Chapter - II

Review of Literature

2.1 INTRODUCTION:

Research discussions have sought to describe what constitutes a salesperson’s performance, understand the factors that influence their performance, predict and control a salesperson’s performance. A salesperson is often the only person representing a selling organization that a customer meets. A sales function is considered the most crucial aspect of a firm. Different authors are therefore in agreement with each other in acknowledging that the field sales force constitutes one of the main marketing expenditure in the marketplace.

Sales talent has been among the scarcest according to repeated surveys over recent years. The 2012 Talent Shortage Survey includes the views of thousands of employers in eight countries in the Asia Pacific region including India. It can be noted that the sales representative positions continue to be the most difficult-to-fill job roles in Asia Pacific. The category has topped the rankings in each of the seven years that the Survey has been carried out since 2006. A medical device industry survey by Emergo group (2012) enquired about the greatest challenge faced in running a business, and found that 14.1% of professionals have referred to employee retention / recruiting as their chief concern.

Global sales perceptions report 2007-2008 found that buyers were holding strong negative connotations to the sales profession. To a question to the buyers whether they will be proud to call oneself as a salesperson, a vast segment in different countries like the U.K, France, Germany and Canada responded in the negative. When asked their perceptions of the sales process, the most common description by buyers was that sales implied “a necessary evil”, with fewer buyers valuing salespersons as their business partners. The top ten descriptions of sales persons were "cut-throat", "charm school graduates full of marketing promises", "irritating, like a rash you want to scratch but your doctor won't let you", "like shark trolling the waters" "pond Scum", "leeches", “leg-humping dogs”, "they come, they beg, they steal and go", "a trail of bribery" and " will
promise their first-born to get the sale". While expectations on sales expertise have increased, according to at least a third of buyers, a sizeable segment of respondents have felt that sales expertise was getting worse.

Many respondents perceived that salespeople are lacking in the temperament, desire, and core sales skills they need. While respect, support and advice were expected from the sales persons, truth, sincerity, knowledge of product and client were the most sought after quality in salespersons. The top three qualities the buyers valued in the sales persons was product advice, market knowledge and trust, while the other qualities that followed were pricing negotiation, relationship building and delivery expediting. Business advice and ROI analysis were the least sought after qualities from the sales persons. Though sales people are valuable sources for communicating with the clients, buyers are found to be using the internet more than they depended on sales persons as sources of information.

Although a majority of buyers were more loyal to the company than to the salesperson, those who were more loyal to the salesperson than to the company were just a little less than half of the respondents. According to the Selection Forecast (2012), a majority of sales managers expected to lose at least one direct report over the ensuing six months. The top three reasons for sales persons’ leaving were insufficient compensation, benefits and rewards, lack of growth/ development opportunities and the feeling that their efforts were not appreciated.

With the above stated facts and findings, the present research attempted to search the previous work done on these aspects, and the same is presented here in this chapter as follows:

2.2. EXPANDING SALES FORCE WITHOUT MATCHING IMPROVEMENT IN PERFORMANCE

According to Price Water Cooper House, “the immense potential of India’s domestic Pharma market, which was valued at approximately US$12 billion in 2010 showed a strong growth of 21.3% for the twelve months ending September 2010. It also estimated that over the next 10 years, the domestic market will grow to US$49 billion - a compounded
annual growth rate (CAGR) of 15%, with the potential to reach US$74 billion – a CAGR of 20%, if aggressive growth drivers kick in”. Labor costs, which were equal to 10 to 14 percent of sales for at least five major drug makers, have increased by around a third on average, according to Batlivala & Karani Securities in India. The growth in salaries has outstripped productivity increases, with sales representatives at leading firms generating less revenue on average than they did two years ago as per the report submitted by Edelweiss Securities Ltd.

The literature review includes various topics such as the issues related to sales force effectiveness in pharmaceutical industry; Sales Training and Performance; Sales performance and Technology; Temperament of Sales persons; Management through measures; Factors Causing Success as Salespersons; Attributes of high performers; Challenges in nurturing sales persons’ behavior, outcomes and means of performance improvement; Competency Development; and Removal of performance hurdles. The authors measured the performance effectiveness through various factors related to the individual behaviors and skill sets of the sales person.

2.3. ISSUES RELATED TO SALES FORCE EFFECTIVENESS IN THE PHARMACEUTICALS INDUSTRY:

Brooke and Gudergan (2001) explored the role of various factors on effectiveness among sales force, through an exploratory study in eight Australian pharmaceuticals companies and found positive relationship between sales force autonomy and effectiveness in all the companies. The study also concluded that market knowledge led to a greater market orientation, which in turn, has a positive effect on sales force effectiveness. In the study the researcher developed a sales force effectiveness model. The model designed as market knowledge and customer value management leads for market orientation. Similarly, the sales force control and sales infrastructure leads to sales force autonomy. According to the model, the market orientation and sales force autonomy are the influencing factors for sales force effectiveness.

A study by Ryerson, A (2008) on pharmaceuticals sales performance focused on measuring the behavioral aspects of self-efficacy as compared to general self-efficacy. General self efficacy is an individual’s belief in his ability to perform various functions.
Getting, giving and using are the specific behaviors pertaining to self-efficacy that is used in the study. Getting behaviors included asking questions, listening, observing and communicating with competitors. Giving behaviors are those used in disseminating information to the customer. Using behaviors are those related to solving problems of customers. The study rejected the null hypothesis that the predictive value of the specific self-efficacy model is either lower than or equal to the predictive value of the global, general self efficacy model. In the same research paper the author quoted Barling and Beattie (1983) study on insurance sales representatives where the self efficacy has a strong correlation related to the level of performance.

Longino, E (2007) in a dissertation covers major issues concerning sales in pharmaceuticals industry in the United States (US). The study brings forth the changing context of the industry in the wake of more competition and regulation of the industry. Losing patent protection, substitution by generic drugs, increased regulations that curb pricing and hike drug-testing costs are challenges that the pharmaceuticals industry is said to be facing, according to different researchers. Whereas Seget et al., (2002) expressed concern about rising expenditure on research and development; post-marketing studies have also become necessary to ensure drug safety standards. Further cost escalations happen as a result of greater need for advertising and sales promotions to cope with competition. Such trends result in steep cost increases in the industry. As a result increasing onus is placed on achieving sales orders to maintain profitability amidst rising costs.

Matsuo, M and Kusumi, T (2002) focused their research on Sales person’s procedural knowledge, experience and performance in Japan. Procedural knowledge would indicate the type of selling methods or strategies to be adopted in specific situations. Nineteen items of procedural knowledge were used in the study which included: talking to a customer with a smile, easing the hesitation and anxiety of the customer, sending the customer a thanking note after receiving an order, reading the customer’s type, asking the customer to make referrals etc. These were associated with the nine steps involved in sales process namely: approach, communication, proposal, closing, receiving an order, delivering, follow-up, getting a referral and promoting a replacement. They hypothesized that the more sales experience salespeople gain, the stronger the relationship between procedural knowledge and their performance.
The study found that inexperienced salespeople used procedural knowledge than experienced sales people. The study also reveals high performing sales people to be customer oriented as well as active. Therefore, the immediate superior should balance the above two types of selling. The results of the study support the hypothesis. According to the author, one has to give attention to their role of experience which has a connection with sales force knowledge and performance.

Chakraborty, S., Brown, G. and Widing, R.E. (2010) examined the use of open influence strategies such as legitimate influence, expertise and referent, and closed influence strategies such as ingratiation and impression management. It was found that open strategies were most frequently used than closed ones. However, influencing strategies were found to be used for only half of the customers. Built upon the concepts of selling orientation and customer orientation, the study also differentiated between customer oriented selling and cooperative motivational orientation. The results of the study was that customer oriented selling is an approach that highly influences the sales performance and customer satisfaction. The researchers differentiated the customer oriented attitudes and customer oriented behaviors (Stock and Hoyer 2005). An extensive literature supports the customer oriented behaviors such as sales performance (Eg., Saxe and Weitz 1982), Personality traits (Eg.Brown, 2002), buyer and seller relationships (Eg.,Williams and Attaway 1996) and market orientation (Siguaw, Brown and Widing 1994).

Franke, G.R. (2006) analyzed salesperson adaptive selling behavior (ASB) along with customer orientation, through a meta-analysis. Adaptive Selling Behavior involves the seller to alter one’s sales related behaviors including selling strategies, social style, tactics, verbal communication and physical appearance during a customer interaction or across interactions based upon perceived information about the nature of the selling situation. The study found that adaptive selling behavior has a stronger effect on salesperson performance and satisfaction than customer oriented selling.

Giacobbe, R.W., et al (2006) in a research paper, analyzed and strongly supported the positive role of ASB on sales performance, irrespective of whether the selling context is adaptive or not, though the impact was greater for selling situations that are adaptive conditions. Their factor analysis produced six dimensions that were highly consistent
with performance, which included perceptive talking ability, empathetic concern, verbal cue perception ability, non-verbal cue perception ability, ability to modify personality and ability to modify actions and strategies.

Pharmaceutical industry is said to be a rapidly changing, competitive industry in which salespersons work alone in geographically distributed territories and hence learning had a special role in this industry. Studying such a setting, Hunter, C.P, (2010) found that sales professionals developed themselves as resources to gain customer-access required to promote products and identified 64 ways of learning which were largely self-initiated, self-directed, minimally structured, and may involve intentional incidental learning.

Sales force has been described as early adopters of new technologies, which include multiple telecommunication and internet-enabled devices. It is stated that researchers have not adequately addressed technology-sales force linkages. Christ, P and Anderson, R., (2011), examining the topic quotes research by Rapp et al., (2008) showed that sales force adoption of technology has often met initial resistance. They also cite evidence to suggest that latest technologies make salespersons’ jobs easier as in Colon, (1998), decreases costs (Taylor,1993), enhances communications, reduces sales cycle time (Thetgyt, 2000), and improves organizational access to information (Leifer, 1999). Thus it has been already established that adopting technology helps sales organization to develop sustainable advantages over competitors. Adoption of the latest technology is a way to increase sales force effectiveness and efficiency in carrying out sales force activities, enhancing customer relationships.

2.4. SALES TRAINING AND PERFORMANCE:

Roman, et al. (2002) examined the effects of sales training on the activities of the sales force and found a positive and significant influence by the former on the latter. The research article attempted to discover the effects of sales training on sales force activity and customer orientation in the environment of small and medium sized enterprises. The results showed evidence that investment in sales training was a means for improving sales performance. It has also indicated that there was no direct correlation between the quantum of investment on training and sales people's performance.
Aberdeen study (2010) among companies deploying sales training, to distinguish the sales teams within best-in-class companies. They found that a majority of the sales representatives going through sales training were achieving their annual sales quota as compared to 38% industry average. The study similarly found better yearly increase in corporate revenue and average contract value in the companies deploying sales training than industry average and laggard firms. The study had also predicted a rise in spending on sales training for top performers.

2.5 SALES PERFORMANCE AND TECHNOLOGY:

Ahearne, M. J., Mathieu, J. E., & Rapp, A. (2007) studied the importance of social–psychological factors related to the success of sales force technology interventions. Reviewing the influence of the introduction of a new set of technology tools on the performance of salespersons, they found evidence to confirm their hypothesis that the salespersons’ work experience would have a negative effect on their technology self-efficacy, which in turn would relate positively to their use of technology. Similarly Sales performance was found to be positively related to both past performance and the use of new technology tools. Further, the authors hypothesized that leaders’ commitment to sales technology would enhance salespersons’ technology self-efficacy and usage, and leaders’ empowering behaviors would influence salespersons’ technology self-efficacy and moderate the individual-level relationships. Hierarchical linear modeling analyses confirmed all of the hypothesized individual-level relationships and most of the cross-level relationships stemming from average leader behaviors. Empowering leadership especially exhibited multiple cross-level interactions.

Analysis by Weiss, L.W., Pascoe, G and Martin, S (1983) found that selling expense ratios were among the highest in the selling of proprietary drugs, where it extends to the tune of over 58% of the retail selling price.

A doctoral work of Asha Sindhu (2011) brought out the following findings: Majority of sales persons had agreed that the role of sales force is highly important in increasing sales and that their managements had taken proper steps for motivating salesmen, by way of incentives, travel allowance, commission on sales, recognition and rewards, without unfair practices by managers. With the exception of experienced sales
persons, a majority were not planning to change their jobs, owing to job satisfaction. In terms of effective motivational methods, commission on sales topped, followed by incentives, recognition and rewards in that order, while the study suggested greater human touch in implementation and greater retention efforts towards experienced Sales persons.

2.6. CHARACTERISTICS OF SALES PERSONS

Performance is understood to be the same as effectiveness by some researchers, while others tend to consider sales person’s performance to be comprising of his/her effectiveness combined with efficiency. A substantial research attention related to Sales force performance, has been paid towards differentiating outcome-based control measures and behavioral input-based measures of performance among salespersons. Oliver and Anderson (1987) for example clearly differentiated the two. Since outcome based measures look at the tangible results, there is a minimal need for managerial intervention in a salesperson’s actions. At the same time, it poses a risk in terms of compensation for salespersons, along with a pressure to perform with fewer resources.

Behavior-based measures of salespersons’ performance are impactful in the long term. Typical sales behaviors include prospecting, fact finding, selling, closing and servicing customers. In a revelatory study only 10% of work time of a salesperson is spent in active selling, while travel and other sales behaviors occupy the remaining major portion of time. Findings of a study by Rangarajan, D (2012) revealed that the focus on hard numbers made evaluation difficult in times of economic crisis, when sales cycles are longer and recommended the formulation of newer ways of evaluating performance. Majority of the participants in the study felt that while well-documented, hard and objective measures were available instead of soft, subjective ones, most of them did not feel that clear and well-documented processes for evaluation were in place. This report highlighted the recent realization on the need to translate measures of performance into processes for evaluation.

2.7. FACTORS CAUSING SUCCESS AS SALESPERSONS

The causes for individual performance at the levels of sales persons were touched upon by different research work. The factors include: technical knowledge, communication skills that include making presentations, influence strategies adopted, adaptive selling by
way of using different selling techniques, team work in selling, and sales support and even questioning ability in a sales person. Situational factors include Sales territory design, Information needs of the buyer, buyer-salesperson similarity,

Studies of sales force effectiveness by Forum Research (2008) found that sales forces focused on a number of priorities, from marketing strategies - launching new products or cross-selling into existing accounts; through implementing processes, such as Strategic Account Management (SAM), to enhance sales manager effectiveness. A subsequent Sales Effectiveness study by Forum found that sales executives gave low marks to sales managers in the areas of strategizing, coaching, and motivating salespeople. This skill deficit was attributed to salespeople being promoted to sales leadership roles without adequate consideration of their leadership skills, versus sales skills.

Kuster, I (2008) identified determinants of sales force effectiveness. The study referred to seven blocks including sales control in the form of follow-up, evaluation and rewards, professionalism in attitude and competencies, sales people’s behavior performance in the form of adaptive selling behavior, sales interviews, and sales people’s outcome performance. Sales people’s behavior based control, their outcome performance, professionalism and sales people’s behavior performance were associated with higher sales force effectiveness. It was observed that the least effective teams were especially concerned about clinching deals rather than maintenance of long-term relationships with customers. The findings of the study underscored the need for giving relatively greater importance to behavioral aspects, to an extent greater than result based systems to control. The most effective team managers were having a long term vision, thereby placing more emphasis on work quality than amount of work.

Dave Kurlan's (2010) study on turnover prevention, found that involuntary turnover occurs less often because most sales managers are too patient, accept mediocrity, and avoid uncomfortable confrontation associated with termination. A notable segment among sales managers have need for approval and shy away from confrontation due to the need to be liked. Statistics with Ecselling Institute showed that majority of sales managers were not inclined to upgrade their sales force. Majority of these managers had less than 65% of the attributes of accountability.
Studies by Accenture, (2003) served as an eye-opener to researchers in the field. One study pointed out at the criticality of sales force for organizational success as perceived by key executives and hence sales person’s performance was actively being monitored. Another study the same (2003) brought out a revelation that majority of executives considered their sales force to be ineffective, either by being mediocre or sub-optimal, while top 20% of the sales force was generating 62% of sales volume. The cost of employee turnover is three to four times of the fully loaded head count cost, according to this research output.

An earlier study by Greenberg and Greenberg, (1983) had also brought out similar results indicating 80: 20 or Pareto rule in sales and sales persons, and had added that 25 percent salespeople with sales ability but were selling the wrong product or services. They further found that three attributes differentiated the best performers from that of the average, which included empathy, ego drive, and ego strength, even though the mere possession of these did not guarantee success at work. The similar aspects have been mentioned by Greenberg and Mayer in 1964.

Pendharkar, A and Pandey, V.K (2010) in a study that aimed at identifying relation between sales profile and sales performance, concluded that factors in the sales profile test namely combative, sales acumen, prospection and technical expertise significantly correlated with the performance of the sales people in a variety of sales jobs.

Wasuja, S., Sagar, M and Sushil, (2012) have attempted to examine the effects of salespersons 'cognitive bias ' or the tendency to draw incorrect conclusions based on cognitive factors such as personal beliefs, social influence and information-processing shortcuts such as heuristics rather than evidence.

Guo, L and Irene, C.L. , (2012) showed that salespeople’s perceived reciprocity from the customer, a liking for the customer and relationship orientations were the driving factors that influences salespeople's relational behaviors with their customers. Results of the study pointed out that, increasing levels of salespeople’s communal orientation, and a liking for the customer had driven salespeople to cultivate relationships with their customers whereas, salespeople’s exchange orientation tended to discourage them from relationship building.
Toytari, P et al. (2011) focused on value based selling in contrast to product based selling. Describing Value as the perceived or real difference between giving and getting and value-based selling as the understanding and improving the customer's business in a proactive manner, the researchers found that offering is most attractive for value-based sales when the real value of the offering is either underestimated or unknown. The study also suggested that value-based sales is characterized by a customer-centric, explorative process, characterized by value quantification and customer validation, aiming at creating value for the buyer and the seller.

Gordon, L.G et al (1991) examined the current practices of training of sales managers. The study found that sales training topics included setting standards and goals, motivational skills, time management, forecasting technology, conducting meetings, team building, business ethics, pre-call coaching problem-solving, territory planning and competitive analysis.

Rajan, C.R.S and Srinivasan, S (2012) delved into sales force effectiveness in pharmaceutical industry and found that the most measurable features in sales person’s performance were interpersonal skills, salesmanship skills, technical skills and sales techniques. According to the study, the non-verbal communication plays a vital role in interpersonal skills set; the skill sets as sales closing ability and ability to work as a team in salesmanship skills and in Technical skills, the product knowledge and reporting and procedure efficiency were found as important factors for the effectiveness of a sales person.

Rajan, C.R.S and Srinivasan, S (2012) in their study on sales force effectiveness in automobile industry interpersonal skills like ability to manipulate others to control the situation, ability of effective communication and control over the situation were found to be important attributes in automobile sales. The study also found that technical skills set of the sales person on highest response. The attitude in understanding and implanting the organization’s procedures were considered as significant technical skills which improves the sales.

Ryerson, A (2008) in a research-based article on pharmaceutical sales performance, found negative correlation between self-efficacy and actual behavior, with regard to
parameters of sales person's performance such as getting, giving, using and planning. The difference is attributed to over-confidence in one's abilities, as a result of which, one does not feel the need to perform these behaviors.

Barker, A.T. (2001) looked at the antecedents of sales organization's performance. The study identified various features of highly effective firms in term of sales volume, market share, customer satisfaction and profitability, than those of their competitors. It was found that establishing long term relationship through sales support and enthusiastic service was a major feature of these firms.

2.8. ATTRIBUTES OF HIGH PERFORMERS

A study by the Harvard Business School (2011) found that highly successful salespeople have qualities like not taking rejections personally, taking whole responsibility for results, possessing empathy, having above-average ambition, willpower and determination; being intensely goal-oriented; and ability to easily approach strangers. In addition, the study found that these attributes can be learned and incorporated into a personal development plan for reaching top seller status.

Patton and Sardar (2002) provided useful insights on qualities that describe a successful salesperson: In their list, high energy level, self-confidence, hunger for money, well-established habits of industry, and the ability to see obstacles as challenges were the five qualities. In addition to these, they stated that top sellers possess a compulsive need to win and hold the affection of others.

Cross, M.E, et al (2007) have examined how sales person’s performance is impacted by their customer orientation. They found a positive relationship between the two, like their previous researchers. In addition, they found that organization’s customer orientation or market orientation could directly lead to sales performance.

Greenberg and Greenberg, (1983) had earlier suggested that, in order to be successful, a salesperson need three basic traits such as empathy, ego drive, and ego strength. In order to relate to customers effectively, a salesperson requires empathy, through which he is enabled to follow the prospect through evasions and objections until the prospect’s real needs are targeted and the sale is closed. Ego drive connotes personal
gratification in persuading another person to do what one wants him to do, that is, make a purchase decision. Ego strength is defined as the resilience to move onto the next sales situation after being rejected, with the stamina to follow through. Studies indicated that even though deficiencies in empathy, ego-drive, and ego-strength would guarantee sales failure, possessing these does not automatically guarantee sales success. In addition, the ability to deal with complex ideas, make quick analyses and judgments, negotiate systematically and persistently, and time-management are also traits that can enhance sales performance.

Drollinger, T and Comer, L.B., (2013), studied sales' persons' listening ability as an antecedent to relationship selling. The study predicted that Active Empathetic Listening (AEL) also had a strong relationship to trust and Trustworthiness of the salesperson would result in a better relationship between the buyer and seller. Salespeople with greater levels of AEL should be able to instill higher levels of trust in the relationship.

Baldauf, A et al. (2002) tested the effects of moderators of sales persons' behavior performance, sales person outcome performance and sales organization effectiveness. They found that the self-perception of salespersons with respect to specific sales skills and behavior was positively related to each of the variables like technical knowledge, sales planning and adaptive selling. Thus a positive attitude on the part of a salesperson makes significant changes in the selling skills.

Brashear, T.G. et al, (1997) studied sales person's behavior and their antecedents and their relationship to performance. It was found that high performing sales people tend to spend more time selling, and had higher-than-average extrinsic reward-orientation. Those with a realistic view of their jobs have been found to have lower level of ambiguity, thus having greater clarity on their jobs.

Abed, G.M. et al, (2009) studied the effects of selling strategies on sales performance. Customer-oriented, relational selling strategies along with sales people characteristics had positive effects on sales person's performance. By enabling their workforce to apply such strategies, sales managers were able to meet their goals of customer delight and maintain long term relationship with them.
A survey by R. Fiegh & Associates (2008) brought to the fore six key habits that are nearly universal for top new home salespeople. Leading a balanced life topped the list among the habits, which entailed maintaining equilibrium between work, health, family and personal pursuits. Two of the six habits were found to be Continuous Training and networking for long-term relationships. The next quality of the toppers was following a planned and rehearsed presentation process to inspire trust in the product and its maker. Striving to beat their personal best and looking for every advantage and opportunity to become better salespeople, their list of key habits include maintaining an insatiable thirst for knowledge and skills to use such knowledge on their products, market and competition. As they also know the value of a customer, they also nurture the habit of fail-safe follow up system to remain in touch with clients, before and after sales and also obtain referrals. Top sales performers were doing what others won’t to keep on selling. They also used slow sales periods for their re-training. However, barring these toppers, their statistics showed that vast majority of the salespeople were devoid of effective habits. They never asked for a referral from a buyer (94%), never followed up after a sale (87%), and failed to ask for a deposit (83%), as per the study. Thus there has been a vast divide between the top and the low performers among salespersons. Forum’s research too identified practices of toppers in performing sales, such as listening to the customer’s needs, building relationships and demonstrating value.

2.9. CHALLENGES IN NURTURING SALES PERSONS’ BEHAVIOR, OUTCOMES AND MEANS OF PERFORMANCE IMPROVEMENT

The most-often cited sales force performance issues in the Accenture (2003) study were related to assessing reliable leads. Majority of those respondents with least satisfaction with their performance identified their top performance issues as teams stuck in the past, poor metrics for managing performance and incomplete or inaccurate customer data. The changes felt to be needed to improve their performance included “refocus on high-value customers or opportunities”, “better integration of sales and marketing functions,” and persuading the sales forces to sell solutions than products.” However, the most popular choices were “having more accurate or complete customer data” “having a consistent view of the customer” and “having better tools or methods of analyzing customer data”.

52
Though numerous studies have been conducted to identify dependable predictors of sales persons’ behavior, they could only result in poor predictors of performance, according to Churchill et al. (1985). It is noteworthy that the highest variance explained by any of these set of predictors was below 10%, as pointed out by Singh and Koshy (2009). However, it might still help in analyzing the results of different research studies on the subject. In an early day study by Cotham, J.C. (1968), linkages between sales performance of salesmen and their job attitudes were examined, only to find little evidence of statistical association between job satisfaction measures and sales performance.

Percy, N.F., et al (1998) required Sales managers to rank order factors to improve sales persons’ effectiveness and found that encouraging sales force to build long-term relationship with customers and improving product/service quality formed the top two factors, followed by decreasing response time between order and delivery. The study concluded that there was close relationship between sales force behavior performance and sales force outcome performance and thus they need not be at a tangent with each other.

Santos, M. F. and Bourne, M (2005) studied the impact of performance targets on behavior in sales force contexts and found that in order to impact performance by influencing motivation, targets need to be based on reliable data, has to be perceived as achievable, equitable across sales territories and must also be agreed upon by each sales person. Effectiveness of targets in inducing performance was found to be undermined by issues such as forecast based mostly on past performance, targets perceived to be too high or low, targets based on the wrong performance measures, targets wholly based on financial indicators, even when customer relationships and other such factors were absolutely critical. Targets not periodically reviewed so sales departments were overtaken by events and when interrelation between targets was not considered causing inconsistency.

Pettijohn et al. (2007) examined if sales performance is improved as a result of perceived importance of sales skills and obtained answers in the affirmative. Skills in using proper approach techniques, referral based identification of prospects, resolving objections, negotiations, closing and other traditional sales skills were included for the purpose of the study. Sales skills were also found to be significantly related to organizational commitment and job satisfaction.
Basir, M.S. (2010) focused on the impact of four dimensions of sales skills namely interpersonal skills, salesmanship skills, technical skills and marketing skills as independent variables on the dependent variable namely salesperson performance. The results of the study indicated that salespersons’ interpersonal skills can significantly boost sales performance. The study also showed that salesperson performance was not particularly impacted by salesmanship skills. Thus, there was no support to the proposition that a firm can increase salesperson performance by procuring or retaining salespersons with high salesmanship skills. On similar lines, the study indicated that no significant relationship existed between marketing skills and salesperson performance, thus implying that salespersons need not have to be knowledgeable about the market they operated in order to achieve sales objectives. This study differed from a host of previous studies, when it found no significant relationship between technical skills and salesperson performance. The plausible explanation provided by the researcher for this insignificant relationship was the fast obsolescence of technical skills and / or the capability of transferring technical knowledge in a way that could be comprehended by a diverse group of customers and markets.

A survey of sales and HR executives of large North American firms Wyatt, W (2009) obtained data on adjustments they are making to their sales goals and sales incentive plans as a result of signs of recovery in the economic environment. Majority of firms were reported to have sales force productivity or efficiency as the most significant human capital issue facing their work forces. Sales force quota/goal setting, coaching, training, morale and motivation being other main concerns experienced by a fewer, but sizeable segment of the respondents. The study further found that majority of firms expected to change performance measures and performance measurement weightings, besides incentive formulas / mechanics in the following year. A vast majority of respondents were able to identify their top performers and also reported their top performers earn the highest levels of sales compensation, thus pointing out to a strong link between performance and remuneration.
2.9. COMPETENCY DEVELOPMENT

Tina K. Busch (2013) in her study determining competencies for the frontline sales managers in for-profit organizations highlighted the various quotes by the different experts. The study indicated the innovation in suitable sales force design, compensation plan and evaluation pattern leads for sustainability and high performance of the sales persons with the organization (Weitz and Sujan (1988), Cron and DeCarlo, 2009). Identifying the perfect competency criteria to select, manage, training and plan for the sales persons career are the drivers towards the better outputs of the business organization (McLagan, 1980). The sales profession, despite of the various new models which demands new skills sets, has not kept tempo with other occupations’ development such as finance, marketing, training and development in human resource development (Lambrecht, 2007).

The recent research on sales force competencies indicates the sales persons’ competencies are the success key to organizational competitive advantages. According to Lambrecht (2007), the front line sales managers (FLSM) are the most critical aspect in productive sales persons to control the performance into their sales force’s daily workflow (Banakus, Cravens, 1996, Piercy, Cravens et al., 2009). A study conducted to measure the sales managers’ performance by the sales executives council interviewed 300 sales organizations found the competency tension of changing sales roles and sales models.

The study concluded that their FLSMs are poorly equipped to succeed in the future model and 75 percent of the present managers judged to lack in required skill sets to meet future performance requirements (corporate executive board, 2007). The next stage of the effective sales manager’s progress from the historical super sales performers to the business strategies and coaches (Babakus et al., 1996 and Cron and DeCarlo, 2009)

Linda S Pittijohn et al (2001) discussed the sales persons’ performance appraisals. The research article quoted that performance appraisal is frequently accredited with the increases in sales persons’ effort, motivation and performance (Churchill et al., 1985, Patton and King, 1985). Nigel F. Piercy et al, (1997) conducted a research on the sources of effectiveness in the business to business sales organization. The study has been designed as a model, the sales persons’ performance is divided into work behavior and outcome results. The sales people behavior involved the planning of calls and team based
selling which make a significant output to sales performance and in turn of overall organization effectiveness (Anderson and Oliver, 1987 and Oliver and Anderson, 1994). The sales managers’ role has a greater influence in the outcome performance of a sales person.

A study based at Nigeria by Asiegbu, I.F., okorie, A.H and Christopher, A (2011) attempted to establish the effects of competence development efforts including variables such as skill training, mentoring, coaching and project team staffing on marketing performance metrics as sales growth, sales volume and profitability in industrial and domestic products firms. The study found that developing sales force competence had the necessary potential to improve upon sales force competence, which in turn, tended to positively affect the measurement metrics of marketing performance. On further test to determine which of the variables correlated better with marketing performance, mentoring correlated most highly with marketing performance, followed by project team staffing, sales force skills training and coaching.

American Society for Training and Development (ASTD) study found that only a small percent of companies train their sales managers to a high extent, while a sizeable segment don't train their sales managers at all. In contrast, the same study found that majority of these companies trained their salespeople on selling skills at least once each year. The study also found a "significant positive correlation" between the extent to which those managers were trained and the percentage of their reps who meet their sales quota. Conversely, companies that didn't train their sales managers suffered lower sales performance. The study also found the uncovered four salesperson activities that must be managed differently: account management, territory management, opportunity management, and call management.

A secret shopper-style study was held in which the firm conducted in-office observation and surveys of primary care physicians as well as nurses and other non-MD medical professionals. The firm sent undercover former drug reps into primary care physicians' offices. They observed rep visits and sat in on rep lunches and breakfasts in those offices. Upon leaving, company reps were asked to answer a few questions for some market researchers. The study found that calls lasted an average of six minutes;
most of them occurred standing up; less than half resulted in meaningful discussion. Sales aids, used in calls, and the offering of food, seen in calls, had dramatically positive effects on depth of discussion.

Bio Pharma Alliance's study found that reps are easily the No. 1 source of info on new products for those docs that see them, with nine out of 10 reporting being detailed on new treatments three or more times per month. Those that don't see reps cited journals as their top info source, with majority of them reading about new products in journals three or more times per month, followed by colleagues , websites like Epocrates, Medscape and UptoDate, apps and package inserts.

With doctors increasingly pressed for time and other office staff playing a greater role in dispensing samples and co-pay cards, companies are directing more of their attention toward non-physicians. In BioPharma Alliance's study, non-MD contact occurred in sizeable proportion of calls, lasting an average of six minutes. Two-way conversation was observed in a majority of those calls, with just-small-talk accounting for a half. Sales aids were used in a small segment, and the healthcare professional asked a question in rare cases.

A sales force blog quoted a study on sales organization performance which indicates that while Sales Managers think they are supposed to focus on being a super-seller and giving answers, Sales Makers give the highest marks to Sales Managers who made it a priority to support the efforts and the activities of the Sales Makers and find ways to help them become more successful, especially Coaching. Most Sales Managers would agree that coaching has its place, but very few Sales Managers make room in their schedule for regular, planned, focused coaching sessions with each Sales Maker.

A study conducted by Corporate Executive Board interviewed 6’000 sales reps to find out the most effective sales profiles. The study listed out five typical profiles of sales people. The Hard Workers were those early at the office until late in the evening, placing more calls and making more meetings. The Lone Wolves were those who have a lot of self-confidence and do things their own way without bothering about processes, CRM, training. The Reactive Problem Solvers were those at the disposal of clients, digging in details and solving any issue/request that can arise. They are highly involved in post-sales
follow-up. The Relationship Builders were the ones who develop strong personal and professional relationships across the client organization. They multiply points of contacts at all levels of the hierarchy to ensure that the deal is secure.

The Challengers are the ones with deep understanding of the industry challenges and competitors of their prospects. They challenge the thinking of their clients, even using controversial and pushy views. They play the same game internally with their CSO. While most sales trainers usually focus on the value of relationship between the sales rep and the client, the study highlights that the most effective profile is the Challenger. All five profiles are distributed evenly across the sales reps studied. The largest segment of the most performing sales stars belonged to the Challenger style, while the second most effective profile is the Relationship Builder.

Giacobbe et al (2006) found that adaptive selling behaviors accounted to over one third of variance in sales performance. The study builds on the theoretical notion of team reflexivity -- the extent to which selling teams evaluate and modify their functioning and propose that selling team reflexivity can enhance salesperson performance by means of reducing role ambiguity.

The study on pharmaceutical sales compensation by Towers Watson found that it has become less common for quotas to be set only at the start of the year. The trend is towards recalculating quotas periodically during the year, partly owing to improved data management capabilities than in the past. The study also found variable pay being on the rise for sales functions. Majority of companies chose a compensation mix of 75% base along with 20% incentive, while a sizeable minority of them had begun to adopt 70:30 ratio or 80:20 ratio of base and incentive pay for primary care representatives, as per the study. Majority of firms considered sales training as a must rather than a desirable activity.

A survey by Manufacturers Alliance in 2011 was carried out among senior executives from global manufacturing companies, with average annual sales of more than $1B to know how peers gauge the effectiveness of their sales force. The most valued metrics in gauging sales force effectiveness were Gross Revenue, Percent of Goal Attained, Sales Growth Rate, and Gross Margin. The least important metrics were Lead Conversion Rate, Volume/Units Sold, and Number of Prospecting Calls or Sales
Appointments. In the study, majority of respondents used different metrics to measure Direct (owns an individual goal) and Indirect (no individual revenue goal, such as a sales manager or engineer) employees. In measuring the effectiveness of sales managers, several members commented that they place high value on Sales Rep Coaching, though most acknowledged that it can be hard to quantify. Nearly half of respondents did not have a formal productivity ramp for new sales employees to bring them to full effectiveness though several members felt such a need.

2.10 REMOVAL OF PERFORMANCE HURDLES

A study by Babukus et al, (1996), analyzed the ways of removing sales force performance hurdles and found adequate evidence to support the view that improving sales unit design, a phenomenon that has received scanty attention from researchers, is likely to improve the effectiveness of sales organization. Large differences were found in the effectiveness of field unit designs, which is said to have contributed to substantial differences in sales force performance and sales organization effectiveness.