelor Degree with Marketing as a subject	1	2	32
IMM Diploma in Marketing	1	2	33
Other diploma with Marketing as a subject. Please specify below:	1	2	34
	1	2	35
	1	2	36
	1	2	37

Question 4.

Number of years in selling excluding those in the company you are currently employed in. _____

38-39

Question 5

Number of years (if any) employed by this company in a non selling position. _____

40-41

Question 6

Number of years employed by this company in a selling position. _____

42-43

Name of respondent: _____

**THANK YOU FOR YOUR CO-OPERATION.
PLEASE HAND THE FILLED QUESTIONNAIRE BACK TO THE RESEARCHER.**



44
45
46
47