

# Sales People Recruitment and Selection for Enhances Sales Performance: An Exploratory Study

JOSEPH I. UDUJI

Department of Marketing, University of Nigeria, Nsukka, Enugu Campus

J.U.J. ONWUMERE

Department of Banking and Finance, University of Nigeria, Nsukka, Enugu Campus

## Abstract

This study investigated the impact of effective recruiting and selecting of the right people for sales job on sales performance in brewing firms in Nigeria. The survey research design was largely used. Personal interview and questionnaire instruments were used to source the primary data. SPSS for windows was used to analyse the data while the Analysis of variance (ANOVA) technique was used to test the hypothesis. Results shows that recruiting and selecting the right sales people do not significantly improve sales performance in brewing firms in Nigeria. As a result of the findings, it is recommended that brewing firms should use a combination of face-to-face interviews, reference checks, physical examinations, intelligent, aptitude and personality test to make selection of applicants, among other factors suggested in this paper.

## 1.0 Introduction

In highly industrialized societies, such as those of North America, Great Britain and Western Europe, the degree of competition between one manufacturer and another is often such that only the most economic methods of production will ensure survival. To achieve this, high-volume output is essential. To maintain high-volume output, one obviously needs high-volume sales. Few of such manufacturers have a monopoly of their markets. In the vast majority of cases, they must compete with others similarly engaged in order to sell their products (Anderson, 1996: 17 - 32).

Furthermore, every manufacturing business has a "break-even figure." This is the figure, in terms of output, which must be achieved before the overhead costs of running the business can be covered. To obtain a sufficient return on the capital, which, has been invested in its manufacturing plant and to cover its overheads, a firm must sell a certain minimum quantity of its products before it even begins to make a profit.

This constant demand for sales can only be met if the selling side of the company is able to continue to obtain repeat orders from its existing customers and can gain new customers to replace those who, for a variety of reasons, cease to use its products. It is to provide this steady intake of orders that the sales representative is employed. His task is to maintain sales by means of personal contact with his company's existing customers and to extend those sales by the establishment of business with new customers.

Every sales representative is subordinate to this prime function of keeping one's manufacturing plant fed with a regular supply of customer orders. If the flow of orders stops, the machines stop; profit disappears, the labour force becomes redundant and there is no money to pay the wages and salaries of the company employees. This shows that the sales force can be a vital cog in the wheel of modern industry. The sales force is the link between the company and its customers (Elvy, 1982: 7 - 8).

The nature of the sales job, the diversity of the company goals and the continuing changes in the market place have been a concern for most field sales managers in today's increasingly competitive brewing market in Nigeria. The relatively high proportion of recruits who either become disillusioned and quit their jobs or are discouraged in a short time after joining a company calls for immediate attention. One survey reported in *Financial Standard* (Ukpaukure, 2001: 36) found that, on the average, 15 percent of a brewing's sales people either quit or are fired during their first year on the job. Sales force turnover approaches 50 percent during the first five years of employment as against 7 percent and 9 percent in United Kingdom and Southern Africa (Elesho, 2001: 2 - 3) and this is alarming. Mistakes in recruitment and selection are very expensive, given that it costs much to recruit, train and develop a productive salesperson. And when that person cannot perform, those recruiting and training costs go down the drain.

Of course, billions of naira have been spent on research to improve the recruiting and selection of salespeople generally, in Nigeria (Ikime, 2007: 19 - 24). The costs to a company which does a poor job of selecting reps are

staggering. They sometimes include the costs of advertising and possible use of an employment agency; the time to screen, interview, and assess candidates; training for the position and paying the salary of those hired. These costs are all wasted if that individual does not perform or does not like the job and leaves the company. Additionally, there are the opportunity costs of lost sales. A poorly motivated, ineffective rep can damage a company's reputation and ruin established relationships with customers. These relationships could take years to reestablish, and the costs in terms of cost revenues could be devastating. It is in this direction, we believe that the findings of the study will provide the sales managers with some relevant criteria for recruiting and selecting the right person for the brewing firms in Nigeria. When the right people are hired, even bad plans could be successful. But more important, the right people will not make many bad plans like the wrong people. We believe that well-selected people based on the criteria of our findings would minimize the managerial problems in Nigeria organisations.

The broad objective of this study therefore was to investigate the influence of recruiting and selecting, on the performance of sales force in brewing firms in Nigeria. However, the specific objectives was to investigate the impact of effective recruiting and selecting of the right people for sales job in brewing firms in Nigeria. To achieve the purpose of the research, the study was guided by this question: How can sales force recruitment and selection influence performance in brewing firms in Nigeria? The study was predicated on the proposition/hypothesis that: Recruiting and selecting the right salespeople do not significantly improve performance in brewing firms in Nigeria.

## 2.0 Review of Related Literature

Human resource planning guides the staffing process, or the hiring of employees to meet a firm's labour need. The staffing process has three components: recruitment, selection, and socialization. According to Gomez-Mejia and Balkin (2002: 266 – 268), **recruitment** is the process of generating a pool of qualified candidates for a particular job. It requires **job specification**, identifying the qualifications necessary for effective job performance so as to get the best match between employee and job. Most firms conduct **job analyses** in which they systematically gather and organize information about the tasks, duties and responsibilities of various jobs. Inancevich (2004: 214 – 216) noted that while there are many job analysis techniques, virtually all of them lead to a **job description**, a formal document that identifies, defines and describes the duties, responsibilities, and working conditions, and a **job specification**, which lists the knowledge, skills, and abilities needed to successfully perform the job. A properly conducted job analysis ensures that the hiring process is job-related in case of a legal challenge (Jones and George, 2003: 370 – 372).

*Recruitment* includes all the activities managers engage in to develop a pool of qualified candidates for open position (Bateman and Snell, 2002: 314 – 316). Recruitment activities help to increase the pool of candidates that might be selected for a job. Recruitment may be internal to the organization (considering current employees for promotions and transfers) or external. Each approach has advantages and disadvantages. One way to increase recruitment effectiveness is a **realistic job preview**: providing potential applicants with honest information about positive and negative aspects of the job. It can reduce selection expenses because individuals can “self-select” into or out of positions based on realistic job information (Heller and Hindle, 1998: 42 – 62).

Once the qualifications for effective job performance have been identified, the organization needs to find recruitment sources that are most likely to produce the best candidates. Randall and Randall (1990: 81-95) recommend most firms starting with current employees, utilizing skill inventories if available. Another major source of recruits is referrals from current employees. Both sources give the firm more information about applicants than going outside would. Bertrand (1990: 36-42) remarks that one disadvantage is that the firm may not attract a diverse pool of applicants, creating potential equal employment opportunity (EEO) problem.

Ford, Walker, Churchill and Hartley (1988: 90 – 133) note that other sources of recruits include former employees, advertisements, employment agencies, colleges and customers. Recruitment over the internet is becoming more important and occurs at broad job search engines such as Monster.Com, which includes all types of positions. Specialized job search engines such as Dice.Com target information technology professionals; Dice.Com is advertised as “high-traffic job board with over 350,000 IT professionals searching every week (Gomez-Mejia and Balkin, 2002: 266 – 268; Bateman and Snell, 2002: 214 – 219; and Jones and George, 2003: 313 – 315).

An effective recruitment effort should create a pool of qualified applicants. As the word implies, **selection** is the screening process used to decide which of these applicants to hire. Rollins (1990: 116 – 118) says that the ultimate objective of selection process is to hire individuals who will perform well based on the criteria the firm uses to evaluate salespeople. Trow (1990: 44 – 46) adds that because no selected process is fool proof, some hires will turn out to be mistakes, and other candidates who would have made good salespeople may be rejected. Clopton (1992: 9 – 97) notes that an organization with a high proportion of individuals who fall into these categories is likely to see much low job performance on average than an organization that consistently makes the right hiring decisions.

Shepard and Heartfield (1991: 67 – 75), suggest that valid and reliable selection techniques help to reduce the proportion of errors and increase the proportion of correct hiring decisions. **Validity** is how well a technique used to assess candidate is related to performance in the job. Gable, Hollon and Dangelo (1992: 39 – 55) have remarked that a technique that is not job-related is useless and, is also illegal if it results in discrimination. They added that documenting validity is essential to a legal defence of job discrimination.

Nelson (1987: 33 – 38) noted that validity can be demonstrated in two ways. **Content Validity** means that the selection process represents the actual activities or knowledge required to successfully perform the job. Lawlor (1995: 75 – 85) added that many firms requires applicants to perform tasks similar to those they will carry out on the job if hired. For instance, if a minimum requirement for a job is possession of a valid pilot's license, a flight simulator may be used to select the best pilot. **Empirical validity** means that there is statistical evidence that the selection method distinguishes between higher and lower performing sales executives (Jenks and Zevnik, 1989: 38 – 42). Lack of empirical validity means that the selections method cannot predict who is going to be a better or worse performer. **Reliability** is a measure of the consistency of results of the selection method (Weekly and Gier, 1987: 484 – 487). For instance, if multiple interviewers reach entirely different conclusions about each job applicant, the method is not reliable. Or if test scores for the same applicant vary dramatically from one day to the next, the test is not reliable. In other words, reliability is an indicator of how much random error there is in the measure being used. Betrand (1990: 36 – 42) have remarked that lack of reliability is equivalent to a speed indicator on a car that is 10 to 30 miles per hour above or below the actual speed. Because the readings is unreliable, the position of the speed needle is not helpful in assessing how fast the car is traveling. An organization may use a variety of selection tools to screen out applicants and attempt to increase the proportion of good performers. Figure 1 shows the recruitment and selection system in organisation.

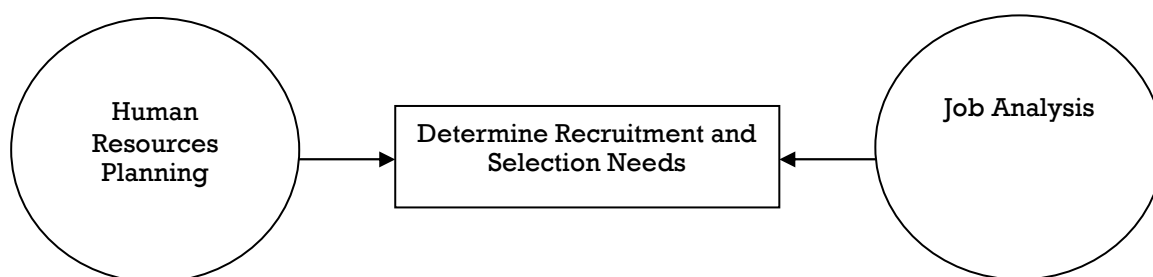


Figure 1: The Recruitment and selection system

Source: Jones G. R. and George, J. M. (2003: 270), *Contemporary Management*, New York: McGraw Hill.

According to Rynes (1991: 399 – 444), **Human Resource Planning** includes all the activities managers engage in to forecast their current and future human resources needs. Current human resources are the employees an organization needs today to provide high – quality goods and services to customers. Future human resource needs are the employees the organization will need at some later date to achieve its longer – term goals. Hiltrop (1999: 422 – 430) note that as part of human resource planning, managers must make both demand forecasts and supply forecasts. **Demand forecasts** estimate the qualifications and numbers of employees an organization will need, given its goals and strategies. **Supply forecasts** estimate the availability and qualifications of current employees now and in the future, and the supply of qualified workers in the external labour market.

Once managers develop a pool of applicants for open positions through the recruitment process, they need to find out whether each applicant is qualified for the position and likely to be a good performer. If more than one applicant meets these two conditions, managers must further determine which applicants are likely to be better performers than others. Guion (1991: 327 – 397) write that they have several selection tools to help them sort out the relative qualifications of job applicants and appraise their potential for being good performers in a particular job. Those tools include background information, interviews, paper-and-pencil tests, physical ability tests, performance tests, and references. Figure 2 show the tools available in the selection process.

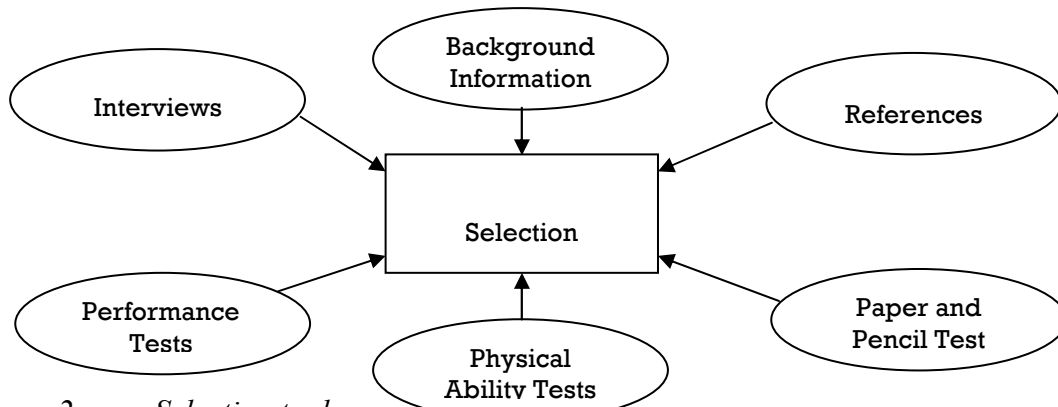


Figure 2: Selection tools

Source: Jones G. R. and George, J. M. (2003: 376), *Contemporary Management*, New York: McGraw Hill.

Although professional salespeople often have resumes to submit to prospective employers, many personnel experts believe that a standard company application form makes it easier to assess applicants. A well-designed application blank helps ensure that the same information obtained in the same form from all candidates (Randall and Randall, 1990: 81 – 95). The primary purpose of the application form is to collect information about the recruit’s physical characteristics and personal history. Forms typically ask for facts about the candidate’s physical condition, family status, education, business experience, military service, participation in social organizations, and outside interests and activities. The information can be reviewed to determine whether the applicant is qualified for the job on such dimension as age, education, and experience (Terpstra, 1996: 16 – 17; Rynes, 1991: 399 – 444).

### 3.0 Methodology

We recall that this study was limited to the influence of recruiting and selecting, training and on sales force performance in selected brewing firms in Nigeria. Two large brewing firms in Nigeria were chosen for case study, notably to Nigeria Breweries Plc and Guinness Nigerian Plc sales force performance in Lagos City of Nigeria. Secondary and primary sources were employed to gather data for the study. Published and unpublished data were accordingly used.

Structured questionnaire was used to source the primary data. This involved the researchers following a sequence of logical steps in order to develop a good questionnaire for accomplishing the research objective. The population of the study was made up of the sales force of Nigeria Breweries Plc and Guinness Nigerian Plc in Lagos City of Nigeria. The sales force disposition of these two giants in Lagos was one hundred and fifty four as shown in table 1.

**Table 1 Sales Force Population in Lagos**

Brewing Firm		Sales Force Size
1.	Nigerian Breweries Plc	96
2.	Guinness Nigeria Plc	58
<b>Total</b>		<b>154</b>

The sample size of the study was determined, using the Yamani (1964: 280) formula;  $n = \frac{N}{1 + (Ne^2)}$

$$; n = \frac{154}{1 + (154 \times .0025)} = 111$$

The technique of analysis used was ANOVA (Analysis of Variance). The computer package SPSS was employed for the analysis/test of hypothesis.

#### 4.0 Data Analysis, Result and Implications

Analysis of variance (ANOVA) was used to test our hypothesis

Decision Rule is that If significant value  $\leq 0.05$ , reject  $H_0$  and accept the alternative. Table 2 shows the result of our test.

**Table 2: ANOVA table for Testing of Hypothesis**

Critical Factor for Sales Force Performance		Sum of Squares	df	Mean Square	F	Sig.
Recruiting and selecting the right sales people is a critical factor for better sales performance	Between Groups	96.23	1	96.23	1426.66	.00
Recruiting and selecting the right sales people is a critical factor for better sales performance	Within Groups	14.30	212	.07		
<b>Total</b>		<b>110.53</b>	<b>213</b>			

Source: Field Survey

In order to test the hypothesis, on whether recruitment and selection of right sales people plays a significant role in enhancing sales force performance in brewing firms in Nigeria, the null hypothesis derived from the hypothesis which states that recruiting and selecting the right sales people do not significantly improve performance in brewing firms in Nigeria was tested, using one-way analysis of variance technique. With the aid of computer, the data on this item was analysed as already shown in table 2. From the table, it can be seen that an F value of 1426.66 with a corresponding P value of 0.00 was obtained. Judging from the decision rule of  $P \leq 0.05$ , the null hypothesis is rejected and the alternative accepted. This shows that recruiting and selecting the right sales people do significantly improve performance in brewing firms in Nigeria. This empirical evidence therefore suggests that recruiting and selecting the right sales people is a critical factor for better sales force performance in the brewing firms in Nigeria.

#### IMPLICATIONS

The test indicates that recruiting and selecting the right sales people do significantly improve performance in brewing firms in Nigeria by implication especially when personal characteristics and sales aptitude become the criteria for selection. The personal traits generally fall into one of these broad categories: physical traits (such as age, sex, height, and physical attractiveness); mental abilities (such as general intelligence, verbal intelligence, mathematical ability, educational attainment and previous sales experience); personal characteristics (such as empathy, aggressiveness, dominance, need for achievement and sociability).

Identifying and selecting personnel who have the aptitude necessary for future success is as important in staffing a sales force as it is in a sport organization. Just as it would be useless for a team to hire and train players who are too small or too slow to be successful in the national football league, it would be futile for a brewing firm to hire, train, and attempt to motivate sales people who lack the basic mental capacity or personality characteristics to be successful. But unfortunately, many brewing firms in Nigeria are not very adapt at recruiting and selecting sales people with the talent and ability for future success. One indication that brewing firms in Nigeria do not always make wise decisions is the relatively high proportion of recruits who either become disillusioned and quit their jobs or are discharged a short time after joining a company.

Ukpaukure (2001: 36) found that, on the average, 15 percent of a brewing firm's salespeople in Nigeria either quit or are fired during their first year on the job. Hence sales force turnover in brewing firms in Nigeria



approaches 50 percent during their first five years of employment, as against 7 percent and 9 percent in United Kingdom and Southern Africa (Elesho, 2001: 2 – 3). Although quit rates and discharge rates vary by each brewing firm, rates are substantially higher in firms where the average age of the sales force is relatively young (CRISA, 2006: 45). Again, this suggests that brewing firms in Nigeria are not always successful in identifying and hiring people with personal characteristics and abilities to become satisfied and successful sales persons.

Mistakes in recruitment and selection are very expensive in brewing firms in Nigeria, given that it costs between N100,000.00 and N500,000.00 to recruit, train and develop one productive brewing sales person (Ikime, 2007: 17 – 24). When that person lacks the aptitude to be successful, those recruiting and training costs go down the drain. Ohiwerei (2007: 33) estimates that it costs brewing firms in Nigeria more than N5billion a year to recruit and train replacements for salespeople who either quit or are fired. The finding also shows another hidden cost when a brewing firm is unable to attract and select new recruits with the greatest possible setting aptitude. Even though such people may turn out to be adequate, they will never be as productive as people with greater natural ability, regardless of how well the brewing sales managers train, supervise, and motivate them. Thus, the brewing firm that does an inadequate job of recruitment and selection incurs opportunity costs in the form of sales and profits that are lower than they could have been.

**Implications for Sales Management:** Brewing managers should attempt to hire more of the salespeople that would be perceived by customers as relatively more experienced and knowledgeable than fresh graduates. They would be seen by customers as more credible sources of information. Also, they would have a better understanding of the selling process and thus be more effective in their dealings with customers. As with older sales people, one would expect that individuals with a large amount of sales-related knowledge would be perceived by their customers as more useful and believable sources of information than less knowledgeable sales people. This knowledge could be obtained through years of experience, extensive training, or familiarity with the products being sold. Salespeople who know more should be better able to influence their customers and achieve a high level of sales performance.

Managers should also attempt to hire sales people with personality traits that help them to be relatively forceful in their dealings with other people – such as ego drive, dominance, aggressiveness, and need for achievement – should also be more effective. It is reasonable to expect forceful sales people to be more persistent at overcoming objections from customers and more successful at closing sales. Finally, empathetic personality types should be more successful as sales people. They are likely to be more sensitive to their customers' needs and more flexible in tailoring their sales presentations to address each customer's unique problems and concerns.

**Implications for Personnel Management:** While a brewing firm must be more selective in choosing new recruits with certain qualifications and abilities, a recruiting specialist should advise and assist first-level managers in evaluating new recruits and making hiring decisions. Thus, staff position should be filled by sales managers who are being groomed for higher-level executive positions. Also, members of the personnel department should assist and advise sales managers in hiring new sales people instead of assigning such duties to a member of the sales management staff. This approach will help to reduce duplication of effort and avoid friction between the sales and personnel departments. One advantage is that personnel specialists may not be as knowledgeable about the job to be filled and the qualifications necessary as a member of the sales management staff. When the personnel department is involved in sales recruiting and hiring, it usually helps to attract applicants and aid in evaluating them. The sales manager, however, should typically have the final responsibility for deciding who to hire. Finally, when a brewing firm sees its sales force as a training ground for sales and marketing managers, either personnel executives or other top – level managers should take part in the recruiting effort to ensure that the new hires have management potential.

## 5.0 Conclusion and Recommendations

Recruiting and selecting the right people is a critical factor that every sales manager can use to improve or correct ailing sales performance in brewing firms in Nigeria. Good selection is of vital importance to the firm because it is the sales force that directly generates revenue for the firm. Moreover, selection is the starting point for developing an effective and efficient group of people who will be responsible for generating those revenues.

Managers should attempt to hire sales people with demographic and personality characteristics that are as similar as possible to those of the prospects they will be calling on. In order to make best selection of the applicants that best meet the qualifications and have the greatest aptitude for the job, brewing firms should use the following tools and procedures: application blanks; face-to-face interviews; reference checks; physical examinations, and; intelligence, aptitude, and personality test. Firms can also use a combination of the selection tools.

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