

## **CHAPTER - I**

### **INTRODUCTION**

## 1.1. INTRODUCTION

The concept of 'Sales management' has been developing day by day with the change of economic and scientific order of the world. Though information technology is penetrating now in the marketing sector for decision making of the customer, the importance of salespersons in the sales management still exists. As such salespersons are motivated in a better way by their supervisors so that they can give best effort to the sales management. Job design is one of the better instrument which can motivate the salespersons. Job design indicates the structure and contents of a job. It influences productivity as well as worker satisfaction. It requires combination of engineering approach represented by scientific management and human resource approach represented by behavioural sciences. Work study techniques emphasise high output while Industrial psychology stresses human aspect and ease of work on the job.

Frederick Herzberg (1968) emphasised that job contents are the real motivators and jobs can be designed in such a manner that the work itself provides the motive power to the worker. A Job must be meaningful, interesting, creative and challenging.

In the late 70's Management practitioners in America initiated designing the job structure for motivating sales persons. But till now the psychological reactions of salespersons about the job designing are more or less neglected in Indian marketing organisation. The present study attempts to evaluate effect of psychological reactions on sales person's motivation in Indian situation.

A human being is an organic and not a mechanical system. He or she is a self-activated person. By nature a person is a self-activated or motivated person, without which he has no identity at all. The force of motivation lies within our mind. It is a dynamic force setting a person into motion or action. A person is motivated or set into action either by extrinsic rewards and punishment or by intrinsic incentives. So motivation in organisations is concerned with discovering the stimuli that a

management can use to achieve productive behaviour in organisations. But motivation is a purely individual factor that must be geared to fit each particular person and situation. However, a knowledge of the general characteristics of persons is necessary, and Maslow's need hierarchy is helpful in understanding the general nature of wants for individuals. Mc Gregor's theory X and theory Y and Herzberg's satisfiers - dissatisfiers concept provide guidelines for assumptions about the nature of people's need in contemporary organisations.

Taking the position that there is no one best way to motivate others. Vroom's model provides a contingency view of effective motivation. While more realistic than previous theories, it is difficult to effectively implement because of its requirement that we determine the internal state of each individual. By contrast, Skinner's operant conditioning concentrates on behaviour resulting from external stimuli. It shares the Vroom assumption of individual variance, but does not concern itself with internal mental states. Its assumptions provide an operational means of implementing management by objectives.

Though salespersons of any organisation were forced to choose between a dependence fostering or an independence fostering philosophy of operation. But most of the salespersons do not wish to choose between these two alternatives. They like to choose the combination of both the philosophy of operation. So management of any organisation have to find out proper working policy for motivating salespersons. As a whole we can say that motivation is a managerial function to inspire, encourage and impel people to take required action.

Still in Indian industry human resource approach is not given due importance with some managerial function. So some salespersons and agents will put forth their best effort without any special coaching from management. To them selling is the most fascinating job in the world. They are ambitious and self-starters. But the majority of salespersons require encouragement and special incentives. So most of the salespersons operate bellow capacity in absence of special incentives, such as financial gain or social recognition. The problem of motivating salespersons has been studied by Churchill, Ford and Walker (1993). Their basic model says that the higher the salespersons motivation, the greater his or her effort because greater effort will lead to greater performance and greater performance will lead to greater rewards; greater rewards will lead to greater satisfaction; and greater satisfaction will reinforce motivation. The model thus implies that, first sales managers must be able to convince salespeople that they can sell more by working

harder or by being trained to work smarter. But if sales are determined largely by economic conditions or competitive actions, this linkage is undermined. Second; sales managers must be able to convince salespeople that the rewards for better performance are worth the extra effort. But if the rewards seem to be set arbitrarily or are too small or of the wrong kind, this linkage is undermined. Churchill, Jr. Pecotich (1982), Ghiselli, Edwin E (1977) Haring, Albert and Robert H. Myers (1953), Opsahl Robert and Marvin D. Dunnette (1966) and other researchers went on to measure the importance of different Possible rewards. The reward with the highest value was pay, followed by promotion, personal growth and sense of accomplishment. The least valued rewards were highly motivated by pay and the chance to get ahead and satisfy their intrinsic needs, and less motivated by compliments and security. But the researchers also found that the importance of motivators varied with demographic characteristics (a) financial rewards were mostly valued by older, longer-tenured people and those who had large families (b) Higher-order rewards (recognition, liking and respect, sense of accomplishment) were more valued by young salespeople who were unmarried or had small families and usually more formal education. Motivators are also vary across countries. Where as money is the number one motivator of 37 percent of U.S. salespeople, only 20 percent of salespeople in Canada feel the same way. Salespeople in Australia and New Zealand were the least motivated by a fat pay check. [Source "What motivates U.S. Salespeople"? Published in American Salesman, February 1994, P. 26-30]

Other factors excepting monetary benefits like, job dimensions, salesperson's psychological state and leadership characteristics react positively with the satisfaction and performance of the salespeople. As a whole we can say, job satisfaction and performance have a greater impact on motivation of salespeople. Common folklore among managers and salespeople alike relates performance with satisfaction, yet the nature of this relationship is little understood. In general, four possibilities exist ; (1) satisfaction causes performance (2) performance causes satisfaction (3) the two variables are related reciprocally, or (4) the variables are not casually related at all and any empirical association must be a spurious one due to common antecedents. This study attempts to discover the true relationship between performance and satisfaction in a salesforce. Job satisfaction and motivation are two of the most widely studied constructs in sales force research. Empirical studies in this field reveal that different variables have been identified

and operationalised by researcher in an attempt to assess the influence of these variables on work outcome. Despite this extensive research, consensus has not been established about several important relationship. The strength, significance and generality of relationships involving job satisfaction have not been established by integrating results across the research streams. Moreover, no summary assessment of how job satisfaction is determined and how it influences other job attitudes and behaviours has been explored.

## 1.2. WORK MOTIVATION : AN OVERVIEW

Motivation is a process by which a need or desire is aroused and a 'motive' is a particular need or desire - a psychological force with in our mind - setting us in motion to fulfil our need desire which is aroused. An unsatisfied need becomes the motive moving or activating a person to spend his energy in order to achieve a goal or a reward, viz, want, satisfaction. In business organisation, Praise, Prestige, Promotion and Pay (4P's) are the best positive motivators for high standard of performance.

The source of motivation is in the needs. The needs create tensions which are modified by the person's culture or habits (environment) to create certain wants or expectations. These wants are interpreted in terms of positive or negative incentives and the person's perception of the environment in order to produce a certain response or action [Figure-1.1].

### MOTIVATION

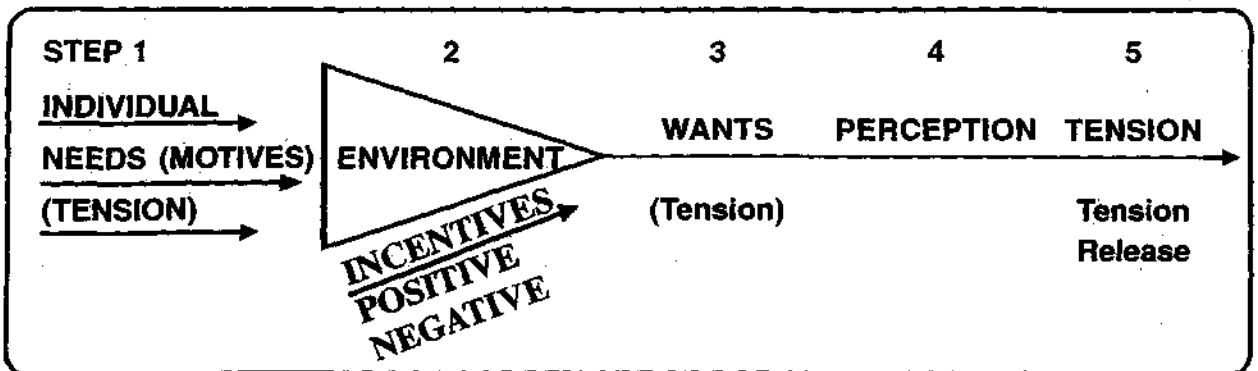


Figure - 1.1

### NEED BASED MOTIVATION PROCESS

(Source :- David Krech, Richard S. Crutchfield and Egerton L. Batachey. "The individual in society" Mc-Graw-Hill Book Company, New York. 1962. P 69. needs, wants and desires for our purpose, are taken to be the same.)

Individuals act because of certain driving forces within themselves represented by such words as 'wants', needs. One person may want power, other, self-expression; a third may feel tension in fear of loss of established position. Whatever the need or fear, behind every purposeful human act there is some desire - either conscious or unconscious - that prompts the person to act. It is in seeking to satisfy needs that persons spend their energies.

Needs are the initiating and sustaining forces of behaviour. They have a direct influence on an individual, A person's need, working in conjunction with emotions and other psychological function, act as the motives that dictate actions or behaviour. What an individual perceives as the real world, how one feels, what old thought patterns come into play, current activities - all these processes and many more are influenced by one's needs and the means used to satisfy them.

It is almost an under statement to say that the wants - objectives - behaviour relationship of an individual is extremely complex. The following generalisation indicates its complexity ; nevertheless, the central ideas are not difficult to understand, and they can be applied to real-life situations.

**First :** Similar actions may be related to different wants, for example some persons may have joined a club for privacy, others, for the status and prestige and some others may have joined for their business and professional interests.

**Second :** Different actions may reflect similar wants - which is just another way of recognising that there are many paths to the achievement of the same objectives.

**Third :** Behaviour is not determined by wants alone. Environment, Knowledge, Perception, social norms, attitudes and defence mechanisms all affect behaviour. For a Particular individual, the dilemma posed by a large number of needs can often be resolved by a fusion of wants. For example; one activity may solve several needs.

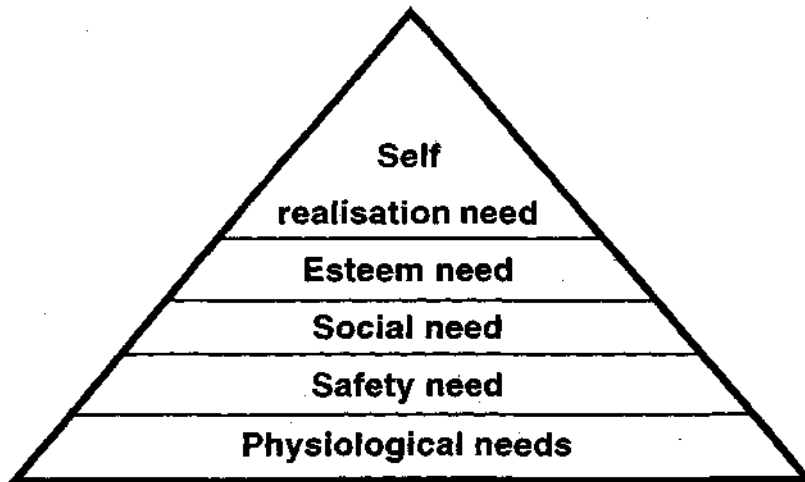
Any individual's behaviour is aimed at satisfying some set of needs at a given point of time. One's particular means of achieving satisfaction are a direct reflection of experiences of want fulfilment and frustration. If she or he is experiencing fulfilment of most wants, then the satisfaction of any particular one may be unimportant. However, in other cases if she or he is unsuccessful at satisfying only one, that need may come to dominate. The person will center on that want alone, substituting this goal for others.

For example, a businessman who fails at achieving prestige, affiliation, or social status may make monetary gains the primary goal in life.

The wants - objectives behaviour chain indicates that any approach to understanding motivation should begin with a treatment of human wants or needs. A great deal of research has been conducted on the subject, but probably the first general theory of human motivation was developed by Prof. A.H. Maslow (1943). Maslow's approach to wants or needs will be the starting point of our study of motivation.

Maslow's was pointed out some important propositions about human behaviour, (A) Humans are wanting being - they always want, and they want more. (B) A satisfied need is not a motivator of behaviour, only unsatisfied needs motivate behaviour. (C) Human needs are arranged in a series of levels - a hierarchy of importance. As soon as needs on a lower level are by and large fulfilled, those on the next higher level will emerge and demand satisfaction.

Maslow's views an individual's motivation as a predetermined order of needs. Physiological needs are the most imperative ones, but psychologically, need for self-realisation is highly important to each individual.



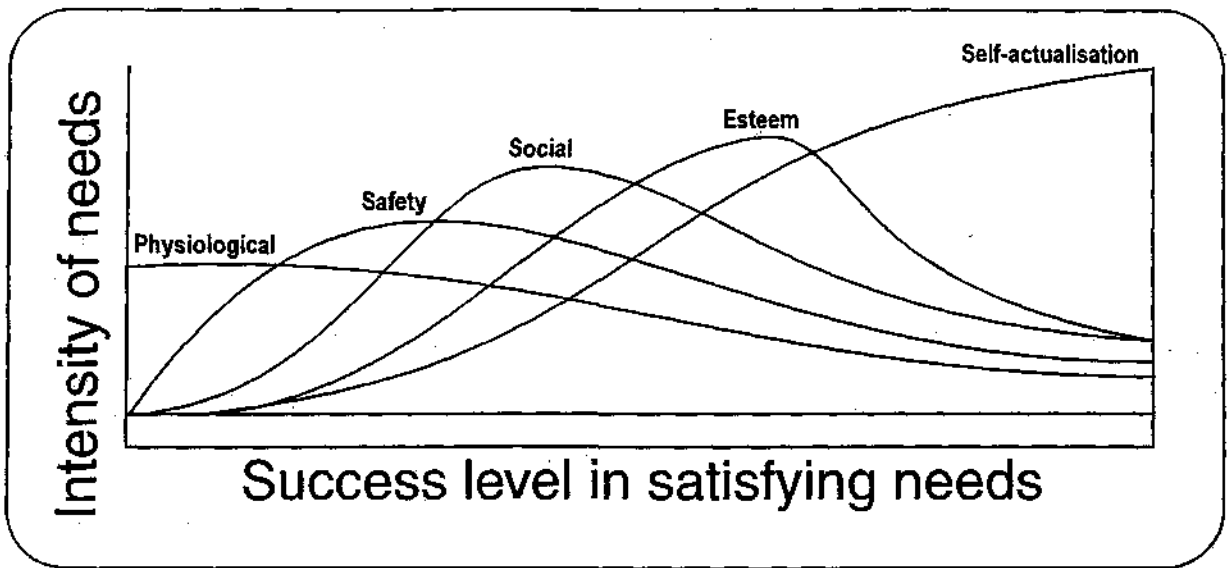
**Figure - 1.2**  
**Maslow's Hierarchy of Needs.**

(Source :- Herbert G. Hicks, C. Ray Gullett,  
"The Management of Organizations, International Student Edition, Mc-Graw-Hill)

At the lowest level of the hierarchy and at the starting point for motivation theory are the physiological needs. These are the needs which must be satisfied to maintain life. When physiological needs are reasonably fulfilled, needs at the next higher level -safety needs -"begin to dominate human behaviour. These needs (often called "Security needs") are expressed in such desires as protection from physical danger; the quest for economic security, Preference for the familiar rather than the unfamiliar, and the desire for an orderly, predictable world. When person's physiological needs and safety needs are relatively satisfied, social needs, the next level become important motivators of behaviour. The individual wants to belong, to associate, to gain acceptance from associates, to give and receive friendship and affection. Next in Maslow's hierarchy are esteem or egoistic needs-both for self-esteem and for the esteem of others. Self-esteem needs includes those for self-confidence, achievement, competence, knowledge, self-respect, and for independence and freedom. The second group of esteem needs are those that relate to the individual's reputation, or the esteem of others, needs for status, recognition, importance or appreciation, and the deserved respect of associates. At the apex of the hierarchy is the need for self-realisation, or self-actualisation. These are the individual's needs for realising one's own potentialities, for self-fulfilment, for continued self-development, for being creative in the broadest sense of that term. The specific form of these needs will vary almost infinitely from person to person, just as human personalities do. Once a person has moved from a lower level of wants to a higher level, the lower-level wants assume a less important role. They may, of course, become temporarily dominant again as a result of deprivation.

As an individual moves up the ladder, personal wants and goals increase in number and variety. This progression is illustrated in figure 1-3. Notice that the peak of each level must be passed before the next level can begin to assume a dominant role. Also, as personal development or self-development takes place, the number and variety of wants increase. The diagram illustrates another salient point of Maslow's thesis, the levels are interdependent and overlapping. Thus an individual's needs will tend to be partially satisfied in each area.





**Figure - 1.3**  
**Level of attainment or personal growth.**

*Note : The pack of each level must be passed before the next level can begin to assume a dominant role. With self-development, the number and variety of wants increase. Note that in the esteem peak, the different needs of an individual are simultaneously active. (Source :- From David Krech, Richard S. Crutchfield and Egerton L. Battachey, The Individual in society, Mc Graw-Hill Book Co, New York, 1962, p-77).*

In the year 1957 Prof. Douglas. Mc. Gregor presented two opposite sets of assumption in his book "The human side of Enterprise". These two sets of assumptions, which be called "theory x" and "theory y", can be regarded as the extremes or boundaries on a spectrum or range of assumptions.

The bulk of current managerial principles had been directly derived from the first set of assumptions, theory x. These assumptions are :

- (a) People are by nature indolent
- (b) They dislike responsibility and prefer to be led.
- (c) They are self-centered and indifferent to organisational needs.
- (d) They are resistant to change.
- (e) They are not very bright and lack creativity.

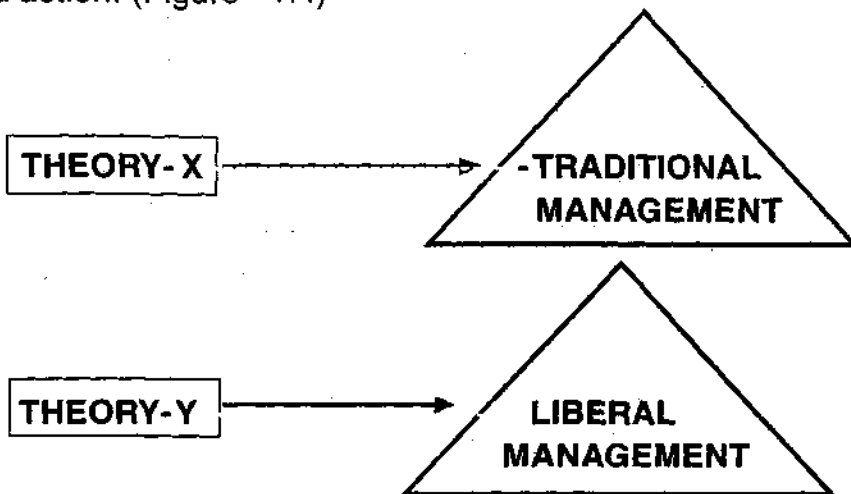
The assumptions of theory x, and the approaches to motivation and supervision which result from it, may indeed be what exists in many organisation. But theory x does not reflect inherent human nature, rather, such human behaviour is in part the

result of management philosophy and practice. Mc. Gregor himself regarded theory X as an extreme and as an unacceptable set of assumptions about human beings.

The accumulation of knowledge about human behaviour from many specialised fields has led to further research regarding the validity of conventional managerial assumptions. From these data, Mc Gregor derived a new set of assumptions which he called "Theory Y".

- These assumptions are :
- (a) People are ambitious
  - (b) They seek responsibility
  - (c) They are dynamic and flexible.
  - (d) They recognise and accept organisational goals.
  - (e) They are intelligent and possess creative potential.

Advocates of theory Y regard traditional organisational techniques as the cause of the ineffective behaviour patterns listed in theory X. Theory Y advocates do not consider theory X behaviour as showing natural human characteristics but, rather, patterns of behaviour learned within organisations. According to theory Y, many managers should rearrange their assumptions, thinking, and methods so that organisational and individual goals are compatible. Management should adopt policies that promote on-the-job need satisfaction, individual development, and expression. Therefore, theory Y is not only a call for a new managerial philosophy regarding the nature of people, it is also a criticism of traditional managerial policy and action. (Figure - 1.4)



**Figure - 1.4**  
**Comparison of Theory X and Theory Y**

In the year 1950 Frederick Herzberg, an American psychologist and his associates arrived at essentially the same conclusions as Mc Gregor by the inspiration of Maslow's research. Herzberg interviewed employees and managers in all sorts of organisations in Peterburg to determine those things that caused them to be satisfied and dissatisfied. Through out several years of research, the results were essentially the same no matter what group of employees were interviewed or at what organisational level they worked.

One interesting conclusion of Herzberg's studies was that satisfaction and dissatisfaction appear to be somewhat independent; those factors that cause dissatisfaction are different from those that result in satisfaction. Thus satisfaction is not simply the absence of dissatisfaction. One can feel no dissatisfaction and yet not be satisfied. The causes or factors of dissatisfaction and satisfaction are identified as maintenance or Hygene Factors and motivation factors respectively by Harzberg. This is called as Herzberg's Two-factors theory of motivation.

According to Herzberg the causes or factors of maintenance or Hygene are closely related mainly with job context. These included perceived fairness of company policy, pay, working conditions, relations with one's supervisor and relations with one's coworkers. Whenever one or more of these variables was thought to be unsatisfactory, employee dissatisfaction usually resulted. These factor of job context is called as extrinsic factors.

To satisfy or motivate employees Herzberg found that a different set of job content factors were needed. These satisfiers included achievement, recognition, the work itself, responsibility and advancement. These factor of job content is called as intrinsic factors. The satisfiers or motivators centered around the higher level needs on Maslow's hierarchy esteem and self-realisation. Herzberg saw the key to meeting these needs in increasing a person's freedom on the job. Each person should be given additional responsibility, greeter opportunity to use his or her talents and more self-control over the job itself. These ideas have in turn come to be called job enrichment.

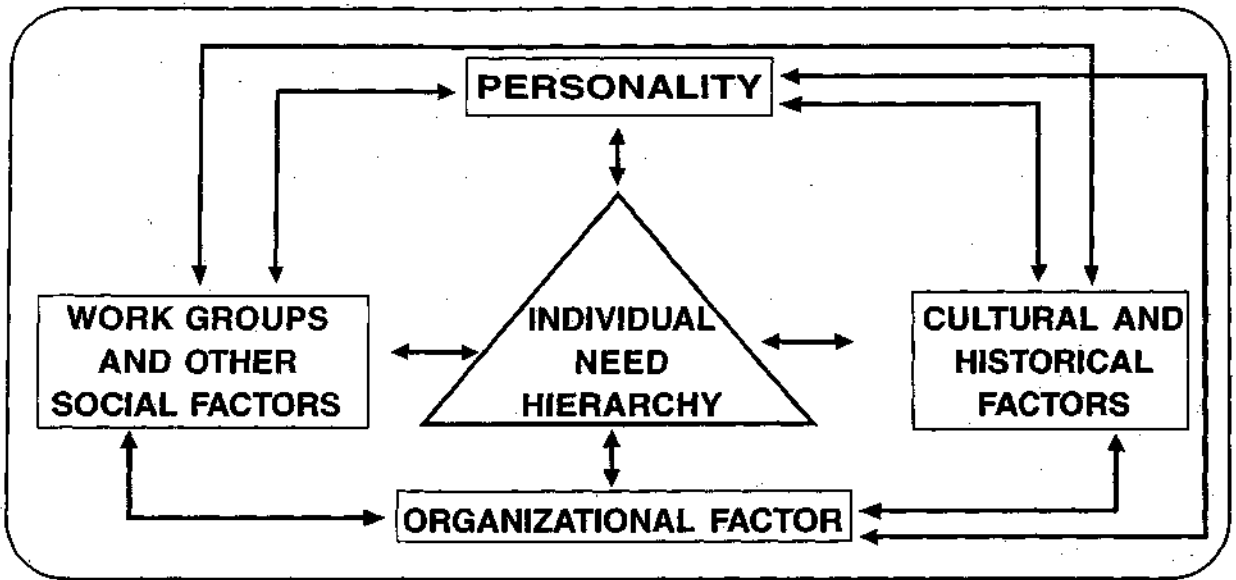
Therefore, it is no longer sufficient to take Maslow's need hierarchy as permanently fixed for a particular individual. Although the general need hierarchy provides the general structure of needs, no person will fit that pattern precisely.

Figure 1.5 shows the major factors which contribute to the development of the hierarchy of needs for a particular individual. As the diagram indicates, these factors

are dynamic and mutually interacting each acts on the individual's need hierarchy and on all the others.

The theories of both Mc Goregor and Herzberg are based on the implicit assumption that there is a "one best way" to motivate others; theory Y with job enrichment. Over previous discussion and figure 1.5 indicated that this is not the case, different persons respond in different ways. In addition, the technological limitations of some jobs may prevent the full utilisation of theory Y and job enrichment.

According, Victor Vroom (1964), a psychologist, has developed a theory of motivation that recognises these differences.



**Figure - 1.5**  
**Factors determining the need Hierarchy for an individual :**

*Note : The major factors contributing to the development of a hierarchy of needs for a particular individual are dynamic and mutually interacting.*

(Source : Herbert G. Hicks and C. Ray. Gullett. The management of organization Mc-Graw-Hill, Page 423).

No preconceived notions are arrived at concerning what might motivate an individual. Instead, an individual's level of productivity is believed to be dependent on three major forces : the individual's goals, the perceived relationship between productivity and goal achievement, and the extent to which the individual believes she or he can influence productivity. These forces are shown in figure - 1.6

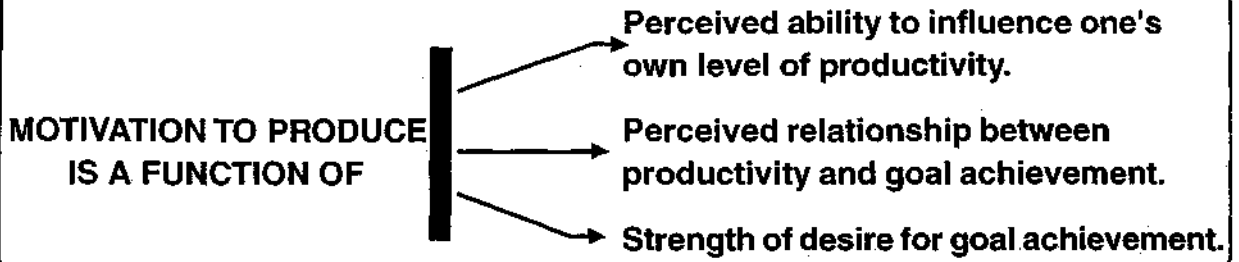


Figure - 1.6

### Vrooms Model of Motivation

*Note : Vroom's model of motivation is based on three major forces operating within the individual, the perceived ability to influence one's own productivity level, the perceived relationship between productivity and goal achievement, and the strength of desire for goal achievement*

(Source : Herbert G. Hicks, C. Ray Gullett, "The management of organisation" - Mc Graw-Hill, Page - 424)

Thus an individual will see higher productivity as desirable if three conditions are met. **First**, What are the individual's personal Goals? They may include more money, job security, social acceptance, recognition and interesting work. There are many other possible combinations of goals that a person may seek to satisfy.

**Second**, what is the perceived relationship between goal satisfaction and higher productivity? If, for example, an employee has more income as an important goal and is working on a job that pays on a piece-rate basis, there may be a strong motivation to produce more. But if social acceptance by fellow workers is most important, an employee may be unwilling to produce above a given output level that the group has set as an unofficial production standard. To produce more could result in rejection by the group.

**Third**, how does a person see his or her ability to influence productivity? If an employee believes that the amount of effort expended will have little effect on output, the employee will be unlikely to try very hard. A person placed on a job without proper training could be one example.

According to the vroom theory, these three factors determine one's motivation to produce at a given time. The theory may be called a contingency model of motivation because it emphasises the difference among persons and among jobs. Thus an employee's level of motivation is contingent upon both forces inside oneself, as well as those built into one's work situation. While differences in individuals are taken into account, a way of operationally defining them is not

provided. We must still look inside the individual to determine goals and perceptions of reality. In this section we like to discuss how much the above theory can effectively Play an important role for determining predictor of motivation.

Traditionally, sales executives have insisted that financial incentives and compensation are the key factors in influencing sales person motivation (Haring and Morris 1968, Litwin and stringer 1968; Mc Clelland 1975, Steintbrink 1978). The studies reported above primarily are based on the hypothesis that monetary rewards are the primary motivator of sales effort, and the Pay Package is the basic motivator. Whereas other financial incentives such as bonus and compensation operate only to induce effort in certain circumstances (Walker, Churchill and Ford 1977).

However, studies in marketing and personal management have shown no conclusive evidence to support such "Conventional Wisdom". Research in organisational psychology indicates that several organisational, personal and environmental factors can produce even greater influence on sales person motivation (Campbell-.et. al. 1970, Hackman and Oldham 1975, Lawler 1971 Stan 1977).

Among the antecedents of motivation, organisational climate has been regarded as one of the most significant contributors to an individual's motivation (Campbell et al 1970, James et al 1977, Pritchard and Karasick 1973, Vroom 1964).

In organisational climate jobs are designed as an important factor in determining the motivation, Satisfaction and Performance of employees at work. This is not to say that jobs previously have been seen as irrelevant to organisational administration. On the contrary, earlier in this century when scientific management was in its Prime, Considerable research effort was expended to find ways that jobs could be simplified, specialised, standardised and organised. At the same time, industrial psychologists were developing rather complex and sophisticated procedures for describing and analysing jobs in term of their simplest components. In the year 1985 in his doctoral dissertation, Tyagi observed that though both job (re) design and leadership behaviour can be used to motivate sales persons to improve their performance, they affect different types of sales person motivation to varied extents. He conclude that while Key job dimensions are more instrumental in affecting intrinsic motivation, leadership behaviour tends to be more effective in enhancing extrinsic motivation. Generally speaking, salesperson work motivation and performance can be more strongly influenced by redesigning work along key job dimensions than by emphasising leadership behaviour. In a true sense, causality

can only be established through experimental research. Thus, it may be difficult to draw definitive cause and effect relationship from cross-sectional research. Here the research effort should focus more on establishing stronger casual relationships between key job dimensions and sales person motivation / performance and leadership behaviour and motivation / performance.

### **1.3. STATEMENT OF THE PROBLEM**

The key job dimensions and leadership behaviour played an important role in motivating sales persons work performance has been recognised in sales force management (Henery 1975 Teas 1981, Walker Churchill and Ford 1977, Hackman and Oldham 1980, Pradeep K. Tyagi -1985). Like monetary incentives, job dimensions and leadership behaviour can be carefully adjusted to produce a strong impact on sales person work motivation. In various studies, sales person work motivation has been identified in terms of intrinsic and extrinsic motivation (Oliver 1973, Tyagi 1982,1985, Walker, Churchill and Ford 1977). In order to use job dimensions and leadership characteristics as effective tools to improve sales performance, it is important to examine the precise nature of their roles in influencing the intrinsic versus extrinsic motivation of sales persons. It would also be useful to examine, on a relative and comparative basis, the characteristics that may act as more effective motivators in a sales job situation. With such an understanding sales management would be able to use available motivational tools in a better way to maximise salesperson work performance.

Expectancy theory (ET) is clearly the dominant paradigm for research on work related motivation (Connolly -1976). ET has been employed by marketing researchers to study sales person performance (Oliver -1974) and has been include as the motivational component of the duly detailed conceptual model of salesperson behaviour (Walker, Churchill and Ford -1977) developed to date that could be used as the basis for job enrichment or job redesign. The basic thrust of my study is on the Job Characteristic Model (JCM) [see figure 2.1]. Motivation, satisfaction and job performance are viewed primarily as functions of task design. More specifically, the model identified five core job dimensions that lead to psychological states which in turn are hypothesised to be related to personal and work outcomes. This process may be moderated by factors that determine individual differences in how an employee reacts to a work situation. Based on Hackman and Oldham (1974a, 1974b) the major classes of variable, in the model are presented and discussed. The

instrument devised to measure the variable in the JCM is the Job Diagnostic Survey (JDS) [see appendix]. The JDS is designed to be job independent so it can be used in any job setting. The JDS measures relative levels of the components of the JCM by requiring respondents to react to a series of statements / questions that are relevant in any job situation. "Any discussion with sales executives would bring forth a consensus that compensation is the most important element in a program for the management and motivation of a field sales force" (Steinbrink -1978). The evidence suggests that management behave in a manner consistent with that belief. A recent review of the sales motivation literature suggests, for example, that' (1) monetary reward are the primary motivator of sales effort, and (2) the Pay Package is the basic motivator, where as other financial incentives, such as bonuses and contests, operate only to induce effort over and above that produced by the basic plan in certain circumstances'. While exclusive reliance on pay as the basic motivator has been challenged in recent years on both theoretical and empirical grounds. So, it need a definite compensation program to motivate the sales persons. But designing effective compensation and incentive programs is a difficult task. One primary reason is that sales motivation programs seem to lose their effectiveness overtime, partly because of changing external circumstances and also partly the desirability of any particular reward seems to depend on individual circumstances and desires. Here the term changing external circumstances is used for organisational climate, Job dimension and leadership characteristics. And also desires is originated from the psychological states of the salesperson's of different organisation. So we should have to discuss about the organisational structure of the selected two sample companies. Because the job dimension, leadership characteristics and psychological states of a salesperson are very much depends upon the organisational structure of any company.

Job dimensions of Agents (Life Insurance Corporation of India) and sales representatives working in East India Pharmaceutical Works Ltd. (E.I.P.W.L) may vary substantially, even if they perform similar nature of job. Only difference are being in the character of sale products. It is not uncommon for agents or sales persons to be assigned to unequal size territories with non-equivalent sales potential and competition. They may experience different degree of job challenge, depending on the nature of the accounts in their territories. It is also possible that different L.I.C.'s Agents expend varying amounts of effort on various sales functions, such as serving key accounts, customer counselling, prospecting and depending on the mix and the attitude of the agents creates higher motivation. The professional attitude





of L.I.C.'s agents is not in a such level that may influence the motivational factors. But it is not seen in the case of sales representatives of any private concern like E.I.P.W.L.

Organisational structure of L.I.C.I creates some confusion about the uniformity of the leadership style. Some agents are in direct touch with the Chairman or Managers enjoying better autonomy and importance than the agents under the supervision of development office. As for example : agents or salespersons belonging to the chairman's club are taking decision for their future plan in meeting with the chairman of L.I.C.I. They have the liberty to talk with chairman for introduction of new policy plan. So they enjoy special status in comparison with the other sales persons. Such a manner other clubs members (i.e. Zonal manager club, Divisional manager club and Branch manager club) enjoy. But all the sales representatives of E.I.P.W.L are working under the same supervision structure. They enjoy better autonomy and freedom for their job design.

The area manager of E.I.P.W.L., i.e. supervisory staff is directly linked with sales representatives and takes decisions about working plan in consultation with the salespersons.

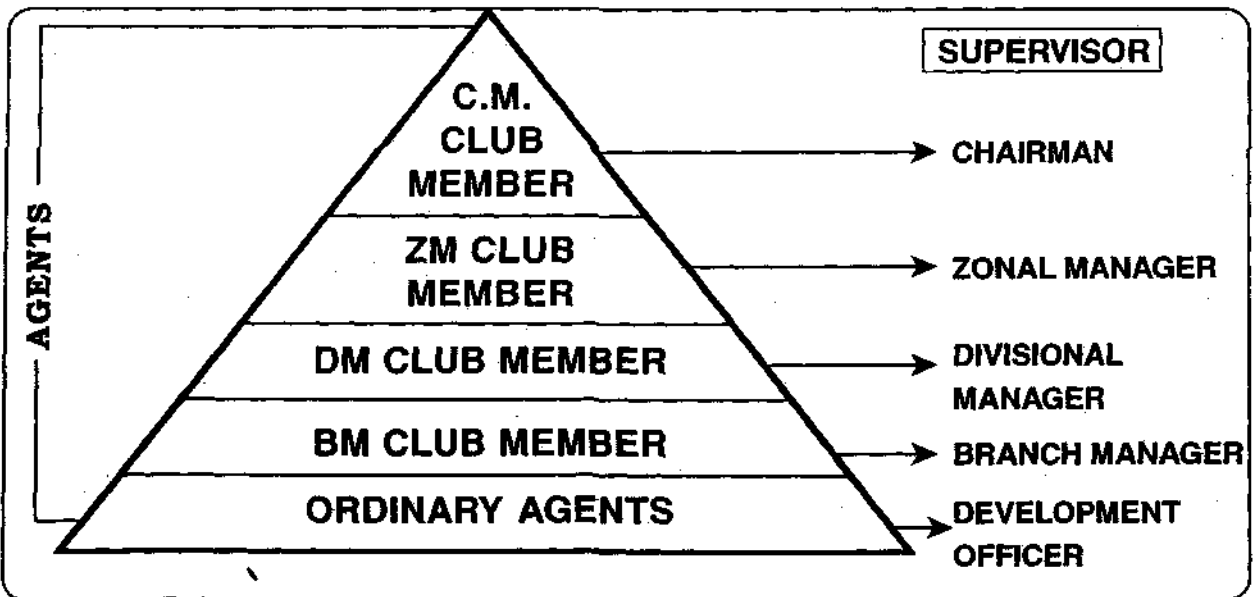
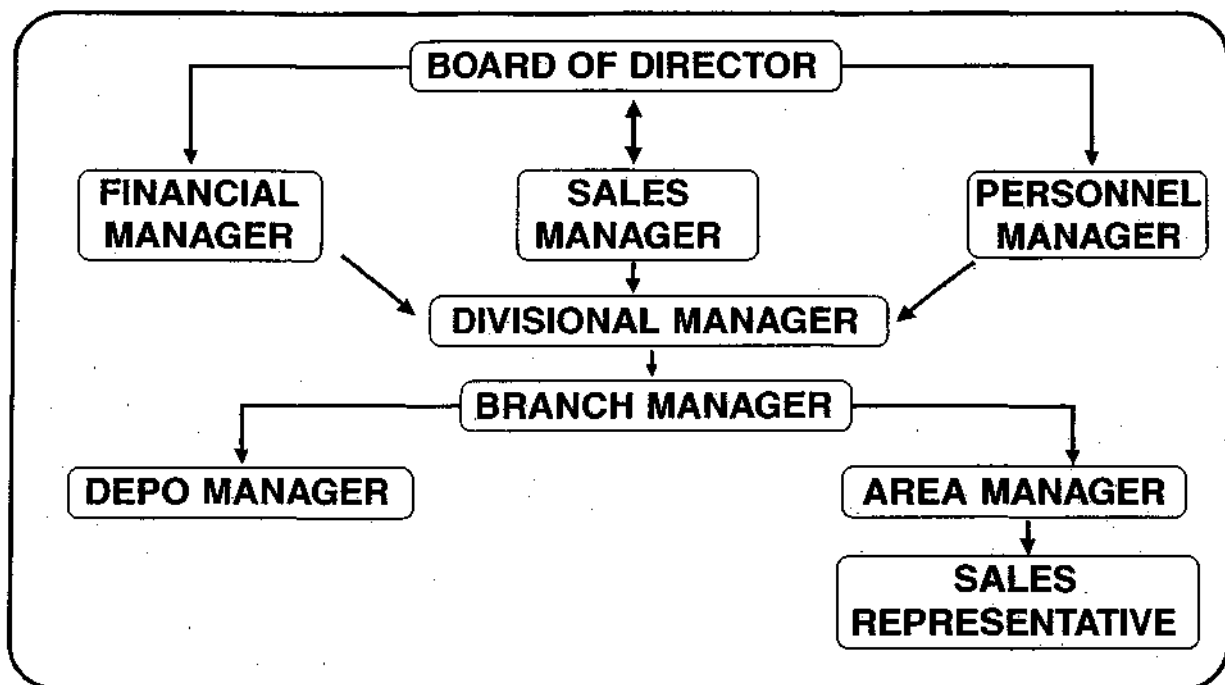


Figure 1.7

### LEADERSHIP STYLE OF L.I.C.I.



**Figure - 1.8**  
**LEADERSHIP STYLE OF E.I.P.W.L.**

#### 1.4 SURVEY OF EXISTING LITERATURE.

There were many researchers concentrating their attention in the various aspects of relationship within motivational problems, job performance and satisfaction. As a result of lack of empirical investigation, the variance in sales man's performance attributable to motivational constructs has not been estimated. Vroom expectancy theory was used to show that the motivational perceptions attributed to a set of sales "incentives", by a sample of Life Insurance salesman were related to two performance criteria.

The current knowledge of the determinants of motivation and performance in industrial selling is abysmally inadequate. As a first step toward improving this situation, Walker, Churchill and Ford (1977), offered a conceptual model, which identifies a set of individual, interpersonal, organisational and environmental variables that may influence a salesman's motivation and job performance. The model incorporates many constructs and research findings from industrial psychology. The primary purpose of their study is to provide a conceptual framework and some specific hypothesis to help future empirical research in sales management.

Tyagi (1982) examined how organisational climate contributes to salespersons intrinsic and extrinsic motivation to perform. On the basis of expectancy-valence theory of motivation, specific relationships between organisational climate and motivational components are tested using a sample of insurance salespersons. Managerial implications and future Research directions are discussed.

Tyagi also examined (1985) the relative importance of key job dimensions and leadership characteristics in enhancing salespersons motivation and work performance. To gain a deeper insight, the relative effects of job dimensions and leadership behaviour on intrinsic work motivation of sales persons are examined, with results indicating that key job dimensions are more instrumental in enhancing work motivation, and leadership behaviour more influential in effecting extrinsic motivation. A number of major implications based on these finding are discussed.

Churchill. Jr. (1982) investigated the relationship between salespersons level of pay, satisfaction with pay and valence for more pay using structural equation models with unobserved variables. The results suggested that:

1. Greater satisfaction with pay is associated with lower valences attached to it.
2. Those who are most highly paid are more dissatisfied with their pay level, and
3. There is no direct relationship between an individual's income level and the persons valence for pay.

Becherer, Morgan and Richard (1982), discussed the job characteristics model of worker motivation has been applied in many organisational setting. An empirical application of this model to the industrial sales position is presented in this article. The model appears to have potential in the study of sales force motivation and satisfaction.

Evans (1974) in his article extended and replicated the hypothesis concerning the way in which the behaviour of the superior effects the subordinates perceptions of expectancies and instrumentalities in the path-goal theory of motivation.

Hackman and Lawler III (1971) evaluated a conceptual framework specifying the conditions under which jobs will facilitate the development of internal motivation for effective performance was developed and tested. Primary independent variables were:

- (a) A measure of strength of desire for the satisfaction of "higher order" needs (e.g. obtained feeling of accomplishment, personal growth) and
- (b) Description of jobs on four core dimension (variety, autonomy, task identity, feed back). It was predicted and found that when jobs are high on the four core dimensions, employees who are desirous of higher order needs satisfaction tend to have high motivation, have high job satisfaction be absent from work infrequently, and be rated by supervisors as doing high quality work. A number of supplementary analysis were reported, and the implications of the results for future research on job effects and for the design of job were discussed.

Teas (1981) in his article reported the result of a study of the motivational implications of the industrial salesperson's personal characteristics and his or her perception of the job, the company's organisation, and selling constraints. Predictor equations for the sales person's expectancy and instrumentality estimates are tested empirically. The results indicate the salesperson's personal characteristics and his or her perception of supervisory style, organisational communication, job significance and autonomy, job variety and completeness, job complexity and selling constraints are potentially important predictors of sales force motivation. The subject of motivation has also received extensive discussion in the sales management literature but little substantive knowledge has emerged. This may reflect the fact that Ghiselli, (1977) usually subsume motivation under the broad category of compensation or under other financial remuneration schemes sometimes classified as "stimulators". Writings on the subject frequently contain an implicit assumption that the basic compensation package is the primary regulator of motivation.

It is further assumed that other incentives or stimulators (e.g. Contests, bonuses, and conventions) operate only to induce performance over and above that which can be engendered from the basic plan. While many of the managerial tools used by the sales administrator provide strong motivating forces, in instances they are insufficient and additional incentives are required. Most sales executives agree that a sound compensation plan can be the strongest force to motivate salesman. In an effort to incorporate the findings mentioned above, Haring and Myers (1953) have undertaken a questionnaire based study covering a large sample of salespersonnel. Questionnaires designed to probe the use of special incentives for salesman, were mailed to members of the National Sales executives representing

approximately 8,000 companies. Of 542 respondents, 396 answered a question pertaining to the effectiveness of various incentives in stimulating the average salesman to better his usual performance. The researchers found that the basic compensation plan was cited as the first ranked incentive by 243 respondents and concluded "basic compensation is the primary motivator of salesman."

But findings are not acceptable for three reasons. First, the authors have made inferences about the relative effectiveness of various "motivators" solely on the basis of superior's reports. However, it has been noted that when asked to rank the importance subordinates attach to various job factors, managers typically over emphasise the importance of pay. The results of the Haring and Myers study may have been similarly biased. Secondly, the study provided no evidence of validity while a number of possible incentives were identified in the study. Haring and Myers fell short of providing empirical support for their assertion. A predictive study testing the validity of the various "Motivators" would be required to substantiate their conclusion. Thirdly, the result of one mail survey do not provide sufficient evidence for the author's sweeping conclusion, especially in view of the paucity of empirical research on financial compensation. Opsahl and Dunnette (1966) observed that "We know amazingly little about how money either interacts with other factors or how it acts individually to affect job behaviours. Although the relative literature is voluminous, such more has been written about the subject than is actually known. Speculation, accompanied by compensation fads and fashions, abounds ....."

Oliver (1974) observed that in the strict theoretical senses Vroom posits a discrete level of motivation for each effort and performance level. Lawler III (1970) discussed that Vroom's formulation is one of a class of similar theories that are based on the central idea - "the strength of a tendency to act in a certain way depends on the strength of an expectancy."

A three-phase quantitative investigation of relationships involving sales person jobs satisfaction was undertaken by Brown and Peterson (1993). First, the strength, valence and consistency of pairwise relationships were assessed by means of a meta-analysis. Second methodological characteristics coded as moderator variables were used to account for variability in study effects. Finally, weighted mean correlations resulting from the analysis of pairwise relationships were used to evaluate a causal model of antecedents and consequences of job satisfaction. In general, relationships involving job satisfaction were robust across study contexts. Systematic moderating effects of type of sales force and operationalisation of job

satisfaction were found. Several summary conclusions about antecedents and consequences of sales person job satisfaction are drawn from the analyses.

Also in the year 1994 they address a fundamental gap in understanding how sales performance and job satisfaction are determined in an investigation of the sales force of a direct selling organisation. Results indicate a direct positive effect of work-related on job satisfaction that is not mediated by sales performance.

Weitz and Sujun's (1986) purpose that adaptive selling is influenced by salespeople's knowledge of customer types and sales strategies as well as their motivation to alter the direction of their behaviour. Pertinent research in psychology and personal selling is reviewed and specific propositions relating to knowledge, motivation and adaptive behaviour are advanced. On the basis of these propositions, suggestions are made for selecting, training, managing and compensating sales people.

The Johnston and Kim (1994) examined the relationships among performance, casual attribution, and the expectancy component of sales force motivation through the measurement and manipulation of components of a proposed conceptual framework.

Is the link between performance and job satisfaction a myth or a reality? Does performance influence satisfaction, or does satisfaction influence performance? This age-old managerial problem is examined with a causal modelling methodology to unravel the true relationship by Bagozzi (1986) in his article.

Structural equation analysis was used by Teas (1983) to replicate and extend previous salesforce role stress research by testing hypotheses about the relationships among sales supervisory behaviour, sales force job satisfaction. On the basis of previous research, four supervisory behaviour variable were hypothesised to be related to sales force role stress - leader consideration, initiation of structure, participation, and feedback. The results indicate sales supervisory behaviour is related to sales force perceptions of role stress. In addition, the estimates indicate role conflict, organisational communication, leader consideration, and leader initiation of structure are significant predictors of salesforce job satisfaction.

While the unique characteristics of the industrial salesman's role has stimulated much recent research, this uniqueness requires the development and use of occupation - specific measurement instruments. A job satisfaction measure

specifically designed by authors for industrial salesman is presented together with norms, a detailed description of the methodology employed, and techniques to evaluate the new instrument's factor structure, reliability and construct validity.

The Churchill Ford and Walker Jr- (1974, 1985) used meta - analysis techniques 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 by authors that yielded 1653 reported associations between performance and determinants of that performance. These results indicate the determinants which 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 factor (5) Aptitude and (6) organisational environmental factors. When ordered according to the amount of the observed variation in correlations across studies that is real variation (i.e., not attributable to sampling error), the determinants rank as follows: (1) Personal factors (2) Skill (3) Role variable (4) aptitude (5) motivation and (6) organisational / 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 moderators variables, the results were broken out customer type, product type, and type of dependent measure used. The results indicate that the strength of the relationship between the major determinants and sales people's performance is affected by the type of products salespeople sell. The author also discuss the implications of these findings for sales managers and researchers.

Bagozzi (1978) used a model designed to explain the performance, job satisfaction, and other behavioural outcomes experienced by salesperons. By building on the model of man proposed by Lewin and modern management people and social learning theories of personality, the behaviour of salesperons is shown to be a function of the person, the interactions of the person has with satisfaction others in his or her role set, and forces in the situation. Hypotheses are tested on data gathered on industrial salesperons.

Churchill (1976) and others made a report about reactions of organisational climate on job satisfaction in the sales force. This report concerned the impact of several organisational climate variables on the job satisfaction of a cross-section of industrial salesman. To gain grater insight into how climate affects sale men's feelings about their jobs, the relationship between each climate variable and each of seven components of job satisfaction also are examined. Finally, the managerial

implications of the findings are explored, and actions that might lead to improvements in sales force morale are discussed.

Teas (1979) and others have used to examine the relationships among the salesperson's perceptions of performance feedback, participation, role clarity and job satisfaction. The results of the study indicate that performance feedback and participation in decision making are both positively related to role clarity. In addition, performance feedback is related primarily to lower order need fulfilment whereas participation and role clarity are related primarily to higher order need fulfilment.

## **1.5. THEORETICAL FRAME WORK OF THE STUDY**

The subject of motivation has also received extensive discussion in the sales management literature but little substantive knowledge has emerged. This may reflect the fact that authors usually subsume motivation under the broad category of compensation or under other financial remuneration schemes sometimes classified as "Stimulators". Writing on the subject frequently contain an implicit assumption that the basic compensation package is the primary regulator of motivation. It is further assumed that other incentives or stimulators (e.g. contests, bonuses and conventions) operate only to induce performance over and above that which can be engendered from the basic plan.

While many of the managerial tools used by the sales administrator provide strong motivating forces, in instances they are insufficient and additional incentives are required. Most sales executives agree that a sound compensation plan can be the strongest force to motivate salesman.

But compensation as a primary motivators of organisational behaviour is only one of many possible theoretical roles posited in the study of Haring and Myres, Opsahl and others. In short, no evidence exists to suggest that money is either a primary motivator or is primary on a hierarchy of motivators.

To a lesser extent, the motivating qualities of non-monetary or psychological incentives have also been prominently argued in the study of Buton, William L. and Gaythwaite, Myles S, although they are usually suggested as adjuncts to the basic compensation package. List of psychological needs requiring satisfaction have been proffered by many researcher in the sales management field but have not been subjected to empirical investigation. As a result of the lack evidence in both



the monetary and non monetary areas of motivation, little is known about how compensation and other possible rewards motivate salesman to produce. Pre occupation with the Content of Motivational schemes (e.g. Pay, Psychological needs) has led researcher to ignore the cognitive processes by which behaviour is initiated, directed and continued. That is, theorists have been content merely to suggest specific things that motivate behaviour rather than to delineate the processes by which major classes of variables interact to produce behaviour. Campbell, Dunnette, Lawler and Weick summarised this point briefly.

\* A motivational theory is useful for making predictions only to the extent that it specifies both content and process, that is, to the extent that it specifies the identity of the important variables and the processes by which they influence behaviour.

The determinants of salesman's motivation remain essentially unknown due to the lack of comprehensive motivational model. Without this knowledge, one is unable to assess empirically the proportion of variance in performance attributable to motivation. The implications for the sales manager are substantial. In order to increase production through an optimal allocation of resources, the relative impact of motivation as opposed to ability and other factors on performance must be known.

In contrast to the paucity of theory and evidence regarding performance of sales personal, considerable research has been undertaken in the area of industrial psychology and significant progress has been made in increasing the state of current knowledge on employee productivity as a function of motivation at both the theoretical and empirical levels.

The present conception of the interaction between job characteristics and individual differences is based primarily on the expectancy theory of motivation, as formulated by Lewin (1938) and Tolmen (1959) and as applied to work setting by Vroom (1964), Porter and Lawler (1968), and others. In particular, five propositions based on expectancy theory, which address the specific problem of how employee motivation can be enhanced through the design of jobs.

Generally, expectancy theory posits that the motivational force experienced by an individual to select one behaviour from a larger set is some function of the perceived likelihood that behaviour will result in the attainment of various outcomes weighted by the desirability (valence) of these outcomes to the person. Thus, it is essentially a process theory in that its focus is on the major classes of motivational

constructs and the manner in which they interact as opposed to detailing the specific outcomes or needs that presumably motivate behaviour.

Vroom's theory postulates that employee job performance (P) is a function of multiplicative interaction between motivation (M) and ability (A)

$$\text{Thus, } P = (M \cdot A)$$

The rationale for the multiplicative relationship is that if an individual is low on either performance component, then his performance must be necessarily low as well. In the strict theoretical senses Vroom posits a disjunctive level. However, when effort is constructed generically and one performance level is singled out as the criterion of interest. Vroom's conceptualisation reduce to (1).

Motivation, in turn, is hypothesised to be a function of the multiplicative interaction of the valence of one's performance goal  $j$  ( $V_j$ ) and the subjective probability or expectancy that one's efforts will result in the attainment of that performance goal ( $E_j$ ).

$$\text{Thus, } M = f (V_j \cdot E_j)$$

A performance level is seen as acquiring valence only if it is perceived as leading to the attainment of desired job-related outcomes such as pay or recognition. The desirability of a job related outcomes,  $K$ , is specific to the individual and constitutes his valence for that outcome ( $V_k$ ). Valence is positive if the outcome is desirable, negative if the outcome undesirable and zero if one is indifferent toward the outcome. One's perception of the degree to which performance at level  $j$  will result in or block the attainment of outcome  $k$  is termed the instrumentality of performance level  $j$  for outcome  $k$  ( $I_{jk}$ ). Instrumentality is positive if performance results in attainment of outcome  $k$ , negative if it blocks attainment of outcome  $k$ , and zero if it has no effect on attainment of outcome  $k$ .

The theory posits that the Valence of a performance level ( $V_j$ ) is a function of the multiplicative interaction of the valence of the  $k^{\text{th}}$  outcome and the instrumentality that performance level  $j$  will result in outcome  $k$ , summed over all ( $n$ ) outcomes. Thus

$$V_j = f \left[ \sum_{k=1}^n (V_k \cdot I_{jk}) \right]$$

Evidence as to the predictive validity of the theory in industrial setting is mounting.

Several modification of the original expectancy model have been proposed in recent years. The following equation, which was specified in the Walker et al (1977) model of sales force motivation and performance, was utilised in the study reported here:

$$M_i = \sum_{j=1}^n E_{ij} \cdot \left( \sum_{k=1}^m I_{jk} \cdot V_k \right)$$

Walker et al (1977) defined the components of the equation as:

- $M_i$  = Motivation: "..... a salesman's motivation to expend effort on any task (i)."
- $E_{ij}$  = Expectancy : "..... the salesman's estimate of the probability that expending a given effort on task (i) will lead to an improved level of performance on some performance dimension (j)."
- $I_{jk}$  = Instrumentality : "..... the salesman's estimate of the probability that achieving an improved level of performance on performance dimension (j) will lead to increased attainment of a particular reward (k) ."
- $V_k$  = Valence for rewards : "..... the salesman's perception of the desirability of receiving increased amounts of each of a variety of rewards he might attain as a result of improved performance.

[Source : Richard L. Oliver. "Expectancy Theory Predictions of Salesmen's Performance" *Journal of Marketing research*. Vol. XI (August -1974) P. 243-53. R. Kenneth Teas, "An Empirical test of Models of salesperson's job expectancy and instrumentality" *Journal of Marketing Research*. Vol. XVIII (May -1981). P. 209 - 26]

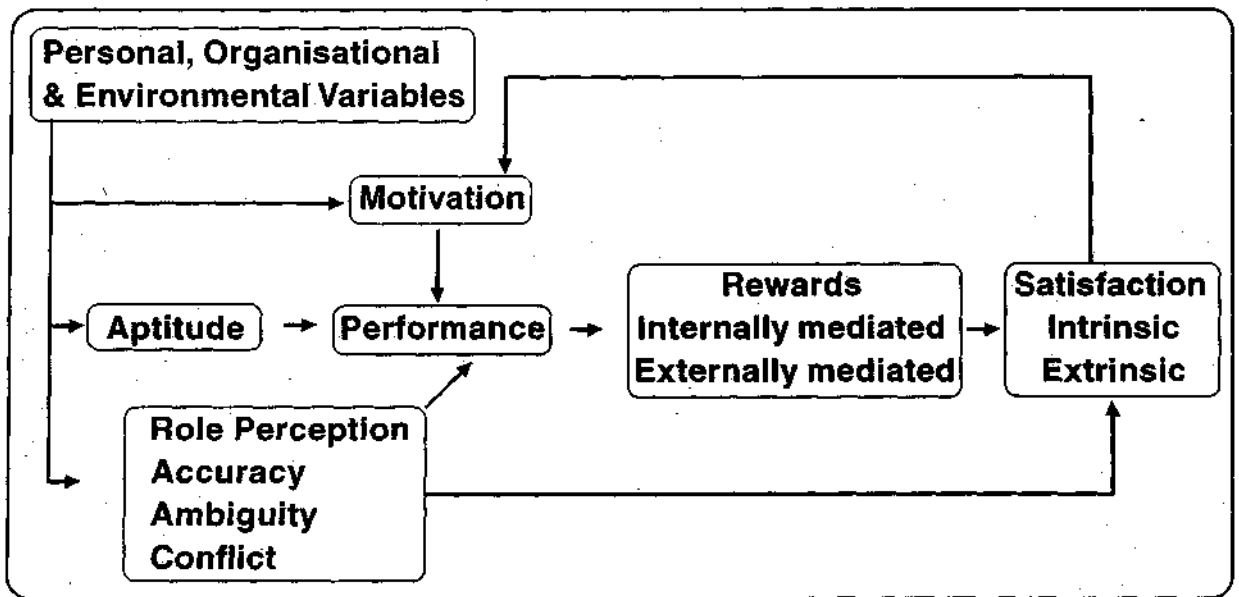
Walker et al (1977) hypothesised the magnitude of the salesperson's expectancy estimates is related positively to the sales person's self-esteem, self-perceived ability, and job tenure and is related negatively to the sales person's perceived environmental constraints.

In 1964, Victor Vroom developed the first application of expectancy theory to organisational behaviour. Vroom's formulation is one of a class of similar theories that are based on the central idea that the strength of a tendency to act in a certain way depends on the strength of an expectancy that the act will be followed by a

given consequences (or outcome) and on the value of attractiveness of that consequence (or outcome) to the actor (Lawler E.E. III - 1970).

Vroom's original theory was concerned primarily with predicting the amount of effort a worker would expend on various tasks associated with his job - his motivation to work.

Several theories subsequently expanded the original theory in an attempt to predict not only the worker's motivation level but also the level of job performance that would result. The model developed hereafter is a further extension and modification of these models, specifically adopted to an industrial selling context. The model is outlined in Figure - 1.9



**Figure - 1.9**

**The Model-Determinants of Sales Person's Performance**

**SOURCE :** (Walker, Churchill and Ford, Journal of Marketing Research - Vol. - XIV (May 1977 - Page 160)

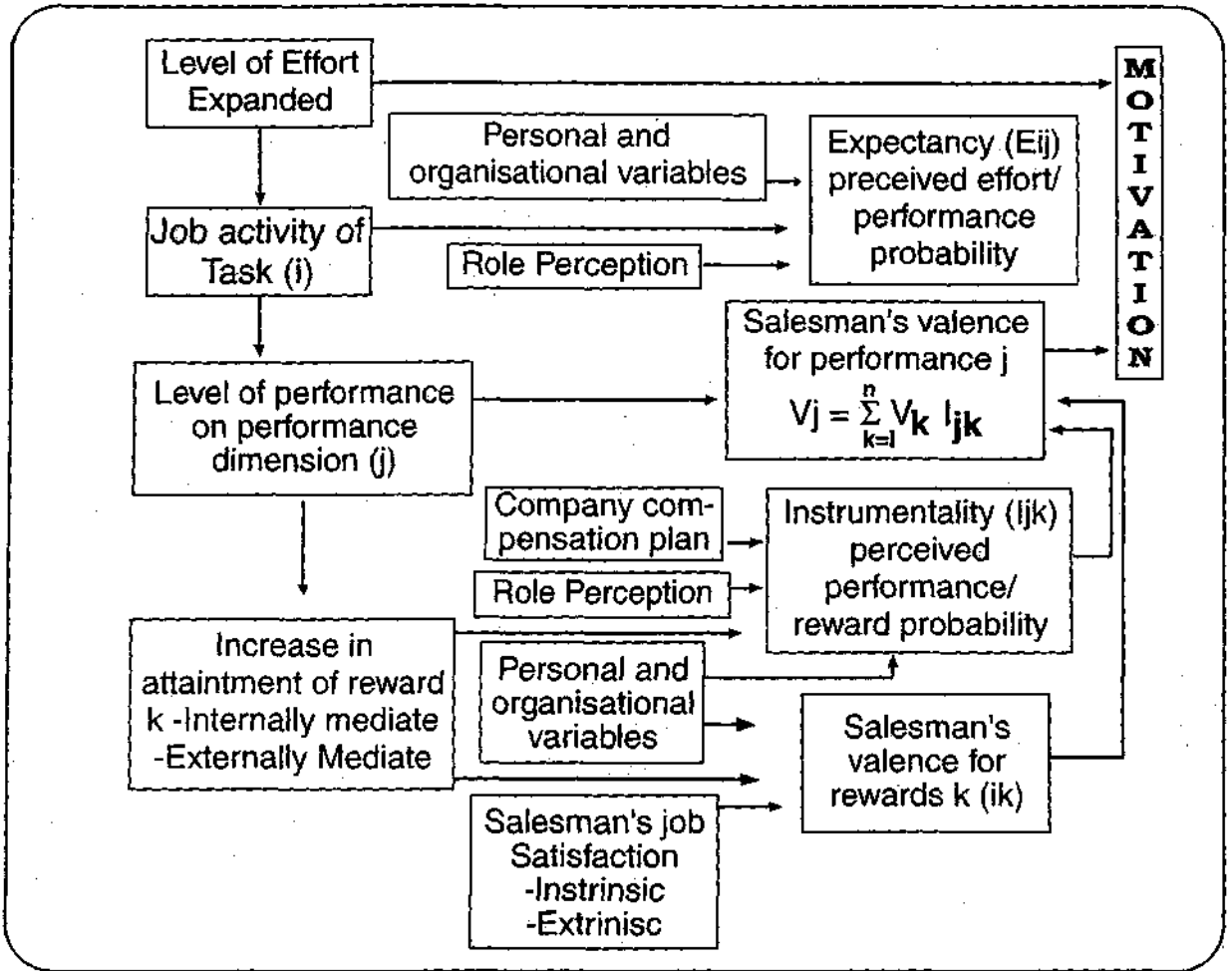
This model assumes that a salesman's job performance is a function of three basic factors (i) his level of motivation (ii) his sales aptitude or ability (iii) his perceptions about how his role should be performed.

So, Performance = f (motivation . aptitude . role perception)

The model indicates that each of the three determinates of performance is influenced by a variety of antecedent variables. These variables include personal characteristics of the salesperson (e.g. intelligence, personality, education & experience) characteristic of the company (e.g. type of product, compensation practices, supervisory style, training programmes) and factors in the broader economic environment (e.g. demand conditions in the industry, availability of raw materials, unemployment rate.)

The salesman's job performance affects the kinds and amounts of rewards he will receive. However, the relationship between performance and rewards is complex. One reason for his complexity is that there are several different dimensions of sales performance that a firm may or may not choose to evaluate and reward. A company might evaluate its salesperson on total sales volume, quota attainment, selling expenses, profitability of sales, new accounts generated, service provided to customers, performance of administrative duties, or some combination of such performance dimensions.

In addition to the multidimensional character of sales performance, there are a variety of rewards that a company might bestow for any given level of performance. The model distinguishes between two broad types of rewards. Externally mediated rewards are those controlled by people other than the salesman, such as managers or customers. These rewards generally are related to lower-order human needs. They include such things as Pay, financial incentives, security, recognition and promotion. Internally mediated rewards are those which the salesman largely attains for himself and they relate to higher order human needs. They include feelings of accomplishments personal growth, career development and self-worth. The rewards received by the salesman have a major impact on his satisfaction with his job and his work environment. Satisfaction is divided into two broad dimensions, intrinsic and extrinsic. Intrinsic satisfaction is related to the internally mediated rewards the salesman obtains from his job - satisfaction with the work itself and with the opportunities for personal growth and accomplishment. Extrinsic satisfaction is related to the externally mediated rewards bestowed upon the salesman satisfaction with pay, company policies and support, supervision fellow workers, changes for promotion and customers. The motivation component of the model is outlined in Figure-1.10



**Figure-1.10**  
**The Motivation Component**

(SOURCE : Walker, Churchill and Fore, Journal of Marketing Research Vol. XIV (May-1977))

As the schematic presentation suggests, motivation is viewed as the amount of effort the salesman desires to expand on each of the activities or tasks associated with his job, such as calling on potential new accounts, planning sales presentation, and filling out reports.

This model assumes that expending effort on each of these activities will lead to some level of achievement in one or more dimensions of job performance such as total sales volume, profitability of sales, new account sales or quota attainment. It is assumed further that the salesman's level of performance on at least some of these dimensions will be evaluated by his superiors and will be rewarded with one or more of a variety of rewards such as increased pay, recognition, or advancement.

According to the expectancy theory, a salesman's motivation to expend effort on any task (i) will depend on two variables.

1. Expectancy ( $E_{ij}$ ) : the salesman's estimates of the probability that expending a given amount of effort on task (i) will lead to an improved level of performance on some performance dimension (j).
2. Valence for performance dimension (j) - ( $v_j$ ) : The salesman's perception of the desirability of attaining an improved level of performance on dimension (j). So, the salesman's motivation is expend effort on any task (i)  $= (E_{ij} \cdot V_{vj})$ .

Traditionally, salesperson motivation has been treated as an aggregated concept. Various studies, however, suggest that salesperson motivation should be viewed as a process whereby several components interact to form an individual's motivation (Churchill, Ford and Walker 1979, Oliver 1974,1979, Oliver and Brief 1977).

This contention is based on the logic of expectancy theory which maintains that motivation is a monotonically increasing function of the algebraic sum of the products of the valences of all outcomes and the strength of the person's expectancies that the act will be followed by the attainment of these outcomes (Vroom 1965).

Symbolically,

$$M = f_i \left[ \sum_{k=1}^n (E_{ik} \cdot V_k) \right] \text{-----}(1)$$

Where:

M = the motivation to perform an act

$E_{ik}$  = the strength of the expectancy (belief) that act i will be followed by outcome k.

$V_k$  = the valence (importance) of outcome k.

n = the number of outcomes.

This basic motivation model has been modified since its original conceptualisation. In its widely discussed version, two levels of outcomes are considered (Galbraith and Cummings 1967, Lawler 1970, and Porter 1967). The first level outcomes are the ones the investigator is interested in predicting (e.g. job

performance) second level outcomes (e.g. monetary rewards, recognition, promotion) are expected to result from first-level outcomes.

The resulting model is generally expressed in the following terms.

$$M = f \left[ E_j \sum_{k=1}^n (V_k \cdot I_{jk}) \right] \text{-----(2)}$$

Where

M = the individual salesperson's motivation.

j = the performance level

k = the outcomes as a result of the performance level j.

n = total number outcomes.

$E_j$  = the salesperson's subjective estimate that his or her efforts will lead to the performance level j.

$I_{jk}$  = the instrumentality of the performance level j required for the second level outcomes k, and

$V_k$  = the valence of the second level outcomes k.

[(Source : Pradeep K. Tyagi; "Perceived Organizational climate and the process of salesperson Motivation", Journal of Marketing Research. Vol. XIX (May 1982). P. 240 - 254]

Of the several competing theories of motivation (e.g. need theory, reinforcement theory, motivation - hygiene theory), expectancy theory is regarded as particularly meaningful because of its ability to explain the cognitive processes by which behaviour is initiated, directed, and sustained other theories simply specify identification of the variables that influence behaviour, but not the process by which they do it. Expectancy theory is appealing because of its pragmatic usefulness. Multiplicative composites as well as individual components of the expectancy (valence, expectancy and instrumentality) model have successfully predicted work behaviour in sales management.

A further description of the components of expectancy model involving the distinction between intrinsic and extrinsic outcomes is discussed in several organisational psychology studies (Deci 1971, Lawer 1970, Mitchell 1974, Stem



1977) seems particularly useful in the sales management context. Accordingly, the valence and instrumentality components of an individual's motivation are further divided on the basis of an intrinsic versus extrinsic outcomes dichotomy. Intrinsic outcomes are internally induced, i.e., the individual rewards him/herself. They involve such outcomes as feelings of accomplishment, self-competence, and personal growth. Extrinsic rewards are part of the job situation and are given by others. They are externally mediated and include financial incentives, promotion and compensation packages. Thus:

$$M = f [E_j \{ (\sum_{k=1}^{n_i} V_{ki} \cdot I_{jki}) + (\sum_{k=1}^{n_e} V_{ke} \cdot I_{jke}) \}] \text{-----}(3)$$

Where

M = the individual salesperson's motivation.

j = the performance level

k = the outcomes as a result of the performance level j.

n = total number outcomes.

$E_j$  = the salesperson's subjective estimate that his or her efforts will lead to the performance level j.

$I_{jk}$  = the instrumentality of the performance level j required for the second level outcomes k, and

$V_k$  = the valence of the second level outcomes k.

e = extrinsic motivation

i = intrinsic motivation

[(Source : Pradeep K. Tyagi; "Perceived Organizational climate and the process of salesperson Motivation", Journal of Marketing Research. Vol. XIX (May 1982). P. 240 - 254]

This expectancy model is meaningful because it allows for a micro examination of the salesperson's motivation. The influence of organisational climate on both extrinsic and intrinsic dimensions of sales person motivation can be examined. Vroom has stated that "People may seek to do well on their jobs even though no externally mediated rewards are at stake".

Many studies on organisational psychology examining intrinsic and extrinsic model have shown that intrinsic outcomes may be as important in predicting

satisfaction and performance as extrinsic outcomes (Greaen 1969. Green 1972, House and Wahba 1972). However, such findings should be viewed with caution in the sales management context. The relative effectiveness of extrinsic and intrinsic rewards may not be the same in a sales situation as in other occupations. Oliver's study indicated that only certain extrinsic outcomes predicted the sales performance. Intrinsic outcomes were not predictive and in fact, showed some negative correlations with the performance.

In this study, it is proposed to examine the relative importance of key job dimensions and leadership characteristics in enhancing salesperson motivation and work performance. To gain a deeper insight, the relative effects of job dimensions and leadership behaviour on intrinsic and extrinsic work motivation of salespersons are examined. Finally, the managerial implications of the findings are explored, and actions that might lead to improvements in salespersons work motivation are discussed.

## **1.6 FRAMEWORK OF MODELS.**

The job characteristics model (JCM) is originated in the works of Hackman and Lawler (1971) and Hackman & Oldham (1974). It is conceptualised as a set of generic job dimensions and outcomes inherent in every job. Having been applied in numerous job settings, the JCM's validity and reliability have been verified many times. The JCM does not require specification of every outcome - job dimension combination. These aggregate interrelationships are eventually derived after respondents have completed the job Diagnostic survey (JDS). The instrument devised by Hackman and Oldham (1974) to measure the variables in the JCM is the Job Diagnostic Survey . The JDS is designed to be job independent so it can be used in any job setting. In our study JDS measures relative levels of the components of the JCM i,e Core job dimensions, critical psychological states and personal and work outcomes, Thus, which the JDS is lengthy, respondents must evaluate only one construct at a time rather than link together two constructs.

Overall, the JCM is a narrower, methodologically more sound way to study job-related worker motivation in comparison with Expectancy theory (ET). Expectancy theory is a general theory of motivation that can be applied in any job setting, however, unique sets of actions and out comes must be developed for each job. An unresolved issue is whether actions and outcoms should be researcher or subject - generated (connolly 1976, P-39; Mitchell 1974, P - 1065). A second

problem centers on the development of sequential out comes, for example - where A leads to B, which results in C. In such situations, intermediate valences and instrumentalities must also be estimated. To compile enough relevant outcomes for all respondents becomes a laborious task and could result in respondent fatigue (connolly - 1976). Further, the validity and reliability of ET formulations must be established each time a new set of actions and outcomes is developed.

The JCM includes generic rather than situation - Specific job dimensions and outcomes. While ET allows non job-related actions and outcomes to be modelled simultaneously with job factors, the JCM permits these dispositional or situational factors to be considered only as potential moderating variables, thus preserving the JCM's strict job dimensions / outcomes focus.

The leadership behaviour plays a very important role in enhancing sales persons work motivation. The major types of supervisory behaviour that have been identified as influencing work motivation and productivity include leader trust and support, goal emphasis, group interaction psychological influence and hierarchical influence.

Information from leadership theories (Cadler -1977, Evans -1974, Fiedler-1971, House and Mitchell -1974) indicates that leadership behaviour can motivate subordinates to the extent that they see that the leadership behaviour is instrumental in obtaining desirable rewards provided by the organisation.

A multivariate model of sales motivation and performance is utilised for improving knowledge of the salesman. This model is based on, and attempts to integrate, present theories and empirical evidence concerning worker motivation and performance found in industrial psychology and other behavioural science disciplines. It identifies a set of individual, interpersonal, organisational and environmental variables that may influence a salesman's performance, and it specifies the interrelationship and interactions among those variables.

Several conceptual model of the motivational properties of tasks have been developed for job enrichment purpose (Hackman 1974, Herzberg; Mausner and Saynderman 1959, Litwin and Stringer 1968, Scott 1966, Turner and Lawrence 1965, Vroom 1964), each of which have been applied for job settings. Of those expectancy theory (ET) is clearly be dominant paradigm for research on work related motivation (Connoly -1976). ET has been employed by marketing research to study salesperson performance (Oliver 1974) and has been included as the motivational component

of the only detailed conceptual model of salesperson behaviour (Walker and Churchill and Ford 1974) developed to date that could be used as the basis for job enrichment of job redesign in this area. In recent studies; like monetary incentives, job dimensions and leadership behaviour with sales person work motivation has been identified in terms of intrinsic and extrinsic motivation (P.K Tyagi, 1982,1985).

## 1.7 ORGANISATION OF THE STUDY

The study spans over five chapters. *Chapter 1* is an introductory part of the study which contains an overview of literature. *Chapter 2* contains an in depth discussion about research designing, containing job dimensions and salespersons work motivation and also leadership behaviour and salesperson work motivation. The discussion includes evaluations of job characteristic model (JCM) and Vroom expectancy-valence, theory description about sample salesperson and estimation of the research hypothesis.

*Chapter 3*. Presents for improving sales performance, job dimensions and leadership characteristics used as effective tools. A small but growing body of empirical research has focused on salesperson performance, satisfaction and its antecedents. In this chapter also, the influence of organisational climate and psychological states on both extrinsic and intrinsic dimension of salesperson motivation are examined. Various univariate and multivariate statistical techniques have been employed here. Relation among variables are estimated with the method of regression. Reliability estimates are assessed by calculating Cronbach Alpha values for each of the independent variables. This chapter assesses the predictive validity employing OLS models and cross-validated squared multiple correlations.

Our study in *chapter 4* deals with comparative analysis of key job dimensions, leadership behaviour, performance and satisfaction between sales persons of a public enterprise ( i,e life insurance corporation of India ) and a private sector company ( i,e East India pharmaceutical work Limited ). This chapter presents the mean- motivational profiles of different involvement component chosen for the study of two groups of salesman. Various component chosen for this study are also positioned in a three dimensional space, considering three facets at a time to visualise the full motivational profiles of salespersons in the two companies. A univariate and bivariate analysis of motivational profiles of salespersons of two companies are also presented in this chapter.

The *last chapter* evaluates a summary of the empirical results and conclusions of the study spanning over the earlier chapters. This study includes discussion on determining salient rewards based on salespersons perceptions, monitor salespersons perceptions of job characteristics, supervisor behaviour and motivation, regularly and also specific guidelines may develop for redesigning jobs and the role of supervisor. This chapter also presents the summary and review of total study and indicate possible limitations. It focuses on the future research directions.

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