CHAPTER - II

SURVEY OF LITERATURE, OBJECTIVES AND METHODOLOGY

In this Chapter, a brief survey of literature is made to appraise the research done so far in the area. Then, the objectives and hypotheses of the proposed study are stated. The scope and significance of the study are mentioned and methodology adopted for the study is described. Further some of the important concepts used in the study are defined and limitations are identified.

Literature Survey:

The survey covers the following areas.

Recruitment and Selection

Training

Performance Appraisal

Compensation

Management control systems

Job satisfaction

Role clarity and

Turnover

Recruitment and Selection

With respect to examining the recruitment and selection practice, a comprehensive work was done by Milton Mandell¹ (1955). This study made a sample survey of 205 firms and examined the practices with regard to various
aspects of the selection of salesmen, such as duties and responsibilities of a salesmen, basic characteristics required of a candidate for a sales job, important sources of recruiting salesmen, standards with respect to number of applicants per job vacancy, selection devices, problems in the construction of a systematic selection programme, organization and administration of selection programmes, etc. Various suggestions for the recruitment and selection of sales personnel have been made on the basis of the results of this survey.

In a comprehensive survey of personal selling literature between 1915-1950, Ronald L. Austin (1954) found relatively few investigations including intelligence tests as part of the measurement battery. Out of 150 research reports analyzed, only thirty included an intelligence instrument. In response to his findings, Austin drew the following conclusions concerning the relationship of intelligence to personal selling ability:

The relationship between intelligence, as measured by tests and sales performance varies with the level of selling.

(i) In the low grades of selling, a low inverse relationship exists between intelligence and sales ability.

(ii) In sales jobs of average level, there is no measurable relationship between intelligence and sales ability.

(iii) In high level selling jobs, there appears to be a positive relationship between intelligence and success in selling.
A major source of sales personnel data has been application blank items. The value of personal life history experience as well as prior occupational experiences as performance predictor has been put into perspective by William A. Owens and Edwin R. Henry (1966). Evaluating the use of biographical data in industrial psychology, they suggest that it may be possible to use biographical items as a screening device with psychological testing being used "only when more precise information is needed". These writers further indicated that biographical items may in fact become more reliable predictors of performance than psychological test.

The general purpose of application blanks, according to Athreya (1968) is to "Secure desired factual information from an applicant in a form convenient for evaluating the applicant's qualifications". According to him, Lipsett, Rodgers and Kanter (1964) have identified three purposes of application blanks: Preliminary screening, and an interview, and a selection device in its own right.

Das (1959) asked a panel of two clerks and one personnel officer to screen 281 letters of application. He found very high inter-rates agreement on very good and very poor letters. There was, however, considerable disagreement among the rates on letters of application in the middle range.

Hafeez (1966) analyzed the contents of application blanks of 21 organizations. His analysis shows that the number of items along with sub-items in these application blanks ranged from 14 to 50. The average, however, was 25 items.
and sub-items. The study suggests that there are certain items and areas on which most companies would like to get information. However, there are some that are selectively included in the application blanks. The study raised some important issues.

Studies in the West have shown that some biographic variables can predict work efficiency. For example, a study by Naylor and Vincent\(^7\) (1969) showed significant relationship between absenteeism and number of dependents were found to be more absent than those with less number of dependents. However absenteeism was found to have no relationship between age and marital status. Similarly, a study by Fleshman and Bernier\(^8\) (1960) concluded that tenure of employment could be predicted from such items as age, local address, previous salary, place of work, and age of children.

In the Indian context, Das\(^9\) (1978) conducted a correlative study between work efficiency (rates on 5 point scale) and age, income, education, years of previous experience, length of service, marital status and number of dependents of 150 employees. He found a positive significant correlation between number of dependents and length of service and efficiency, and negative significant correlation between efficiency and age.

Interview is, perhaps, one of the most widely used methods of selection. A survey by Spriegel and James\(^10\) (1958) conducted on 236 firms in USA and a second survey by the same authors conducted on 852 firms in 1957 showed that 94 per cent and 99 per cent organizations, respectively used interview as a method of
selection. Tharp\textsuperscript{11} (1983) explains the rationale of the interview process when he says, “only through the interview process can a manager gather sufficient data to be able to predict whether a candidate will be successful in the position for which he or she is being considered”.

The actual focus of preliminary interview might vary from job to job and organization to organization, Bucalo\textsuperscript{12} (1978) suggests that it should have a balanced approach. This approach should include the following:

a. Place primary emphasis on the applicant’s ability to perform job related tasks.

b. Eliminate non-essential personality characteristics and highlight those necessary for job performance.

c. Identify those areas that need to be further explored by line managers.

d. Provide information about job and organization.

Mc Murry\textsuperscript{13} (1955) has found that successful evaluation of certain factors leads to accurate predictions about the applicant’s suitability for a job. He identified three such factors: basic character traits, motivation and emotional maturity. The focus of pattern interview is usually on these aspects.

The reliability and validity questions relating to interviews have been tested extensively in the West. In a review of such studies, Ulrich and Trumbo\textsuperscript{14} (1965) have shown that as far as validity of interview ratings are concerned the values have ranged from 0.21 to 0.92 all of them significant. These are based on a review of about 30 studies conducted from 1947 to 1962.
While discussing the reliability, Ulrich and Trumbo quote a study of Wagner (1965) who found reliability coefficients ranging from 0.23 to 0.97 with a median of 0.57 for ratings of specific traits and from 0.20 to 0.85 for rating of general ability (median of 0.53). This was based on studies conducted up to 1948. His own survey of studies between 1949 and 1964 (a total of 11 studies) showed the reliability coefficients varying from 0.15 to 0.90.

In the Indian context, a study by Deb and Sheshadri (1975) provides some data on the inter-rates reliability during the interview. In this study, data were collected from four organizations which used structured interviews; the results show very high inter-rate reliability for all four companies.

In a study, Chatterjee and Mukherjee (1974) correlated on the job performance with interview rating. They found no relationship between the two, while in four out of six tests; group discussions and application settings were significantly correlated with job performance. Das (1957) has demonstrated that the reliability of the interviews could be improved if the traits are explained and/or defined and if a quantitative rating mechanism is provided with clear explanations of various points in the rating scale.

The problems that arise out of using multiple methods for selection were examined by Monappa and Saiyaddin (1979). They have identified four methods of taking selection decision when multiple methods are involved. These include: (i) multiple hurdle (ii) profile matching, (iii) multiple cut-off and (iv) multiple regression.
Identifying the weakness of traditional methods of executive selection (i.e., inadequate job description, unclear language and lack of behavioural data) Gerstein and Resman20 (1983) have suggested “strategic selection system”. The system contains four components relating to the strategy-related job requirements, role descriptions, formal, and dimensions of effectiveness and assessment techniques.

In an extremely useful study, Maier21 (1973) demonstrated that decisions regarding hiring or not hiring are made early and that subsequent data tend to be used only to support the initial decisions. This tendency operates regardless of the order of the presentation of information (application form, group discussions, interview and test and scores etc.)

Training

An extensive survey of the sales training practices was conducted by Sunbury and Thompson22 (1970). It included a sample 153 manufacturing companies. Withy23 (1977), examined in another study, the validity of the 'Seniority' criteria for selecting personnel to retraining programmes, on a sample of 50 salesmen from company. It was found that (a) there was no strong degree of association between the time spent in sales related positions and ability to perform in retraining courses; and (b) the limited amount of influence that selling experience did have on the learning effectiveness was negatively related to it. As the sales tenure increased, the learning effectiveness decreased. It was therefore,
stated that 'sales experience' should not be the sole criterion for choosing persons for sales training programmes.

Apostolides\(^1\) (1988) investigated the relationship between age and attitudes of salespersons toward self Development potential. Using a ten-item Self Development Opportunity Index, the scores were measured on a 5 point Likert type scale. He collected data from a random sample of 445 sales persons of all ages. He found: (a) the young group (under 25 years) exhibited high level of enthusiasm. (b) In the attention group (26-35) though differences existed on the whole, many exhibited positive attitudes (c) the just average group (36 and above) showed a declining level of enthusiasm.

A 'contingency model' was provided by Newstorm\(^2\) (1975) for selecting sales training methods in different situations. His model takes different training techniques as the dependent variable and various other factors such as 'nature of training objectives', 'cost of developing and administering the programme', 'amount of trainee time', 'optimum size of class that can be handled', extent to which principles of learning are inherent in the method', etc., as the independent variables. This model was found to be quite useful in selecting sales training techniques in different circumstances and in evaluating the techniques already used by an organization.

Neider\(^3\) (1981) conducted a survey of American Society for Training and Development (ASTD) members to know their views about the most effective training methods and the most important sales training subjects. The results of the
survey were compared with that of a previous survey of similar type and the trends in the opinion of the experts were noted to provide some guidelines in this regard.

Performance Appraisal

Lublin22, (1994) stressed the significance of the performance evaluation issue and underlined the need for information for effective control - to support decisions on salesperson termination, promotion, remuneration and in sales employment disputes. Cravens24, (1995) and Cravens29 et al., (1997) highlighted the need for management to have some basis to facilitate decision making to improve salesperson performance and enhance sales organisation effectiveness. Both types of management information requirements demonstrate a high priority for understanding the determinants or drivers of sales performance, as a highly significant issue for sales management.

Fierce, Cravens and Morgan30, (1998) conducted a survey in sales organisations in British companies and found a close relationship between salesforce behaviour performance and salesforce outcome performance, utilizing behaviour based control systems. The study established that behaviour -based control is positively associated with both behaviour performance and outcome performance.

The Goldway31 (1956) survey, sponsored by the National Sales Executive organization described "objective measures used by business firms in measuring
salesmen' performance. Included in this survey, in order of frequency of mention, were sales volume, sales volume against quota, number of calls made, gross margin secured, number of demonstrations made and earnings. Unfortunately the study did not reveal how successful these measures were while sales forces feedback may be an obvious job responsibility of field representatives, empirical evidence is available that the concept receives little attention in sales training programmes. For example, Berkowitz (1978) asked large samples of both sales persons and sales managers to write down factors which they thought should be included in evaluating sales force performance. In neither case was feedback from the field mentioned as an area for which sales persons should be evaluated. Similarly, in a study by Futrell and Schul (1978) "activity reporting" (presumably a measure which includes reporting a competitive activity from the field) was not considered to be job performance criterion.

While studying interrelationships among various performance criteria, Stanley (1960) et al., found little support for the concept of overall job performance as a "Unidimensional construct". Further it was proposed that the use of a single job performance variable as a proxy for total performance is not justified without prior determination of interrelationships among the different aspects of performance. Although this study did not specifically deal with selling.
performance, it indicates the need for personal selling researchers to take into account "systems of causal and conditioning variables."

In a 1975 survey, conducted by Patz\(^\text{19}\) it was observed that (a) corporations still use traditional forms of performance appraisal, and (b) managers are unwilling to abandon performance appraisal systems even though they experience difficulty in performing the appraisal process. One major reason for difficulty encountered in many performance appraisal programs is that they focus on outcomes of behaviour instead of behaviour. In fact, one personnel authority speaks of performance appraisal and the focus on outcomes as "the Achilles heel of our profession" as stated by Aceneman\(^\text{26}\) (1975).

**Compensation**

Smyth and Murphy Associates Inc.\(^\text{27}\) conducted a national survey in 1967 of the practices of 444 manufacturing companies in 20 industries. The companies employed a total of 16,263 salesmen of them 9% were giving straight commission 26%, "straight salary and 65% both. They correlated salesmen's annual earnings to the size of the company and his age. It was found that the smaller company was paying more than the typical large company in the same industry. A salesman's earnings tended to relate positively with age. As the salesman's earnings were related to sales, many companies were found overpaying their salesmen, the payments being in some cases twice as much as the President of the company.
The average salesmen received incentive pay that amounted to 26% of his annual base salary or 21% of his annual gross compensation. Salesmen's earnings were usually paid annually, semi-annually, quarterly or monthly. An analysis of 180 plans showed that 36% of the companies paid annually, 10% Semi-annually, 32% quarterly and 22% monthly.

Steinbrink and Freitman\textsuperscript{18} reported that compensation practices vary within industry. In the Hardware industry, in 1982, 30% of the firms used a straight salary plan, 30% used straight commission and 40% used mixed salary and commission plan.

Tosdial and Carson\textsuperscript{30} (1953) conducted a survey of the compensation practices of a large number of organizations and examined various aspects including the level of earnings of sales personnel, the plan of compensation used, the basis for the competition of commission and the expense practices. It was observed that there was no best compensation plan for all situations and that the level of salesmen's compensation was affected by factors, such as educational background, class of customers called on, company's policing, amount and effectiveness of training received, effectiveness in performing duties and responsibilities and the type of compensation plan. This study was one of the earliest research efforts in the area of salesmen's compensation and it served as the basis for many similar studies in the field of salesmen's compensation.
Danner\textsuperscript{59} (1972) adopted the research design of the Tosdal and Carson’s, study and made a comprehensive analysis of the salesmen’s compensation plans, policies and trends from the year 1950 to 1970. Some of the important findings of this study were that there was a major shift in the use of ‘total salary’ to ‘combination plan’, the ‘commission plan’ continued to show highest turnover of salesmen and the level of income was still affected by such personal and organizational factors as were examined by Tosdal and Carson (i.e., educational background of sales personnel, type of compensation place used policies of the company, amount and effectiveness of the training activity, and effectiveness in performing duties).

Steinbrink\textsuperscript{61} (1978) made a survey of a sample of companies and examined their practices with regard to the types of compensation plans, the level of pay and the related areas, such as expense practices, additional incentives, fringe benefits etc. It was found that most companies favoured a combination plan of compensation.

Douglas Smallbone\textsuperscript{62} (1971) established that the effectiveness of a sales force is related to the type of compensation plan used by an organization.

George John and Barton Weitz\textsuperscript{63} (1989) developed Transactional Cost Analysis (TCA) framework integrating prescriptions from the sales management literature to describe the role of salary in a sales compensation plan for industrial firms. The descriptive power of the model was examined by surveying
compensation practices in 161 firms. The researchers stressed the need for further research to establish the impact of compensation type on sales force productivity.

Peck* (1982) reported that a Conference Board & Survey in 1982 revealed that annual sales per sales person was 2.3 million and average age was 39 years. The types of compensation plans were: Salary only (16%), commission only (8%) and mixed (76%).

On the basis of a "before after with control group" experimental design, Furell and Jenkins* (1998) provided empirical evidence that supports open salary procedure. This study involved 508 pharmaceutical salesmen and two-data collection periods with a time span of 12 months.

Basu, Lal, Srinivasan and Stalin* (1985), have examined the structural Parameters that affect the compensation plan and showed that the implications of changes in some of these parameters is consistent. With those mentioned in the sales management literature.

Management Control Systems

Wotuba and Thurlow* (1976) carried out a study to determine the extent of sales force participation in sales forecasting and quota setting, the relationships between such participation and company characteristics. Two hundred and two sales people who were members of International Chapters in San Francisco and Los Angeles participated in this study. Quotas for sales people were used in 74% of the responding firms and many of them were larger companies. The extent of over
estimation or underestimation was about 10% or less in more than quarters of the responding firms.

Newton's (1973) comprehensive study of the sales management practices of over 45 companies found however that while more than 70% of the responding firms used quotas for each salesperson, a relatively small proportion less than 10% based these quotas on sales force estimates.

Stephenson, Cron and Frazier (1979) examined the question, whether sales personnel should be given authority to set prices? They collected data from 108 independent wholesale firms that distribute medical supplies and equipment. The respondent firms were categorized on the basis of pricing authority delegated - Low pricing authority (31 firms), Medium pricing authority (52 firms) and high pricing authority (25 firms). Using criteria like gross margin contributions, sales per sales representative, sales growth and return on aspects they found that firms delegating low pricing authority were performing better.

A study was specifically designed to monitor the effects of sales force feedback in a sales management setting in a version of Albanen's Original "rumor" experiment (1964). Robertson (1974a 50) (1974b 51) investigated empirically in two large companies. He enlisted the aid of customers of these two firms and arranged for them to plant information about a new product with the sales representatives of the two firms. The object was to monitor the amount of information that would be transmitted to sales managers by the field force.
The results of Robertson’s study were quite conclusive. Only about 14% of the 70 salesmen with whom information had been planted ever conveyed it to their supervisors. Robertson interpreted the results as an indictment of the firm as an inefficient information processor rather than of the (unsuspecting) salesmen of the study. Interviews conducted with each of the salesmen revealed that about a third of them said they felt that any information conveyed to superiors would not be used or communicated to higher management, even though the firms involved had stressed such activity as part of their sales training program.

Saegert and Hoover32 (1980) used the “planted information” technique and conducted a study to find out whether sales manager actually use feedback from their field sales force. Two large corporations listed in the Fortune 500 US firms were selected and information was planted to check whether it was made use of/ attended to by the concerned sales managers. The results of the study indicated that only 49% of the managers concerned and relayed the information to their superiors. Though the role of sales feedback has been stressed in training programs for the sales managers, the study indicates how sales force feedback was neglected. This corroborates the finding of the Robertson study that information conveyed to superiors would not be used or communicated to higher management.

Challagalla and Shervani43 (1996) extended the conceptual framework of Anderson and Oliver44 (1987) and Jaworski45 (1988) on control in three ways. First, they account for the independent effects of the reinforcement dimension of control, in addition to the information dimension traditionally studied. Second, to
reflect the varied behaviours that supervisors attempt to control, they aggregate behaviour control into activity control and capability control. Third, they delineate the direct and mediated effects of control on sales people. Their proposed framework was tested with data collected from 270 sales people in five industrial product divisions of two Fortune 500 companies. Their findings suggest that supervisory controls primarily have indirect effects on salespersons' performance, but both direct and indirect effects on satisfaction.

The above studies highlight that a key component i.e., salesmen feedback was totally ignored and the underlying implication is that it should be included in the measurement battery as it acts as the motivational incentive and ensures compliance.

Job Satisfaction

Purser Smith56 (1967) conducted an attitude survey of salesmen and found that they primarily derive satisfaction from their work, their feeling of achievement and scope of development, and pay considerably less attention to factors like security, surroundings etc.

Oliver57 (1974) attempted to validate the expectancy theory of motivation on a sample of sales personnel. He related the ‘Valence’, ‘instrumentality’ and ‘expectancy’ perceptions of salesmen in respect of 21 job outcomes having implications for motivation, to their sales performance. It was found that the four interactive type’ outcomes (membership of three production clubs, and invitation
to company's annual convention) were strongly related to the "productivity" of the sales personnel and to a lesser extent to their "goal achievement".

Sweitzer and Pathak (1972) examined the relationship between the motivational perceptions of a sample of salesmen with regard to their job related needs and their level of sales performance. It was found that as compared to 'low-performers', the high performing salesmen perceived significantly greater 'fulfillment' as also 'satisfaction' with respect to most of their job related needs.

Barjatya (1979) made a survey of the 'expectations' and 'satisfaction' of certain salesmen in respect of various need factors and observed that the highest dissatisfaction existed in the area of 'promotion' followed by 'recognition of good work done'.

Since selling is not as routinized and standardized as other functions, it is a desirable occupation for many. Berry D. and Abrahansen K. (1981) conducted a survey of 850 salespeople employed by manufacturer's agents, to select the condition that was most important in motivating them "to do this best work. 86 percent replied that they wanted "to do their own thing" with a minimum of supervision and control.

Pruden, Cunningham and English (1972) have examined the relationship between job satisfaction and the amount of non-financial incentives received by the salesmen. The subjects were salesmen of a large west coast lumber company who were responsible for selling a line of building materials to retailers and industrial users throughout the United States. On the basis of responses received
from 100 salesmen, they concluded that there is significant relationship between non-financial incentives and job satisfaction. However, no statistically significant relationship was found between the subjects perceived need importance for non-financial incentives and job satisfaction. The research demonstrated that higher job satisfaction is related to higher felt need and lower need deficiency with respect to non-financial incentives.

Rene Y. Darmon62 (1974) in his case study, employed a model which stimulates salesman's response to financial incentives. It analysed the impact of change in the level of remuneration on the behaviour pattern of a sample of salesmen selected from International Harvester Company at Philadelphia. The relationship between financial incentives and sales performance was tested and the study has shown that financial incentives do have some impact on salesman's behaviour but to the extent of his aspirational level. The limitations of this study include: (i) It was based on a sample of salesmen taken from one company and (ii) It did not empirically investigate the factors beyond financial incentives which were recognized to be influencing the behaviour pattern of salesmen.

Charles M. Putrell63 (1979) collected data from 605 salesman of 2 pharmaceutical firms to study the relationships among three types of job attitudes and the relationship of these attitudes (job satisfaction, job involvement and intrinsic motivation) were independent. Also it was found that there were significant statistical relationships between the three job attitudes and job design and job behaviour. From a managerial stand point, this study's results suggest that
salesman's job: (1) should allow them considerable control over the means of accomplishing their job goals, (2) should provide feedback on how they are doing, and (3) should be designed to make them feel that their jobs are meaningful and worthwhile.

In another study, Fretwell (1975) carried a comparative test of the application of the path-goal concept to determine the potential influence that different sales organizations reward policies had on the salesman's (1) level of performance expected on the job (2) Value of the rewards given and (3) reward satisfaction. Two pharmaceutical sales organizations with different explicit extrinsic reward policies were surveyed using mail questionnaires. The demographic data of the 437 respondents from the two organizations (274 & 163 respondents), determined that they had similar goals and basically the same level of intrinsic values. The results proved that:

(a) A reward system that rewards performance with valued extrinsic reward will result in high performance.

(b) A salesman's extrinsic reward value, intrinsic rewards and pay satisfaction are positively related to his performance under the above reward system.

Gilbert A Churchill, Jr., Neil M Ford and Orville C. Walker, Jr. (1974) evolved a salesman specific job satisfaction scale in the light of the established need for occupational researchers to turn away from the search for universal determinant of job satisfaction. The instrument evolved by them has job
dimensions, such as the behaviour of the customers, which influence a salesman’s job satisfaction and which are unique to the salesman’s occupation. The components are ‘the job, fellow workers, supervisors, company policy and support, pay, promotion and advancement and customers.

The above authors integrated existing theories and empirical evidence concerning worker motivation and performance found in industrial psychology and other behavioural science disciplines and evolved a multivariate model of sales motivation and performance in 1977.

Kenneth Teas (1980) investigated the validity of the negative relationship between a salesman’s perception of role ambiguity and his satisfaction with the extrinsic and intrinsic rewards associated with the job. The data used to test the hypothesis were obtained in 1978 through a mail survey of a mid western corporation’s industrial sales force. A sample 127 respondents participated in the study. A statistically significant relationship between participation and role ambiguity and between closeness of supervision was found. Experience on the job, close supervision and participation reduce perception of role ambiguity.

Richard P Bagozzi (1980) suspected the validity of the linkages between performance and satisfaction and conducted a study to test the association. A causal model hypothesized achievement motivation leading to job satisfaction. Task specific self esteem and verbal intelligence were considered casual factors of performance. Performance causes job satisfaction and there was inverse relationship. Data were obtained from a sample of industrial sales people and
information found in company accounting records. The local sales force consisted of 122 sales people each assigned to geographical territory, sell steel and plastic strapping and seals used in shipping and small hand tools used to apply strapping. The casual model was validated by the study implying that job satisfaction could not be explained by performance but by the antecedents of sales people, their expectations and perceived value. The study points to self esteem as a key determinant.

The relationships among leadership, role conflict and ambiguity, job satisfaction and job anxiety were tested by Fry, Futrell, Parasuraman and Chmielewski (1980). The data were obtained by a mail survey of a National Pharmaceutical Manufacturer's sales force. Questionnaires were returned by 216 respondents. The questionnaire was designed to measure sales people's perceptions of (1) their immediate sales manager's role clarity and consideration behaviour, (2) role conflict and role ambiguity, (3) job anxiety, and (4) satisfaction with the job itself, fellow workers, supervisor, pay promotion and development, company policy and support and customers. It was found that a supervisor's consideration affects role conflict and all the satisfaction variables. Except satisfaction with customer, a supervisor's role clarity negatively influences both role perception variables and satisfaction. Role ambiguity has a negative influence on satisfaction with job, company policy and support and customers. Role conflict
has a significant negative impact on all the job satisfaction dimensions except customers.

Kohsh60 (1985) investigated the influence of four unexplored supervisory behaviour on sales people; arbitrary and permissive behaviour, contingent approving behaviour, upward influencing behaviour and achievement oriented behaviour. Data were obtained through self-administered questionnaire from sales people in 3 companies manufacturing and selling industrial products. A total of 114 usable responses were obtained. Arbitrary and perceptive behaviour was found positively related to sales people's intrinsic, extrinsic and overall job satisfaction, but unrelated to their role clarity, specific self-esteem and instrumentalities. The positive impact of this behaviour on sales people's job satisfaction suggests the need for further investigations.

The relationships between the sales manager's social power bases and the sales person's satisfaction with supervision, role clarity and propensity to leave were empirically analysed by Paul Busch7! (1980). A mail survey of entire sales force of three pharmaceutical companies was conducted. It resulted in a sample of 477, the company-wise responses being 159, 128 and 128. In test differences between men and women, a matching procedure was employed for controlling exogenous variables. The study found that sales manager's bases of social power were related to the sales representatives' satisfaction with their managers. Particularly, expert and referent power bases were positively correlated with supervision. Referent power was correlated with role clarity and coercive power.
with propensity to leave. The study reported "no-differences" between men and women in respect of the above findings.

Churchill et al.\textsuperscript{72} (1985), used meta-analysis technique to investigate the evidence that has been gathered on the determinants of sales people's performance. A search of the published and unpublished literature uncovered 116 articles that yielded 1653 reported associations between performance and determinants of that performance. The results indicate the determinants can be ordered in the following way in terms of the average size of their association with performance. (1) role variables, (2) skill, (3) motivation, (4) personal factors, (5) aptitude and (6) organizational/environmental factors. When ordered according to the amount of the observed variation in correlations across studies there is real variation (i.e., not attributable to sampling error). The determinants rank as follows: (1) personal factors, (2) skill, (3) role variables, (4) aptitude, (5) motivation and (6) organizational/environmental factors. To investigate whether the associations between each of the categories of predictors and performance could be partially accounted for by the presence of moderation variables, the results were broken out by customer type, product type and type of dependent measure used. The results indicate that the strength of the relationship between the major determinants and salespeople's performance is affected by the type of products sales people sell.

Despite the interest in knowledge bases as a determinant of salesperson performance, empirical evidence affirming the relationship between sales
effectiveness and the knowledge structuring of salespeople has been sparse. Only recently have Sajan, Sajan, and Bettman\textsuperscript{71} (1988) reported findings that support the connection between sales performance and the elaborateness of sales people’s category of knowledge. Effective sales people were found to have a richer base of knowledge about different category of customers. Specifically the category structures of more effective salespeople contained more knowledge about customer’s traits associated with different customer’s categories and included more general sales strategies that could be used with different customer’s categories.

Results of two experiments conducted in an insurance context by Leong, Busch and John\textsuperscript{71} (1989) indicate that as hypothesized ‘high effective sales people provided role elaborate, distinctive contingent and hypothetical scripts than low effective sales people’. The subjects included in this study were 80 exclusive full time sales agents with an average age of 33.7 years and experience of 4.6 years. Livingstone, Roberts and Chonko\textsuperscript{75} (1995) examined the impact of factors of internal and external equity on job satisfaction. The study was conducted using a sample of 249 outside sales people representing approximately eight industries. Results indicated that internal promotion equity, internal salary equity, external recognition equity, external incentive equity and external raise equity were the facets of internal and external equity related to job satisfaction for outside sales people. Age and performance are positively related to job satisfaction.
Role Clarity

Several characteristics of the industrial salesman's job make him particularly susceptible to role conflict and role ambiguity as stated by James A Belasco (1966). The high potential for role conflict poses a problem for the individual salesman because of the negative psychological reactions people often experience in conflict situations. A wide variety of empirical studies have found positive relationships between high level of perceived role conflict and high levels of job related tension and activity, on the other hand and low levels of job satisfaction, on the other, as observed by Kahn et al. (1964), S M Sales (1973) found evidence that prolonged exposure to high levels of role conflict can have physical consequences, such as an increased incidence of coronary disease. Similarly, when an individual experiences a great deal of uncertainty about how he is expected to perform his job (role ambiguity), he may experience more mental anxiety and tension and less job satisfaction, as studied by Rizzo and Mouse (1970)

Walker, Churchill and Ford (1975) tested hypothesis relating to role conflict and role ambiguity of industrial salesman. Taking a cross sectional sample drawn from 10 companies, in seven different industries responses to the mailed questionnaire were received from 265 salesmen. The findings showed that managers can to some extent influence the amount of ambiguity or uncertainty experienced by salesman in performing their jobs. Close supervision and communication were found to be important.
Putrell, Swan and Todd\textsuperscript{81} (1976) study was on the influence of management control systems on the performance of salesmen. The study was based on 431 salesmen of two national pharmaceutical companies and one national hospital supply company. A questionnaire to salesmen and another to their supervisors were sent and a subject was included in the study of his questionnaire matched with his supervisor's performance rating. The management control system was measured by salesman's ratings of their jobs on a 5 point scale from "definitely disagree" to "definitely agree" in respect of 13 measures. salesman's job performance instrument consisted of 10 items developed by 'District sales Manager' of the largest company in the study. The rating scale had 7 points, poor to excellent. The results of analysis established that goal clarity, perceived performance, reward and perceived control and influence over job goals and means influence performance.

James M Donnelly, Jr. and John M. Ivancevich\textsuperscript{82} (1975) examined perceived role clarity among a group of sales men and they related it to job interest, innovation satisfaction, tension and propensity to leave. A total of 86 salesmen and 48 production supervisors provided the data. The study revealed that role clarity is an important factor in determining a salesman's job satisfaction.

Turnover

Organisations of all types are giving increased attention to a common problem of business today - employee turnover. The problem is especially acute for selling organizations because of paucity of research in a sales setting on
variables that have been shown to affect turnover in other types of organizations.

A review of the literature of the past 30 years by Lucas, Parasuraman, Pows and Enis reveals that a total of 49 studies examined empirically the relationship between turnover and a variety of employee and job characteristics. Only six of the 49 studies involved sales people of the six studies, two made use of propensity to leave as a measure of turnover.

Krant (1975) studied turnover and propensity to leave relationship taking on sample of 911 sales people. Motowidlo (1963) conducted a study based on a sample of 95 sales people. According to the two studies the correlations between propensity to leave and turnover for sales people though significant were not large.

Futrell and Parasuraman (1984) found a less than direct relationship between sales people's job satisfaction and their propensity to leave.

Lucas, Parasuraman, Davis and Enis (1987) made an investigation of the relationships of employee characteristics and job attitudes to turnover based on the data covered over a ten year period (1972-82) made available by a Kanor National Insurance firm about its sales agents. The study included seven independent variables 3 employee characteristics (Age, education and tenure), 4 job attitudes (supervisory consideration, intrinsic job satisfaction, extrinsic job satisfaction, task specific self-esteem). The study suggested that over a period of time sales person turnover maybe related more to tenure and age than to attitude. Also turnover may be externally caused and requiring understanding individual circumstances of sales people who leave.
Power bases

French and Raven (1959) have defined the five dimensions of social power bases—expert, referent, reward, legitimate and coercive. Bachman (1968) and Bachman, Smith, and Slesinger (1966) analyzed power relationships in five different organizational settings. They found that the supervisor's expert and referent bases of social power were consistently related to employees' job satisfaction. Supervisors' coercive power was consistently negatively related to the employees' satisfaction. The legitimate and reward power bases were not correlated in a consistent manner with employee satisfaction. Burke and Wilcox (1971) found that the expert and referent social power bases were most highly associated with employee satisfaction while coercive power was negatively associated with employee satisfaction on five aspects of the job. In studies on power relationships in the channel of distribution, Hunt and Nevin (1974) and Lusch (1976) found that the use of noncoercive sources of power (expert, referent, reward, and legitimate) were related to the franchisee's satisfaction with the franchiser.

Need for the Study

In view of the above exposition, it is obvious that much research has been made in the selected areas of sales management. However, studies on sales management practices in the Indian context, particularly in the infotech industry, are yet to be made. Hence, this study. It also proposes to investigate the extent of job satisfaction of sales persons and its determinants. In so doing, it provides important information to the organizations to evaluate their policies and practices.
to improve performance of sales persons and organization. Such a review and reorientation is very much necessary to infotech companies as the market has been growing in size and complexity.

Objectives

1. To identify the sales force management practices in infotech industry
2. To study the factors influencing performance of sales persons
3. To measure the extent of job satisfaction of sales persons.
4. To suggest measures to improve performance and job satisfaction of sales persons.

Hypotheses and Model

Following hypotheses are stated, based on the survey of literature.

H$_1$: There is a positive relationship between perceived goal clarity and task performance.

H$_2$: The stronger the perceived performance-rewards relationship, the higher is the sales person’s task performance.

H$_3$: The greater the sales person’s perceived control and influence over job goals and means of accomplishing the goals, the higher is his task performance.

H$_4$: Role clarity is positively related to performance and negatively related to propensity to leave.

H$_5$: Job involvement is positively related to performance.

H$_6$: Sales manager's expert, referent, reward and legitimate powers are positively associated with the sales person's satisfaction with supervision,
while coercive power is negatively associated with the sales persons satisfaction with supervision.

H7: Sales person’s role clarity is positively related to the development of expert and referent power bases in the relationship with sales managers.

H8: Sales manager’s referent power base is negatively related to the sales person’s propensity to leave the company.

H9: The sales manager’s expert power is negatively related to the sales person’s propensity to leave the company.

The first three hypotheses are reproduced from the work of Futrell, Swan and Todd (1976). The fourth one is based on the study of Busch and Bush (1978). The last four are borrowed from the study of Bush (1980). A model depicting the hypothesized relationships between job, supervision and outcomes (satisfaction, performance and propensity to leave) is presented in Figure II.1 given at the end of this chapter.

Scope of the study

The study aims at covering two types of analysis

(1) Practices of organisation like recruitment, selection, training, performance appraisal and compensation.

(2) Relationships of variables like, job related factors, supervisor power relationships, individual involvement, performance, satisfaction and propensity to leave.
Significance

The findings of the study which bring out the levels of job satisfaction and performance will be of use to the following

1. Sales managers of infotech companies. These companies are facing today a challenge to increase their sales performance. The study helps provide guidelines for effective sales management.

2. Sales managers of other companies. They can have a conceptual understanding of practices and factors influencing job satisfaction and performance of their sales personnel. It helps them to re-examine their practices and approaches.

3. Researchers in the field of marketing and sales management. The study provides a base for further research in the same area with different variables like management control dimensions, motivation dimensions, power dimensions, mentoring, and leadership.

Methodology

A brief outline of the methodology is given below.

Data Sources

Data required for the study are both primary and secondary. The secondary data sources constitute the published documents of the companies and periodicals. The primary data comprises of the views of sales persons working in the selected infotech organizations in India.
Data Collection

The primary data are collected through the questionnaire addressed to the sales personnel. The questionnaire canvassed among the sales personnel, consists of four parts. It has both open and close-ended questions. The closed end questions require the respondents to (i) check Yes or No or (ii) Circle a number on a five point Likert type scale representing degrees of agreement / importance / satisfaction etc., or (iii) Place a tick mark in parentheses against items which are applicable or (iv) Distribute 100 points among the listed items. The questions are related to socioeconomic characteristics of respondents, views on sales management practices in general and in specific to their organizations, level of satisfaction and performance. The questionnaire is developed based on rational construct criterion, based on the earlier studies of Paul Busch and Bush (1978), Putrell, Swan and Todd (1976), Paul Busch (1980) and Davinder K. Vaid (1984).

Sample

Bangalore city is chosen as the place of the study. The choice is based on the factor that most of the infotech units are located in that city. In fact, Bangalore is known as the Silicon Valley of India. About 20 organisations listed below having more than 30 sales people and which have consented to participate in the study are included in the study. 600 questionnaires were distributed to the sales persons. However, being busy and involved in travelling, many could not respond. About 290 questionnaires are collected and out of them only 261 are found usable.
The list of companies include:

1. Tata Consultancy services Ltd
2. Wipro Infotech Ltd
3. IBM India Ltd
4. Hewlett-Packard India Ltd
5. HCL Infosystems Ltd
6. CMC Ltd
7. Tata Infotech Ltd
8. L&T Infotech Ltd
9. Zenith Computers Ltd
10. TVS Electronics Ltd
11. Wipro e-Peripherals Ltd
12. Accel ICIM Ltd
13. Tata Elxsi (India) Ltd
14. PSI Data systems Ltd
15. Texas Instruments (India) Pvt Ltd
16. Samsung Electronics Co. Ltd
17. NIIT Ltd
18. SSI Ltd
19. Compaq Computer (I) Pvt Ltd and
20. Sun Micro Systems Ltd
Data Analysis

Data are analysed with the help of percentages, means and standard deviations. Hypotheses are tested using statistical tools like, t test and chi-square test. Relationships are established using simple and partial correlations, and multiple linear regression. An analysis of expected and actual job satisfaction was made using chi-squares.

Limitations:

Any study based on perceptions will have certain limitations.

1. The perceptions of the respondents cannot be considered authentic. There will be always an element of prejudice and bias.

2. Inconsistency in the responses is another limitation. For cross check purposes certain items are repeated in the questionnaire and the element of inconsistency is removed.

Concepts

Important concepts related to study are briefly explained in following lines.

Job Satisfaction: It is defined as feelings or affective responses towards components of the work situation.

Job Involvement: It refers to the degree to which job is central to the person and his identity.

Role Clarity: Role represents the set of activities or behaviours to be performed by a person occupying that position. Role clarity occurs when
the salesman feels he has the information necessary to perform his job adequately.

Influence and control. It refers to the scope of the individual's participation in setting goals / standards and accomplishing them in a flexible manner.

Performance - reward relationship. The link between results achieved and regards provided.

Close supervision. It refers to the continuous monitoring of and guidance to sales person given by superior.

Expert Power. It is based on the perception that a person in the power relationship has valuable knowledge, information, or skills in a relevant area.

Referent Power. It is based on the perceived attraction of members in a relationship to one another. The source of this power may arise from friendship, identification with a successful model.

Legitimate Power. It is based upon the perception that one person has the right to influence and that the other members in the relationship have an obligation to yield to his influence.

Reward Power. It is based on the perception by one member of the relationship that another member has the capacity to provide rewards.
Coercive Power: It is based upon the perception by a person in a relationship that another person has the capacity to remove rewards or administer punishments.

Propensity to leave: It refers to the degree of willingness of the salesman to leave his present job.
Figure II.1 Model of relationships between job, supervision and outcomes.
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