

The importance of non-financial motivators to pharmaceutical sales representatives: A demographic study

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ABSTRACT

To succeed, sales managers will need to learn new roles and reinvent others such as applying flexible motivation approaches in working with a multicultural, hybrid, diverse sales force. Many organisations invest a great deal of time and money in designing incentive schemes that are failing to achieve their objective of motivating employees. Large amounts of money are spent on financial incentives, while ignoring non-financial incentives. As companies become increasingly cash-strapped, using non-financial motivators may be the solution. Self-administered questionnaires were completed by a sample of 100 pharmaceutical sales representatives from three South African companies. The questionnaire made use of a four-point Likert scale to rate the importance of various non-financial motivational factors. The respondents indicated that 'good relationships with customers' and 'being well informed' are the two most important non-financial motivators. The study also showed that demographic groups differ in the importance they attach to non-financial motivators. 'Having power over other people' was a more important motivator for sales representatives with a lower educational background. 'Growth and promotion opportunities' were more important to males, while differences were found between various age groups and the importance they attached to 'flexibility of their jobs'. The results of this study could influence the structure of motivational schemes

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at pharmaceutical companies and enable management to recognise those factors that might lead to increased performance levels.

Key words: motivation, sales representatives, non-financial motivators, demographics, reward structures, incentive schemes

Introduction

Today, organisations are under intense pressure to identify and implement programmes that will prove effective in improving employee productivity. With the current uncertainty in the economy, coupled with an emphasis on customer satisfaction and long-term business relations, there is renewed interest in the motivation of sales representatives. Social science literature, especially in organisational behaviour and sales management, has long recognised the critical importance of rewards and incentives as a means of motivating employees (Mehta, Anderson & Dubinsky 2000). Employee motivation affects productivity, and part of a sales manager's job is to channel subordinates' motivation towards the accomplishment of the organisation's vision or goals (Daft 2005: 294). Because personal selling constitutes an important driver of performance for many organisations, research investigating sales force effectiveness and productivity has significant theoretical and practical value (Albers, Mantrala & Sridhar 2010).

A poorly motivated sales force will be costly to the organisation in terms of lower productivity and performance, excessive staff turnover, increased expenses, higher use of the sales manager's time and a negative effect on the morale of colleagues (Jobber & Lee 1994). Since the origins of scientific management a century ago, employee motivation has always been an important issue for business. In fact, many would argue that the problem of employee motivation has become even more critical today, especially because sustaining above-average returns is increasingly the result of uniqueness, which, in turn, is based primarily on knowledgeable workers and strategic innovation (Hansen, Smith & Hansen 2002). Thus, to succeed in the years ahead, sales managers will need to learn to apply flexible motivational skills in working with a multicultural, hybrid, diverse sales force (Hair, Anderson, Mehta & Babin 2010: 21).

Companies need to ensure that their sales forces are highly productive and motivated. As a result, they try to improve the productivity of their sales force through better selection, training, motivation and compensation. Of these, compensation and incentive or reward schemes play an important role in motivating sales people to perform better (Abratt & Klein 1999). In the medical device and pharmaceutical

industry in the US, incentives form a large part of the pay of the sales force (Zoltners, Sinha & Lorimer 2012: 173). Incentive or reward schemes as a form of motivation have also long been part of compensation plans in the pharmaceutical industry and are practised by most pharmaceutical companies operating in South Africa.

Motivation is at the heart of how innovative and productive work gets done within organisations, and management has to get it right to enable employees of the organisation to perform effectively (Bloisi, Cook & Hunsacker 2003). Not everyone is motivated by the same rewards, and sales managers must work towards tailoring the motivational environment to the individual, within the boundaries and policies of the company (Chonko, Tanner & Weeks 1992). Sales literature has provided mixed findings regarding the impact of various rewards on performance and other outcome variables, for example, some authors have reported that extrinsic motivation (mainly financial rewards) predicted performance, but intrinsic motivation (mainly non-financial rewards) did not, while others have reported that intrinsic (non-financial) motivators had a greater impact on performance than extrinsic (financial) motivation (Chonko et al. 1992).

Lopez, Hopkins and Raymond (2006) contributed to this knowledge by performing a study to identify the extent to which sales people prefer particular rewards. A survey, performed by Watson Wyatt in the United Kingdom in 2005, indicated that only 38% of employees are motivated by the incentives and performance management systems offered by their organisations (Empey 2008). Pay is by far the most recognised reward in human resource management, and pay for performance is closely equated with a reward system (Smith & Rupp 2003). Although some studies have been done on determining the reward/incentive preferences of sales people internationally (Lopez et al. 2006; Chonko et al. 1992; Ingram & Bellenger 1983) as well as on compensation and reward/incentive schemes in the South African pharmaceutical industry (Abratt & Klein 1999), there is very little information on how a sales representative interprets the importance of non-financial motivational factors. Conventional wisdom, supported by considerable research, suggests that, regardless of how well a sales force compensation plan is received, other motivational factors are also important to sales people. Unfortunately, little is known about the relative importance attached to these other motivators by sales people (Chonko et al. 1992). Lopez et al. (2006) suggest that demographical variables could also influence reward/incentive preferences, and they suggest the need for further research.

Sales management

Sales management is the attainment of sales force goals in an effective and efficient manner through planning, staffing, training, leading and controlling organisational resources. The duties of a sales manager include sales forecasting, budgeting, setting sales quota and designing compensation programmes (Castleberry & Tanner 2011: 443). Rutherford (2007) argues that managing a sales force involves recruiting, hiring, training, supervising, compensating sales people and motivating them to become problem solvers. Churchill, Hartley and Walker (1985) found motivation to be the third most important predictor of sales after selling skills and role perception. One of the responsibilities of sales management is to understand the needs of employees and to tailor the motivational programme so that satisfaction of those needs can be accomplished by performing desired organisational tasks (Jobber & Lee 1994).

Motivation

Motivation refers to the forces, either internal or external to a person, that arouse enthusiasm and persistence to pursue a certain course of action (Daft 2005). In the context of sales management, motivation can be defined as the set of dynamic interpersonal processes that cause the initiation, direction, intensity and persistence of work-related behaviours of a sales force towards the attainment of organisational goals and objectives (Hair et al. 2010: 323). Most sales representatives need encouragement and special incentives to enable them to work to the best of their abilities (Blem 2007: 33). This is especially true for representatives in the field of selling, such as the pharmaceutical sales force. These representatives usually work alone; their hours are irregular; and they are often away from home. They are confronted by competing sales representatives of other companies; they have an inferior status relative to the 'buyer' (for example, medical doctors); they often do not have the authority to do what is necessary to win an account; and they sometimes lose large orders they have worked hard to obtain (Kotler & Keller 2006). The specific nature of the sales job, together with the personality of the sales person, the diversity of the company goals, and the changing character of market conditions, greatly influence the motivation level and therefore the performance of sales representatives (Abratt & Klein 1999).

Management plays a major role in influencing the morale and performance of the sale force through the organisational climate, leadership and positive incentives (Blem 2007: 33). Sales managers should determine how much motivation is needed if the sales force is to successfully accomplish its goals, and they should determine the methods of motivation that are best for the situation at hand. Finally, management

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should develop well-designed motivational programmes that are coordinated with other sales management activities (Futrell 2011b).

Applying contemporary motivation theories to sales management

Herzberg (2003: 45) said: “It’s a manager’s perennial question: How do I get an employee to do what I want?” The psychology of motivation is very complex; over the decades, academics and scientists have formulated several theories in trying to understand how people’s behaviour is related to various motivational factors. Hair et al. (2010) distinguish between three types of motivational theories that are specifically relevant to sales force management: content, process and reinforcement. Depending on the situation and composition of the sales forces, managers will need to use their own judgement in deciding which motivation theory applies best. The three groups of theories will be briefly explained to give context to the study. Content theories will be highlighted, as the focus of the study is on motivators that address employees’ needs.

Content theories

Content theories provide insight into employees needs for rewards and recognition. Understanding these can help sales managers design compensation plans and rewards/incentives that motivate by meeting the needs of the sales force.

Maslow’s hierarchy of needs theory suggests that people are motivated by a hierarchy of psychological growth needs. Sales managers should keep track of the level of needs most important to each sales representative in order to provide opportunities to activate and satisfy the higher-level needs that motivate their sales force towards improved performance (Hair et al. 2010: 324). For example, sales representatives’ safety needs can be addressed by providing a balanced compensation package with fringe benefits, while esteem needs could be addressed through public recognition. Providing greater job control and freedom aligns with self-actualisation needs, while social needs could be addressed through sales meetings or company newsletters.

The ERG (Existence, Relatedness and Growth) theory implies that individual needs can be subsumed under three categories: existents (physiological and safety needs), relatedness (social and esteem needs) and growth (self-actualisation needs). Sales managers can study the location of each sales representative on the hierarchy. This will help managers to decide which sales representatives need recognition,

training or a modified compensation plan to improve their productivity (Hair et al. 2010: 343).

The needs theory proposes that employees develop various needs such as power, affiliation and achievement. Managers must recognise that some sales representatives' need for power is influenced by control over their jobs and influence in sales force decisions or control over others. The need for achievement could be addressed through new responsibilities and challenges as well as regular feedback to assist sales representatives to know how they are performing. Relationships with peers as well as customers address the need for affiliation.

The dual factor theory is based on the assumption that the job itself contains sources of satisfaction and dissatisfaction as well as motivators. Herzberg (2003) developed two factors (hygiene factors and motivators) that will influence the motivation levels of employees, based on his inquiry about the attitudes of employees (Simintiras & Lancaster 1991). One set of factors caused happy feelings or a good attitude within the worker, and these factors were, on the whole, task-related. The other grouping was primarily present when feelings of unhappiness or bad attitude were evident; these factors were not directly related to the job itself, but to the conditions that surrounded doing that job. Tietjen and Myers (1998: 226) listed the factors as follows: Group one, named motivators, or job factors, influence job satisfaction and include recognition, promotion, achievements, intrinsic nature of work and the opportunity for personal growths. Group two, hygiene factors are extrinsic aspects of the job and include pay, job security, company policies, working conditions and the nature of supervision. Motivators refer to factors intrinsic within the work itself, such as the recognition of a task completed, achievements, opportunities for growth and advancements. According to Wong, Siu and Tsang (1999: 231), intrinsic factors are true motivators that generate job satisfaction. Thus, according to the dual factor theory, only motivators can motivate the sales force, while hygiene factors can be demotivating if absent. Hair et al. (2010: 326) suggest that sales managers improve the productivity of the sales force by maintaining hygiene factors while providing motivators such as responsibility, authority, job freedom, new and more difficult tasks and communication.

Process theories

The second group, the process theories, aim to explain the thought process of employees and identify actions that fulfil their needs. Reid (2002: 123) is of the opinion that the expectancy theory is one of the most popular theories of motivation. Reid states that an individual's motivation to work is affected by a wide range of

both independent and interdependent variables. Lopez et al. (2006: 382) divided these variables into the following three components that will affect the level of sales representatives' motivation:

- The likelihood that effort will affect performance
- The extent to which performance may lead to reward
- How much an individual wants the reward.

Another important factor in employee motivation can be seen in the equity theory, with its notions of procedural and distributive justice in absolute and, in particular, relative rewards (Reid 2002: 124). If employees perceive that their inputs, in terms of their effort or performance, do not receive adequate reward, either on their own merit or in comparison with others, a perception of inequity will result. Reid (2002: 124) is also of the opinion that it is possible for the reverse situation to occur, whereby the reward is overly generous in relation to the input and it is believed that guilt feelings may be felt.

Finally, reinforcement theories focus on the consequences of behaviour, which managers can modify by using rewards and penalties. Reinforcement-based theories suggest that behaviours that are rewarded will be perceived to be motivators, whereas other behaviours will be discarded (Simintiras & Lancaster 1991). Positive reinforcement provides pleasant consequences for a desired behaviour, like a bonus for opening a new account, while negative reinforcement allows sales representatives to avoid an undesirable outcome after displaying the desired behaviour.

Using reward and incentive programmes for sales force motivation

The behaviour and performance of sales representatives are mainly influenced by the compensation and reward structures applied in an organisation. A key challenge for sales managers would therefore be to identify rewards/incentives that will motivate their sales people, but will also develop and retain a quality sales force (Lopez et al. 2006). According to Abratt and Klein (1999), intrinsic motivation is derived from job content and can be described as the process of motivation by work in itself, in so far as it meets people's needs, or leads to the expectation that their goals will be achieved. People seek a type of work that satisfies them, and intrinsic motivation is therefore self-generated. Extrinsic motivation refers to what is done for people to motivate them. It arises from the provision by management of rewards such as salary increases or bonuses. Abratt and Klein (1999) are of the opinion that these extrinsic motivators have an immediate and powerful effect, but may not be long-lasting. Wong et al.

(1999) found that the three factors considered to be essential by all employees were intrinsic factors, interesting work, promotion and feeling of involvement. This echoes Herzberg's (2003) argument that the provision of extrinsic factors merely prevents employees from being dissatisfied with their job but does not guarantee actual satisfaction. However Fu, Richards, Hughes and Jones (2010) warn that intrinsic motivation can be undermined by extrinsic motivators. According to Pradeep (1985), intrinsic and extrinsic motivation play an important role in influencing sales persons' work performance. As both include non-financial aspects, both are included in this study. According to Futrell (2011b: 527), sales management literature suggests five broad classes of factors referred to as the motivational mix that sales managers can make use of to motivate sales representatives: the basic compensation plan, financial incentives, non-financial rewards, leadership techniques and management control procedures. Depending on the situation and the composition of the sales force, sales managers will need to exercise their individual judgement in deciding which motivational approach aligns best (Hair et al. 2010: 9).

Compensation

Rajagopd (2010) argues that compensation as well as sales territory design influence the effectiveness of the sales forces. Krafft, DeCarlo, Poujol and Tanner (2012: 108) state that compensation is used as a mechanism for directing sales force energy, activity and performance. These compensation systems may also affect the satisfaction and retention of sales people. While there are a variety of ways to compensate a sales force, most companies use three main methods: straight salary, straight commissions and a combination of salary and commissions. Besides salary and commission, financial compensation could also include reimbursement of sales expenses and transportation. Non-financial incentives may also be included in a compensation plan (Hair et al. 2010: 9). As a sales force can become accustomed to a relatively stable compensation plan, it can become ineffective as a motivator, thus emphasising the fact that sales managers need other non-financial motivational approaches as well (Hair et al. 2010: 335).

Reward/incentive programmes

When sales representatives achieve or exceed a specified sales quota, they are often given a monetary bonus and/or special recognition to reward them for their performance as well as to motivate them to continue their behaviour (Hair et al. 2010: 331). According to Castleberry and Tanner (2011: 467), financial incentives

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and non-financial rewards could influence sales representatives' motivation. Positive incentives include sales meetings that provide an opportunity for socialising, contests, awards, paid holidays and profit-sharing plans (Blem 2007: 34). According to Futrell (2011a: 17), two types of rewards – non-financial and financial rewards – can be distinguished.

Financial

Monetary rewards/incentives for job performance include salary, commission, bonuses and fringe benefits (Hair et al. 2010: 331). Lopez et al. (2006) are of the opinion that there is no doubt that employing commissions as a reward motivates sales people in some situations. However, heavy reliance on commissions to reward sales people may cause concern about high-pressure sales techniques, coercive selling, ethical selling issues and sales person behaviours. Krafft et al. (2012: 110) also argue that extrinsic motivators provided by the compensation plan and other financial incentives can lead to aggressive sales techniques, overstocking customers and being less reactive to customers' demands. According to Smith and Rupp (2003), prizes have become so common that they have become a form of commission that sales people expect. Expected rewards decrease the intrinsic motivation for the rewarded activity. Unexpected rewards, in the context of the same activity, increase motivation. In fact, research has suggested that outcome-based control systems that emphasise output but provide little nutrient and feedback tend to garner less organisational commitment (Oliver & Anderson 1994). These studies also indicate that, while frequently used, financial rewards might not be the only type of rewards sought by members of the sales force and that demographic variables may determine the value that a member of an organisation places on financial rewards, as opposed to non-financial rewards (Hanna & Srivastava 1998: 56). Krafft et al. (2012: 111) propose that the motivating power of financial incentives ends upon receiving the rewards, yet non-financial incentives may continue motivating long after the transfer of the award. Peterson and Luthans (2006) reported that non-financial incentives had an equally significant impact on business outcomes as financial incentives. Therefore, the assumption among many sales managers that sales motivation and performance can be improved simply by offering greater financial rewards ignores findings that non-financial rewards equally motivate the sales force, and in some instances even better than financial rewards (Demirdjian 1984; Hair et al. 2010). Due to the factors in the preceding discussion and the increased financial strain on organisations, it was decided to focus on non-financial incentives, also referred to as non-financial motivators.

Non-financial rewards/incentives

Although financial incentives are important for improved sales force performance, some researchers suggest that financial incentives may not be the most sought-after (Demirdjian 1984; Campanelli 1993). Futrell (2011b) states that non-financial rewards/incentives, such as achievement and recognition, are effective in motivating sales representatives and are an important part of a managers' motivational mix. Like financial incentives, non-financial incentives can be carefully adjusted to produce a strong impact on the motivation of sales people (Pradeep 1985). In order to use non-financial motivators/incentives such as job dimensions (challenge, variety, feedback and autonomy) and leadership characteristics (support and trust) to improve sales performance, it is important to examine the nature of their roles in influencing the intrinsic and extrinsic motivation of sales people.

Importance of motivators

Conflicting results were found as to which factors, whether financial or non-financial, are the most important motivators for employees. Stuart (1992) indicated that recognition for a job well done was the top motivator of employee performance, whereas money was rated second. Previous research has shown that the reward with the highest value was pay, followed by promotion, personal growth and sense of accomplishment (Krafft 1999; Chu, Gerstner & Hess 1995; Chowdhury 1993). Malik and Nadeem (2009) found in a study of pharmaceutical representatives in Pakistan that the top three motivators were firstly pay and fringe benefits, followed by job security and lastly promotional opportunities. Wong et al. (1999: 230) identified the top three motivators for employees in Hong Kong as opportunities for advancement, loyalty to the employees and good wages, while Huddleston, Good and Frazier (2002) identified pay, job security and recognition as the most important motivators. However, Steen (1997) observed that flexible hours were of greater importance than a pay increase. Appelbaum and Kamal (2000: 735) state that while pay is important, it is only relevant to the degree that it is considered fair and equitable compared to similar positions within and outside of the organisations.

Role of demographics in motivation

According to Hanna and Srivastava (1998), motivators in general can vary greatly from one culture to another in an international context. Age, education, gender and job tenure could also influence motivation (Dubinsky & Skinner 1984; Lefkowitz 1994). Huddleston et al. (2002) also found that demographics were a factor in the

motivation of sales representatives in Russia. Wong et al. (1999: 230) noted that different demographic groups look for different motivational factors in their jobs. Significant differences were found in motivational factors such as interesting work, opportunities for advancement and feelings of being involved. As this study focuses on gender, age, education and work experience variables, these demographic variables will be explained in more detail.

Age

Need satisfaction models suggest that the factors that motivate workers may change as people satisfy their needs as they age. Churchill, Ford and Walker (1979) found that as employees aged, their preference for job security increased, while younger workers valued promotions more than older workers. DelVecchio and Wagner (2011) reported that age has a direct effect on a sales representative's intrinsic motivation. Promotion and interesting work were more important for the age groups 16–25 years and 26–35 years, than for the older (46+) age group. Hair et al. (2010: 333) also found that the opportunity for advancement and promotion is a strong motivator for younger sales representatives. Financial rewards were mostly valued by older, longer-tenured representatives, whereas non-financial rewards were more valued by young sales representatives (Kotler & Keller 2006).

Gender

Wong et al. (1999) found that females valued support and recognition more than their male counterparts. Huddleston et al. (2002) reported that women valued job security more than men; however, Komives (1991) observed no gender difference in the motivational levels of employees.

Education

Education levels could influence a person, as the importance of rewards and responsibility will change as education levels increase (Churchill et al. 1979). Although Wong et al. (1999: 230) found no difference between education levels and job security, praise and promotion opportunities were more important for more educated employees, while less educated employees valued being more involved in aspects such as quota setting and territory design. Huddleston et al. (2002) reported that better-educated employees valued recognition more, while the opportunity to learn new things, freedom and promotion were not influenced by demographics.

Work experience

Career stages are thought to influence individual work-related attitudes, perceptions and behaviour and as such, can influence motivation (Hanna & Srivastava 1998: 52). Age and/or experience are often used as an alternative career-stage indicator. For the purposes of this study, 'years' experience as a sales representative' will therefore be used as a career-stage indicator. Effectively managing and motivating sales representatives at different career stages is a challenge, because of the changes in motivation and performance commonly associated with a sales person's tenure (Cron 1984). Different kinds of motivation may become more or less salient as sales representatives go through the various career stages, and effective sales management practice would call for the deployment of different management styles (Hair et al. 2010: 345). Prior research (Miao, Lund & Evans 2009; Lynn, Cao & Horn 1996) has provided evidence that the importance that employees place on various rewards differs according to their career stage. Employees in the exploration stage prefer support and peer acceptance; in the establishment stage people are motivated by promotion and challenge; employees in the maintenance stage are less competitive and value security, while representatives in the disengagement stage are moving into retirement (Lynn et al. 1996; Weaver 1976). For some sales representatives, especially those who are risk averse or who are in an early stage of their careers, a commission-based incentive may be too unstable. For other sales representatives, the ability to directly control their income can be highly motivating (Lopez et al. 2006: 382). Miao et al. (2009) found that sales representatives in the established stage of their career had higher levels of challenge-seeking than sales representatives in the exploration and maintenance stages, although the difference was not significant. The authors found no differences between the four career stages and the importance of respect and recognition as motivators. According to Huddleston et al. (2002), workers with a little and a lot of experience valued respect and praise more than mid-career workers. Wong et al. (1999: 230) also reported that interesting work was more important for employees that worked for a shorter period of time than for those with longer service that prefer good working conditions. However, the authors found no differences with respect to job security, involvement or promotion and praise, and career stages.

Hair et al. (2011: 333) state that for years, the majority of sales managers assumed that monetary/financial rewards were most valued in motivating a sales force. However, recently managers across all industries are beginning to realise that while monetary rewards are initially motivating, non-financial rewards and intrinsic rewards, such as recognition, are critical in drawing higher levels of performance from the sale force. Money and other financial incentives are soon spent, but public recognition acts as a constant reminder of a sales representative's accomplishments.

Applebaum and Kamal (2000: 734) also suggest that it is becoming more difficult for small to medium-sized firms to compete with larger counterparts financially in attracting and maintaining employees, and that it will become imperative to understand and identify alternative non-financial incentive/motivators. Gresing (1996) and Weiss (1997) indicated that an increase in compensation and financial incentives in a tight labour market is only effective when combined with non-financial factors. Therefore, while adequate pay may be sufficient in reducing dissatisfaction, it may not be sufficient as a stand-alone motivator. Non-financial motivators such as job enrichment are a means of complementing pay and providing more motivational sources (Appelbaum and Kamal 2000: 736). Ting (1997) also advocates the use of intrinsically appealing non-monetary motivators in the context of equitable pay. Zoltners et al. (2012) postulate that as selling become increasingly complex, motivating the right sales force behaviours using traditional incentives such as money will become more challenging; they suggest that managers develop a more balanced approach to motivating sales force efforts. Based on these arguments and the limited research on the importance of non-financial motivators of pharmaceutical sales representatives in South African, a gap has been identified. The authors have therefore attempted to fill this gap by researching the role of demographics in the importance of 25 non-financial motivators.

Research objective

The aim of the study is to determine the importance of various non-financial factors in the motivation of pharmaceutical sales representatives. Further to this, an investigation will also be made into various demographic variables that might influence individual levels of motivation pertaining to non-financial motivators. The objectives of this study are:

- To determine the importance of various non-financial motivators for pharmaceutical sales representatives
- To determine whether differences between the demographical variables (age, gender, education and work experience) of pharmaceutical sales representatives result in differences in the importance that pharmaceutical sales representatives attach to non-financial motivators.

Research method

Non-probability convenience sampling was used, since the characteristics of this method were considered suitable in view of financial and time restraints. The

sample for this study consisted of pharmaceutical sales representatives in three large pharmaceutical companies in various parts of South Africa. The pharmaceutical industry was chosen, because the selling function suffers from one of the symptoms of poor motivation, namely high staff turnover (Paul & Anantharaman 2003). Data were collected by means of a quantitative, self-completion measurement instrument. The questionnaire was pre-tested before finalisation. Questionnaires were distributed to regional managers to hand to their representatives for completion, and a specific date was provided on which the completed questionnaires needed to be returned. One hundred completed, useable questionnaires were received. The non-financial motivational factors chosen for inclusion in the study and the questionnaire were based on a review of sales management motivational literature and previous research (Wong et al. 1999; Simons & Enz 1995; Jobber & Lee 1994) as well as discussions with sales managers at pharmaceutical companies. In this study, a four-point Likert scale, ranging from 'not important' to 'very important', was used to avoid a mid-point, and thus respondents were compelled to make a decision towards one or other end of the scale (Allen & Seaman 2007). The questionnaire was also designed to obtain demographic information such as gender, age, educational background and work experience. The Cronbach's alpha reliability coefficient for the non-financial motivational factors was 0.786, indicating that the scale as a whole has acceptable internal reliability. Non-parametric tests were used to test for significant differences at a confidence interval of 0.05.

Research results

Demographic profile of sample

In Table 1, the demographic profile of respondents is demonstrated.

The sample consisted of 75% females and 25% males. It is evident that the pharmaceutical representative's position of this sample is not limited to people in their twenties or thirties, with 27% of respondents being older than 40 years of age and the oldest respondent being 62 years old. This was also reflected in the number of years' experience within this group of respondents: 58% of respondents had more than six years' experience as pharmaceutical representatives; the respondent with the longest experience had 34 years' total experience. The level of education among respondents was also quite high, with 52% of respondents having a bachelor, honours or masters degree.

Table 1: Demographic profile of respondents

Demographic profile (N=100)	
Age	Percentage
Younger than 30	22
30-39	51
40-49	17
50 and older	10
Gender	
Male	25
Female	75
Total years as representative	
1-5	42
6-10	31
11+	27
Highest qualification	
Matric or equivalent	8
Post-school certificate / Diploma	7
National diploma / Higher diploma	33
Bachelor degree or equivalent	36
Honours degree or equivalent	13
Masters degree or equivalent	3

Importance of non-financial motivational factors

Objective 1: To determine the importance of various non-financial motivators for pharmaceutical sales representatives

In Table 2, the results of the data collected for Objective 1 are displayed in accordance with how these factors were rated as ‘not at all or less important’, ‘quite important’ or ‘very important’ (The ‘not at all important’ and ‘less important’ options were combined for statistical reasons.)

It is evident from Table 2 that *having power over other people* (2.00), *being the senior representative in the team* (2.78), *a fair degree of pressure* (3.03), *being busy all the time* (3.05) and *teambuilding* (3.06) are the least important non-financial motivators. Respondents indicated the most important motivators as *good relationships with customers* (3.94), *being well informed* (3.93), *strong products and brands* (3.89), *job security* (3.85) and *high ethical standards in the company and job* (3.79). It is also

Table 2: Importance of non-financial motivational factors

Non-financial motivational factors (N=100)	Not at all or less important (%)	Quite important (%)	Very important (%)	Mean value (M)	Standard deviation (SD)
Good relationships with my customers	0	6	94	3.94	.239
Being well informed	0	7	93	3.93	.256
Strong products and brands	9	11	89	3.89	.314
Job security	4	7	89	3.85	.458
High ethical standards in my company and job	0	21	79	3.79	.409
Recognition for my efforts and skills	1	23	76	3.75	.458
Support from management	1	26	73	3.71	.518
Growth opportunities - learn new things	1	33	66	3.65	.500
The opportunity to be creative in my work	5	34	61	3.56	.592
New challenges or responsibilities	4	37	59	3.54	.610
The flexibility of my job	6	35	59	3.52	.643
Training opportunities	2	46	52	3.50	.541
Appraisal and feedback from managers	6	41	53	3.47	.611
Exclusive territories	8	41	51	3.43	.640
The possibility of being promoted	19	35	46	3.26	.787
More freedom in the performance of duties	16	48	36	3.19	.720
Working in a team	19	48	33	3.14	.711
Involvement in target-setting	13	62	25	3.12	.608
The fear of failure	26	33	41	3.12	.868
Competing against others	23	46	31	3.07	.756
Team building	22	45	33	3.06	.839
Being busy all the time	18	55	27	3.05	.757
A fair degree of pressure	15	64	21	3.03	.674
Being the 'senior' representative in the team	39	36	25	2.87	.917
Having power over other people	76	21	3	2.00	.778

interesting to note that the top three most important motivators also had the lowest standard deviation, indicating that respondents were in agreement.

The literature discussion highlighted contradictory findings in previous research on motivators. The findings of this study are in line with those of earlier research. The opportunities for advancement or promotion were identified by various studies in the pharmaceutical industry, as well as other industries, as one of the top five motivators

(Malik & Nadeem 2009; Hanna & Srivastava 1998; Chu et al. 1995; Chowdhury 1993). However, this motivator ranked only fifteenth in this study, indicating that not all sales representatives want to move up into management. Hanna and Srivastava (1998) found that training was one of the top five motivators, but training ranked only twelfth in this study. Rajagopd (2010) argues that sales territory design influences the effectiveness of the sales forces, but this study found that having exclusive territories (14th) and being involved in target-setting (19th) ranked relatively low in importance as motivators. Wong et al. (1999) noted that the two factors considered to be essential by all employees were intrinsic factors, namely interesting work and the feeling of involvement. New challenges and being creative, thus indicating interesting work, ranked ninth and tenth, while involvement, with specific reference to target-setting, ranked only nineteenth.

However, some of the study's findings support those of previous research. Malik and Nadeem (2009) found in a study of pharmaceutical representatives in Pakistan that one of the top three motivators was job security. Job security ranked fourth in this study and was indicated by 89% of the respondents as very important. Stuart (1992) reported that recognition for a job well done was the top motivator of employee performance. Although recognition did not rank as the most important motivator in this study, it was still ranked as very important by 76% of the respondents and ranked sixth overall. Huddleston et al. (2002) noted that job security and recognition were some of the most important motivators. This study confirms their findings, as job security ranked fourth and recognition sixth.

Linking demographics with motivational factors

To determine whether the demographics of sales representatives play a role in the importance they attach to non-financial motivators, Mann-Whitney U tests and Kruskal-Wallis statistical tests were used. Since the scale is measured at an interval level of measurement, and two groups (male compared with female, and lower compared with higher education groups) were compared, the appropriate parametric significant test is the independent samples *t*-test, while ANOVAs were the appropriate test for the comparison of three groups, such as evident in age and work experience, on interval level. The independent samples *t*-test has three assumptions; unfortunately the assumption that "the test variable is normally distributed in each of the two populations" (Green, Salkind & Akey 2000: 150) was not satisfied. The Kolmogorov-Smirnov test for normality was used to assess the assumption of normality, as well as visual inspections of histograms and normal probability plots. The results indicated substantial departures from normality. Due to the assumption of normality not being

validated, it was decided to use the non-parametric alternative, namely the Mann-Whitney U test. The assumptions of a one-way ANOVA of normal distribution, homogeneity and independence were not all satisfied, and therefore it was decided to use the Kruskal-Wallis test.

Objective 2: To determine whether differences between the demographic variables (age, gender, education, and work experience) of pharmaceutical sales representatives result in differences in the importance that pharmaceutical sales representatives attach to non-financial motivators

Males and females agreed that being *well informed, good relationships with customers, job security* and *strong products and brands* are among the five most important motivational factors. Females also included *high ethical standards in my company and job* in their top five, while males included *growth opportunities*. Table 3 indicates that females attached a slightly higher importance to *being busy all the time, fear of failure, recognition, being the senior sales representative, high ethical standards, flexibility of my job, a fair degree of pressure, job security, working in a team, being well informed and support, appraisal and performance feedback from management*. Wong et al. (1999) also found that females valued support and recognition more than their male counterparts. A soft-tone approach therefore seems to be more appropriate for motivating female employees. The fact that females attached higher importance to job security is in line with the findings of Huddleston et al. (2002), who reported that woman valued job security more than men.

Males attached slightly more importance to *new challenges, growth opportunities, competing against others, opportunity to be creative in my work, possibility of being promoted, involvement in target-setting, team building and training*, thus indicating a more dynamic and driven approach.

However, when male and female ratings of the motivational factors were compared, the Mann-Whitney U tests detected significant differences between the mean ranks for only three of the 25 factors (Table 4).

Significant differences were detected with respect to the importance of *growth opportunities* and *possibility of promotion*. Growth opportunities and the possibility of being promoted were significantly more important for male respondents than females. Growth and promotion could also be linked to the higher importance placed by male respondents on training as well as new challenges. The Mann-Whitney U tests also revealed a significant difference in the importance of *support from management*. *Support from management* was significantly more important to female respondents

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Table 3: Gender and non-financial motivators (N=100)

	Male		Female	
	M	SD	M	SD
Being busy all the time	2.96	.841	3.08	.731
New challenges or responsibilities	3.56	.507	3.53	.644
Competing against others	3.20	.764	3.03	.753
The fear of failure	2.88	1.054	3.21	.788
Having power over other people	2.00	.866	2.00	.753
Recognition for my efforts and skills	3.68	.476	3.77	.452
Being the 'senior' representative in the team	2.64	.995	2.83	.891
High ethical standards in my company and my job	3.72	.458	3.81	.392
The opportunity to be creative in my daily work	3.60	.577	3.55	.599
The flexibility of my job	3.44	.712	3.55	.622
The possibility of being promoted	3.52	.586	3.17	.828
A fair degree of pressure	3.00	.707	3.04	.667
Working in a team	3.04	.676	3.17	.724
Support from management	3.48	.714	3.79	.412
Good relationships with my customers	3.96	.200	3.93	.251
Job security	3.80	.577	3.87	.414
More freedom in the performance of my duties	3.36	.700	3.13	.723
Growth opportunities - to learn new things	3.84	.374	3.59	.522
Appraisal and performance feedback from managers	3.40	.645	3.49	.601
Involvement in target-setting	3.20	.500	3.09	.640
Team building	3.23	.737	2.99	.862
Strong products and brands	3.88	.332	3.89	.311
Being well informed	3.88	.332	3.95	.225
Training opportunities	3.64	.569	3.51	.529
Exclusive territories	3.40	.645	3.44	.642

Note: M = mean rank value; SD = standard deviation

Table 4: Mann-Whitney U tests for gender and non-financial motivators

Factor	Gender	N	M	SD	Results: Mann-Whitney U test
The possibility of being promoted	Male	25	3.52	.586	Test statistic: 680 p-value: .025 ($r=.22$; $z=-2.24$)
	Female	75	3.17	.828	
Support from management	Male	25	3.48	.714	Test statistic: 717 p-value: .028 ($r=.23$; $z=-2.28$)
	Female	75	3.79	.412	
Growth opportunities (to learn new things)	Male	25	3.84	.374	Test statistic: 710 p-value: .028 ($r=.22$; $z=-2.28$)
	Female	75	3.59	.522	

than males and could possibly also be linked to the greater importance that females attach to appraisal and feedback from management as well as working in a team. The findings are not in agreement with Komives (1991), who found no gender difference in the motivational levels of employees.

Different age groups were evaluated in terms of their preferences for the selected motivational factors. The decision was made to split the age groups as follows: 23–30; 31–40; 41 and older, to have similar sample size groupings for statistical testing. Sales representatives in all three age groups indicated their top five motivators as *being well informed, good relationships with customers, job security, strong products and brands* and *high ethical standards in my company and job*. From Table 5 it is evident that sales representatives in the age group 23–30 attached slightly higher importance to *being busy, a fair degree of pressure, working in a team, support from management* and *strong products and brands*. These factors could all be linked to their inexperience and therefore their need for more support from management and/or team members, as well as strong products to help them succeed.

Respondents aged 31–40 years attached higher importance to *recognition, the opportunity to be creative, flexibility, growth opportunities, involvement in target-setting* and *training*. These factors reflect the fact that they are already more established and want more out of a sales job.

The older sales representatives (41+) attached higher importance to *competing against others, fear of failure, power over people, being the senior representative, high ethical standards, good relationships with customers, job security, freedom and exclusive territories*. These factors can all be linked to being well established in their sales careers.

The Kruskal-Wallis tests revealed only one significant difference, namely the importance of *the flexibility of my job* across three different age groups (Group 1,

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Table 5: Age and non-financial motivators

Age (N=100)	(23–30)		(31–40)		(41+)	
	M	SD	M	SD	M	SD
Being busy all the time	3.16	.628	3.02	.698	2.96	.962
New challenges or responsibilities	3.56	.564	3.55	.552	3.5	.745
Competing against others	3.03	.647	3.00	.877	3.21	.686
The fear of failure	3.09	.737	3.10	.900	3.18	.983
Having power over other people	2.00	.718	1.90	.841	2.14	.756
Recognition for my efforts and skills	3.75	.440	3.78	.480	3.71	.460
Being the “senior” representative in the team	2.81	.896	2.70	.911	2.86	.970
High ethical standards in my company and my job	3.78	.420	3.78	.426	3.82	.390
The opportunity to be creative in my daily work	3.53	.621	3.60	.545	3.54	.637
The flexibility of my job	3.34	.701	3.70	.560	3.46	6.37
The possibility of being promoted	3.37	.707	3.37	.740	2.96	.881
A fair degree of pressure	3.06	.669	3.05	.639	2.96	.744
Working in a team	3.16	.677	3.13	.648	3.14	.848
Support from management	3.84	.369	3.62	.628	3.68	.476
Good relationships with my customers	3.91	.296	3.95	.221	3.96	.189
Job security	3.81	.471	3.83	.501	3.93	.378
More freedom in the performance of my duties	3.09	.893	3.18	.636	3.32	.612
Growth opportunities - chances to learn new things	3.59	.560	3.72	.452	3.61	.497
Appraisal and performance feedback from managers	3.62	.554	3.45	.639	3.32	.612
Involvement in target-setting	3.03	.647	3.18	.636	3.14	.525
Team building	3.09	.734	3.00	.877	3.11	.916
Strong products and brands	3.91	.296	3.88	.335	3.89	.315
Being well informed	3.94	.246	3.93	.267	3.93	.262
Training opportunities	3.47	.507	3.60	.545	3.39	.567
Exclusive territories	3.44	.619	3.37	.667	3.50	.638

Note: M = mean rank value; SD = standard deviation

n=32: 23–30 years; Group 2, n=40: 31–40 years, Group 3, n=28: 41+ years), χ^2 (2, N=100) = 6.81, p=.033. *Flexibility of my job* was significantly more important for the age group 31–40 years ($M=3.70$) than for the other two groups (23–30 years, $M=3.34$; 41+, $M=3.46$). Although only one significant difference was found, the results show trends that support some of the previous findings. Kotler and Keller (2006) reported that recognition was more valued by young sales representatives. In this study, sales

representatives younger than 40 years attached more importance to recognition than older sales representatives (although the difference was not significant). DelVecchio and Wagner (2011) also found that promotion and interesting work were more important for the younger age group than for the older age group. The results in Table 5 echo the findings of DelVecchio and Wagner, as promotion and interesting work (new challenges) were more important (although not significantly different) to the younger age groups than the older age group. Churchill et al. (1979) noted that as employees aged, their preference for job security increased. This trend was also apparent in Table 4, as the age group 23–30 years had a mean rank value of 3.81; the rank value for the age group 31–40 years was 3.83; and sales representatives in the age group 41+ had a mean rank value of 3.93 for *job security*.

For statistical purposes, the educational demographics were divided into two groups: those with matric/diploma (including high school, matric or equivalent, post-school certificate/diploma) representing a lower level of education; and those with a higher diploma, bachelor, honours or masters degree representing a higher level of education. Sales representatives in both groups indicated their top four motivators as *being well informed, good relationships with customers, job security and high ethical standards in my company and job* (Table 6). For the matric/diploma group, *the opportunity to be creative in their work* was included in the top five motivators, while *strong products and brands* were included for sales representatives with degree qualifications.

Respondents in the lower education group attached more importance to *being busy all the time, new challenges, opportunity to be creative, having power over other people, competing against others, being the senior sales representative, opportunity for promotion, a fair degree of pressure and involvement in target-setting*. The fact that they are motivated by having power over other people, being the senior sales representative, opportunities for promotion and competing against others may link to the fact that they could feel they have to prove themselves because they have lower qualifications.

Sales representatives with a higher level of education ascribed more importance to *fear of failure, support from management, freedom, appraisal and feedback from managers, strong products and brands* as well as *recognition*. They thus indicated that they prefer a high degree of support, possibly due to the fact that they are afraid to fail.

When representatives with different educational qualifications rated the importance of the selected motivational factors, significant differences were detected for two factors. The Mann-Whitney U tests revealed a significant difference in the importance of *having power over other people* and *a fair degree of pressure* (Table 7). *Having power over other people* and *a fair degree of pressure* were significantly more

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Table 6: Education and non-financial motivators

Education (N=100)	Lower		Higher	
	M	SD	M	SD
Being busy all the time	3.13	.915	3.04	.731
New challenges or responsibilities	3.67	.617	3.52	.610
Competing against others	3.40	.737	3.01	.748
The fear of failure	3.07	1.033	3.13	.842
Having power over other people	2.33	.617	1.94	.792
Recognition for my efforts and skills	3.73	.458	3.75	.460
Being the 'senior' representative in the team	2.93	1.033	2.75	.898
High ethical standards in my company and my job	3.93	.258	3.76	.427
The opportunity to be creative in my daily work	3.80	.414	3.52	.610
The flexibility of my job	3.47	.640	3.53	.647
The possibility of being promoted	3.33	.724	3.25	.800
A fair degree of pressure	3.40	.632	2.96	.663
Working in a team	3.13	.640	3.14	.726
Support from management	3.67	.488	3.72	.526
Good relationships with my customers	3.93	.258	3.94	.237
Job security	3.87	.516	3.85	.450
More freedom in the performance of my duties	3.07	.594	3.21	.742
Growth opportunities - to learn new things	3.67	.488	3.65	.505
Appraisal and performance feedback from managers	3.33	.617	3.49	.610
Involvement in target-setting	3.40	.507	3.07	.613
Team building	3.27	.799	3.02	.845
Strong products and brands	3.80	.414	3.91	.294
Being well informed	3.93	.258	3.93	.258
Training opportunities	3.60	.507	3.48	.548
Exclusive territories	3.47	.640	3.42	.643

Note: M = mean rank value; SD = standard deviation

important for sales representative with only matric or a diploma. The higher importance attached to *a fair degree of pressure* may be because they are not self-motivators, as evident in not studying further and needing pressure to perform. The results shown in Tables 6 and 7 support the findings of Wong et al. (1999), who reported no significant differences between educational background and the importance of *job security* as a motivator.

Table 7: Mann-Whitney U tests conducted for education and non-financial motivators

Factor	Education	n	M	SD	Results: Mann-Whitney U test
Having power over other people	Higher	85	1.94	.792	Test statistic: 443 p-value: .042 (r=.20; z=-2.0)
	Lower	15	2.33	.617	
Fair degree of pressure	Higher	85	2.96	.663	Test statistic: 423 p-value: .015 (r=.24; z=-2.43)
	Lower	12	3.40	.617	

Sales representatives in all three groups with respect to their years of experience indicated their top four motivators as *good relationships with customers, job security, being well informed* and *strong products and brands*. *Recognition for my efforts and skills* were also among the top five motivators for sales representatives with four to ten years' experience, while the less and more experienced groups included *high ethical standards* in their top five (Table 8). Employees that have been in selling for only a few years (1–3 years) attached slightly higher importance to *being busy all the time, opportunities for promotion, a fair degree of pressure, teamwork, team building, opportunities for growth, training, appraisal and feedback from managers* and *being well informed*. This reflects the fact that they need more support in the form of training, teamwork, teambuilding and feedback, as they are still inexperienced and are aspiring to move up the corporate ladder.

Employees that are more settled into their careers (4–10 years) attached more importance to *fear of failure, having power over people* and *being the senior representative*, thus reflecting that they want to prove that they are well established by being in a more senior position, with power and authority.

Sales representatives with more than ten years' experience attached more importance to *recognition, high ethical standards, flexibility of my job, support from management, job security, competing against others, opportunity to be creative in my work, new challenges* and *involvement in target-setting*. As they have several years' experience, they are looking for new challenges as well as freedom and flexibility in their careers. Senior people are more concerned about job security, because it is generally more difficult for them to find new jobs, and often they have families.

The Kruskal-Wallis tests identified several statistically significant differences, as shown in Table 9.

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Table 8: Years' selling experience and non-financial motivators

Experience (Total years as a sales representative) (N=100)	1-3 years		4-10 years		11+ years	
	M	SD	M	SD	M	SD
Being busy all the time	3.16	.624	3.06	.755	2.93	.874
New challenges or responsibilities	3.52	.510	3.52	.583	3.59	.747
Competing against others	3.00	.816	3.06	.727	3.15	.770
The fear of failure	3.04	.841	3.19	.842	3.07	.958
Having power over other people	1.96	.790	2.02	.812	2.00	.734
Recognition for my efforts and skills	3.64	.569	3.77	.425	3.81	.396
Being the 'senior' representative in the team	2.48	.823	3.04	.874	2.59	.971
High ethical standards in my company and my job	3.84	.374	3.71	.459	3.89	.320
The opportunity to be creative in my daily work	3.60	.577	3.46	.617	3.70	.542
The flexibility of my job	3.40	.764	3.52	.618	3.63	.565
The possibility of being promoted	3.48	.653	3.35	.729	2.89	.892
A fair degree of pressure	3.24	.597	2.98	.635	2.93	.781
Working in a team	3.16	.688	3.13	.640	3.15	.864
Support from management	3.68	.690	3.71	.459	3.74	.447
Good relationships with my customers	3.92	.277	3.92	.297	4.00	.000
Job security	3.84	.374	3.81	.532	3.93	.385
More freedom in the performance of my daily duties	3.24	.879	3.06	.665	3.37	.629
Growth opportunities - chances to learn new things	3.76	.436	3.58	.539	3.67	.480
Appraisal and performance feedback from managers	3.76	.523	3.40	.610	3.33	.620
Involvement in target-setting	3.24	.597	2.96	.617	3.30	.542
Team building	3.20	.707	2.94	.783	3.15	1.027
Strong products and brands	3.92	.277	3.90	.309	3.85	.362
Being well informed	4.00	.000	3.90	.309	3.93	.267
Training opportunities	3.72	.458	3.42	.539	3.44	.577
Exclusive territories	3.28	.614	3.48	.652	3.48	.643

Note: M = mean rank value; SD = standard deviation

Table 9: Kruskal-Wallis tests conducted for experience and non-financial motivators

Factor	Experience	N	M	SD	Results:
Being the senior representative in the team	>4 years	25	2.48	.823	Test statistic: $\chi^2(2, n=100) = 7.75$ p-value: .021
	4-10 years	48	3.04	.874	
	10+ years	27	2.59	.971	
Possibility of being promoted	>4 years	25	3.48	.653	Test statistic: $\chi^2(2, n=100) = 7.40$ p-value: .025
	4-10 years	48	3.35	.729	
	10+ years	27	2.89	.892	
Appraisal and feedback from managers	>4 years	25	3.76	.523	Test statistic: $\chi^2(2, n=100) = 8.96$ p-value: .011
	4-10 years	48	3.40	.610	
	10+ years	27	3.33	.620	
Involvement in target-setting	>4 years	25	3.24	.597	Test statistic: $\chi^2(2, n=100) = 6.45$ p-value: .04
	4-10 years	48	2.96	.617	
	10+ years	27	3.30	.542	

Being the senior representative was significantly more important for mid-career sales representatives (with 4–10 years' experience), while the *possibility of being promoted* as well as *appraisal and performance feedback from my manager* were significantly more important for inexperienced representatives. Sales representatives with more than ten years' experience attached significantly higher importance to *involvement in target-setting*. Age and/or work experience are often used as alternative career-stage indicators. Prior research has provided evidence that the importance employees place on various rewards differs according to their career stage (Lynn et al. 1996; Weaver 1976). This is supported by the findings in Table 9.

Implications and recommendations

Non-financial motivational factors are very often neglected when the motivation of sales representatives is under discussion (Hair et al. 2010). However, without such motivators, financial incentives will provide only temporary motivation, and sales managers will constantly need to improvise on incentive schemes to keep representatives motivated. By focusing on non-financial motivational factors, the internal 'drive' of these representatives is stimulated, and the need for motivation through financial incentive schemes might become less important.

Good relationships with customers appeared to be the most important non-financial motivational factor among sales representatives. Good relationships are often built through understanding and responding to customers' needs and problems, regular

communication and visits to customers, as well as providing high-quality products and services. Good relationships require hard work, and it often takes months, or even years, to establish such relationships. The satisfaction that is experienced when a good relationship has been established acts as a very strong internal motivator for pharmaceutical sales representatives. Ultimately, these relationships will lead to improved sales from customers and will result in financial benefits for the representatives. Wright and Lundstrom (2004: 29) are of the opinion that relationship marketing is one of the primary drivers of sales in the pharmaceutical industry. They explain how sales representatives are charged with providing credible product information to physicians in an increasingly constrained environment, characterised, for example, by regulatory guidelines, reduced access to physicians and an increased number of sales people. Consequently, it is more important than ever for the pharmaceutical sales representative to quickly establish a positive relationship with physicians and their staff (Wright & Lundstrom 2004: 30). Sales representatives should be supported in their efforts to build relationships with customers. This might require a sales manager or product manager to accompany a sales representative more often to see customers such as physicians. Sales representatives should also be encouraged to use their own initiative in building relationships with customers, and they should be given opportunities to propose their own suggestions to managers, as long as these proposals are within the regulatory and legal framework of the marketing code for the pharmaceutical industry in South Africa.

In today's economic climate, it came as no surprise that *job security* was shown to be a very important non-financial motivational factor for pharmaceutical sales representatives. Even within the pharmaceutical industry, change is the order of the day, and mergers and acquisitions are announced almost monthly. Although many sales representatives start their careers as 'contract representatives', they ultimately strive to be employed in permanent positions at pharmaceutical companies. Communication from top management is extremely important to maintain a motivational factor such as job security, and representatives need to constantly be reassured of their positions within the company. Such reassurance could be supported by sales managers through open communication channels on current initiatives of the company and its future prospects. Representatives should not only be kept informed about the current performance of the company in the market place, but also about pipeline products and future therapeutic areas in which the company will be involved.

Ethical behaviour is one of the fundamental business strategies and must be driven from the top. Communicating ethical values is a serious issue for a number of organisations – this is especially true in the pharmaceutical industry, where the term 'ethical promotion' was originally used to describe the promotional methods of

ethical drug companies that used sales representatives to promote their products to physicians. Sales representatives work with the physician to explain pharmaceutical solutions to improving patient care. Research has shown that ethics training positively influences customer orientation (Wright & Lundstrom 2004: 34). It is therefore no surprise that the fifth most important motivator to respondents in this study was *high ethical standards in my company and job*. Product knowledge and its accurate presentation are the core concepts of honesty. It is interesting to note how this links with the other two most important motivational factors among the top five – *being well informed* and *strong products and brands*.

Recognition for my efforts and skills are also among the most important non-financial motivational factors (ranked sixth). In big multinational companies, there is often so much focus on structures and systems for incentives that simple recognition of a representative's efforts is often overlooked. Moreover, elaborate and costly systems are not required for these simple acts of recognition to be implemented. They may be carried out at supervisory level rather than at organisational level. Hansen et al. (2002: 68) are of the opinion that recognition is appropriate for intrinsically motivating behaviours such as inventiveness, commitment and initiative. Because these behaviours translate into innovation and creativity, service above and beyond the call of duty, and eagerness to change and move forward, they are a source of strategic differentiation. Very often, management is kept so busy with achieving budgets, and developing new forecasts or looking into doing things differently, that a simple 'thank you' or 'well done' to a representative who has managed to see a difficult customer for the first time, or who was able to achieve target sales, is never said. Inexperienced sales representatives, in particular, need to hear from management that they are performing well and that their efforts are not going by unnoticed. Given the relative ease with which recognition may be administered, there is no excuse for its not being used as a tool for increasing employees' motivation.

Having power over other people and *being the senior representative in the team* were rated as the least important motivational factors, indicating that the prospects of promotion and even moving into management are not deemed to be very important to the majority of sales representatives. A big number of sales representatives choose to build a career out of being a pharmaceutical representative and are not interested in moving into management. As a sales manager it is important to distinguish between representatives who will remain 'professional' representatives and those that are interested in moving into sales management or even marketing, as these two groups will often be motivated by different factors. Although the possibility of being promoted was rated as important, it had the third highest standard deviation of all the factors, indicating that not all sales representatives are in an agreement

with the possibility of being promoted. Thus, sales management should consider the introduction of a merit-based promotional ladder. This would meet the needs of the sales representatives who wish to progress within the sales force rather than move into management.

Although target-setting and expected call rates are necessary measures to give sales representatives direction on what is expected of them, these factors were ranked among the least important motivational factors. It should, however, be kept in mind that although these factors are not necessarily motivators, they might become demotivators when targets and call rates are unrealistic and representatives perceive them as unachievable. Especially the more experienced sales representatives should be involved in the target-setting activities.

Product managers in pharmaceutical companies often initiate internal competitions in an effort to motivate representatives to achieve higher sales than their counterparts and ultimately increase the overall turnover of their products. However, *competing against others* was among the five least important motivational factors. It is important to take notice of this observation and to rather find other ways of stimulating higher sales performances such as promotion, training, recognition and support from management.

If a sales force is predominately female, as was the case in the sample, it could be beneficial for managers to use a soft tone approach as females are motivated by working in teams and value support and feedback from management. Male sales representatives prefer a more dynamic and a challenging environment as growth and the possibility of being promoted are more important to them. It seems that females are more motivated by social needs, while their male counterparts are more motivated by self-actualisation needs.

The study did not find enough support to suggest different motivational programmes based on age, thus suggesting that regardless of age, a universal motivation scheme could be employed.

Certain motivators may become more or less salient as sales representatives move through different career stages. Therefore effective sales management practice may call for the deployment of different management styles and motivational schemes during each career stage. Career stages or years' experience were the demographic factors that showed the greatest differences, thus making it necessary for managers to relook the 'one size fits all' motivational package approach. This also stresses the need for managers to pay attention to career needs and motivation. It could be of value for sales managers that have a sales team with different levels of experience to adapt and change their motivational programmes accordingly by emphasising promotion opportunities and providing constant feedback to inexperienced staff while involving

the more experienced representatives in target-setting or giving more recognition to mid-career representatives.

On a practical note, sales managers cannot design a motivational programme for each sales representative. However, awareness of the differences found in this study may reinforce the notion that a 'one size fits all' solution is rarely a complete answer to a problem. Motivational programmes/schemes should be tailored to fit the needs of individuals sharing similar demographics, rather than adopting and applying one overall motivational approach to all subordinates. Managers could, for example, design motivational strategies aimed at a certain 'target market' of representatives (for example, females between the ages of 30 and 40 with six to ten years of experience).

After evaluating the results of this survey, the conclusion can be made that there is no single motivational factor that will be suitable for all sales representatives. It was clear from the reaction of the respondents that non-financial motivational factors are important. Both intrinsic and extrinsic motivation of sales representatives should be monitored regularly, and organisations should adapt their motivational tools accordingly to changes in the composition of the sale force.

This study aims to assist pharmaceutical sales managers to understand the needs of their employees. In addition, the findings should present a clear direction for managers in designing motivational programmes for staff with varying demographical backgrounds.

Limitations

The study was limited to selected non-financial motivational factors and selected demographical variables. Other non-financial motivational factors and financial motivational factors, as well as other demographical variables, were thus excluded. The sample consisted of sales representatives from three pharmaceutical companies in South Africa, thus excluding representatives from the rest of the South African pharmaceutical industry. Due to the nature of non-probability sampling, the respondents in the study are not representative of the broader South African pharmaceutical sales representative population. Therefore the results cannot be generalised to the entire population. Future studies could attempt to draw a probability sample from all pharmaceutical companies in South Africa. Despite the limitations, the findings of this study could provide guidance to sales managers of pharmaceutical companies and also to sales managers in other industries.

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