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CAUSAL CORRELATES OF JOB SATISFACTION
AMONG SALESPERSONS

BY

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ABSTRACT

The main objective of this study was to identify correlates that influence or cause job satisfaction among salespersons. There were 55 respondents who participated in this survey. The respondents comprised male and female salespersons involved in direct selling of local and imported products. A bilingual questionnaire containing 49 items, 41 of which describe statements pertaining to organizational commitment, working conditions and job satisfaction, were administered to the respondents. The remaining items in the questionnaire were intended to tap the influence of demographic characteristics upon the respondents. The study intended to establish the correlation between organizational commitment, working conditions, and job satisfaction of salespersons and, to also investigate by independent sample t-test, job satisfaction by difference in gender. Other findings on demographic characteristics such as age, race, immediate supervisors' gender, working experience, and education level were also investigated in passing. The findings of the first hypothesis revealed that the difference in gender does not influence job satisfaction among salespersons. The independent sample t-test of the second hypothesis revealed that with the increase of organizational commitment, overall job satisfaction among salesperson also increased. Independent sample t-test of the third hypothesis revealed that with enhancing working conditions, overall level of job satisfaction also increased.

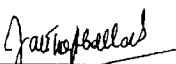
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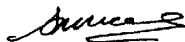
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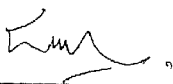
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DECLARATION

I hereby declare that this project paper is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by explicit references and a bibliography is appended.

Date : 28 February 1998.

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DEDICATION

I hereby dedicate this to the following people :

My late father, *Ismail bin Che Long* who had always encouraged me to further my studies;

My loving mother, *Azizah bt Abdullah* who brought me up to love knowledge as I do now;

My loving wife, *Salmah bt Darus* who has always been by my side to sacrifice in more ways than one to get me where I am now;

And all my children, *Mohd Jasridza, Mohd Jasafdzal, Mohd Jasfitri, and Khairul Nisa* for their love, inspiration, and sacrifice.

May the Mighty Grace and Blessings of ALLAH be upon all of you.

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Foremost,

*In the name of ALLAH, The Beneficent, The Merciful,
Praise be to ALLAH, Lord of the Worlds, The Beneficent, The Merciful,
Owner of the Day of Judgment;
Thee (alone) we worship; Thee (alone) we ask for help,
Show us the straight path, The path of those whom Thou hast favoured;
Not (the path) of those who earn Thine anger
nor of those who go astray.*

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CHAPTER ONE

INTRODUCTION

Selling is one of the world's oldest professions. It is, in fact, an ancient art. In Malaysia, however, organizations have not found it to be of advantage to them to examine the causes of job satisfaction among their employees, especially their salespersons. Except for a research by Saiyadain (1996), and that by Brown and Peterson (1993), there has not been much inquiry on job satisfaction among Malaysian salespersons.

Who are salespersons? They are often called salesmen or sales representatives. Certainly, they remind us of the caricature we read of in humorous novels and describe in exaggerated anecdotes. They are but keen professionals, whose skills are necessarily honed to precision. They have to be good because competition is rife and they are moving goods that are largely undifferentiated and governed by tight margin. Most successful salespersons have been born with some degree of innate talent. The ability to speak easily with strangers and a friendly personality are often the cultivation of natural gifts. But no salesperson can realize his/her full potential without fastidious training.

Training affords lots of financial allocation, time, and effort from organizations and their member trainers. Training for new salespersons is not dispensable since these

people are the ones who can ensure good revenues for the organization they work for. Without trained and experienced salespersons, organizations who rely on these people will have to train new ones. To avoid such hefty financial cost, it is thus imperative to study the reasons behind which salespersons are satisfied with their job so as to retain them for any organizations' continuous success.

1.1 Background of the Study

One survey revealed that the performance difference between an average and a top sales representative or salesperson can be considerable. It revealed that the top 27 per cent of the salesforce brought in over 52 per cent of the sales. And, when a salesperson resigns, the cost of finding and training a new salesperson - plus the cost of lost sales - can run as high as US\$50,000 to US\$75,000 - the amount in Malaysian Ringgit is indeed much more enormous. Besides, a salesforce with many new people is less productive. The financial loss due to turnover is only part of the total cost whereas the salesperson's expertise is the greater loss to the organization.

Salespersons are part of the salesforce that determine the reputable image of an organization selling products of competitive nature. If the salespersons experience job dissatisfaction, there is a high probability that there will be negative personal repercussions, as well as the likelihood that other areas of that person's life will be negatively affected. When this happens, turnover will be badly affected as they

deteriorate in their function and become less useful. Furthermore, if a company were to employ sales agents, costs rise faster because these people get a larger commission than company salespersons.

In the context of Malaysian trade and business, salespersons form the major portion of most organizations involved in counter sales or direct sales. There are numerous ways salespersons play their vital role in pooling better revenues for the organizations they work with. Most organizations will ask their salespersons for estimates when buyer interviewing is impractical. Each salesperson estimates how much each current and prospective customer will buy of each product made by the organization. In other words, sales representatives might have better insight into developing trends than any other single group (Kotler *et al.*, 1996). Company sales representatives especially and middlemen are particularly good sources of new-product ideas too. They have firsthand exposure to customers' needs and complaints. They often learn first of competitive developments than anybody else in the organization. An increasing number of companies such as Philips in Taiwan and the Wywy Group in Singapore train and reward their sales representatives for finding new ideas (*ibid.*). Some companies send home-based sales representatives abroad to find business. For one thing, some high unit value products are often sold through a company's salesforce rather than through middlemen. Even nonstandardized products, such as custom-built machinery and specialized business forms, are sold directly by company sales representatives because middlemen lack the requisite knowledge (*ibid.*).

Most marketing managers believe that a company's salesforce will sell more than sales agents. Company sales representatives concentrate entirely on the company's products; they are better trained to sell the company's products; they are more aggressive because their future depends on the company's success (*ibid.*)

Saiyadain (1996) cited Robert Louis Stevenson's observation that "everyone lives by selling something." Salesforces are found in nonprofit as well as in profit enterprises. For example, churches, alumni organisations, volunteer groups, and charity organisations use membership committees to attract new members. Hospitals and museums use fundraisers to contact and raise money from donors. They are but the unsung heroes of many organisations.

The term *sales representative* covers a broad range of positions, where the differences are often greater than the similarities. According to Kotler *et al.* (1996) McMurry devised the following classification of sales positions :

1. *Deliverer* : Positions where the salesperson's job is predominantly to deliver the product (e.g., milk, bread, fuel, and oil).
2. *Order Taker* : Positions where the salesperson is predominantly an inside order taker (e.g., the cosmetic salesperson standing behind the counter) or

outside order taker (e.g., the soap salesperson calling on the supermarket manager).

3. *Missionary* : Positions where the salesperson is not expected or permitted to take an order but is called on only to build goodwill or to educate the actual or potential user (e.g., the medical “detailer” representing an ethical pharmaceutical house).
4. *Technician* : Positions where the major emphasis is placed on technical knowledge (e.g., the engineering salesperson who is primarily a consultant to the “client” companies).
5. *Demand Creator* : Positions that demand the creative sale of tangible products (e.g., vacuum cleaners, refrigerators, photocopiers, and encyclopaedias) or of intangibles (e.g., insurance, advertising services, or consulting services).

The above-mentioned positions range, in the descending order, from the least to the most creative types of selling. The first job calls for servicing accounts and taking new orders, while the latter requires seeking prospects and influencing them to buy. Whatever they are, salespersons play important roles as described above in the success of any organisation. In other words, they make money for the organisation they work for.

1.2 The Statement of the Problem

The aim of this study is to determine correlates that contribute towards job satisfaction among salespersons. The study will address the impact of independent variables such as organizational commitment (Part A of the questionnaire), working conditions (Part B), and job satisfaction (Part C) as well as demographic characteristics (Part D), especially gender, upon the level of job satisfaction among salespersons.

They are many reasons why identifying factors that contribute to job satisfaction among salespersons is important. One reason is for organisations utilising salespersons to increase sales and retain these people. And another reason is to create another method of appraisal by which salespersons can be rewarded based on not only sales performance but also on their commitment and attitude towards their job. Of course, there are many ways companies, especially sales managers, can assess their salespersons' performance. Among others, information gathered from sales quotas, sales reports, sources of information such as personal observation, customers' letters and complaints, customer surveys, and conversations with other sales representatives also help. Besides all this, they can also make formal evaluation of their salespersons, salesperson-to-salesperson comparisons, current-to-past sales comparison, customer-satisfaction evaluation, and to also make qualitative evaluation of their salespersons.

However, does all this give a true picture of what is going on in the hearts and minds of their salespersons? There are things, which these evaluations may have missed

- things that the salespersons avoid not to disclose so as to maintain their current job till better opportunities come by their way and these seemingly satisfied but actually dissatisfied people may just leave for greener pastures.

A survey conducted to determine how foreign subsidiaries of American companies evaluate and control salespersons abroad revealed that most evaluations used by companies such as American Hospital Supply, Burroughs, Pfizer, Honeywell, IBM, Sterling Drug, Merck, Kimberly-Clark, Avon, Ingersoll-Rand, Hewlett-Packard, S.C. Johnson, and Hoover measure criteria that are categorised as quantitative and qualitative (Kotler et al., 1996). The research conducted covered Asian countries such as Australia, Bangladesh, Hong Kong, India, Indonesia, Japan, New Zealand, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand, and Malaysia. Examples of quantitative measures used were total sales, sales-to-quota ratio, customers gained, customers lost, and territory market share. Qualitative measures popularly used were knowledge of firm, products and markets, personal appearance, and motivation.

Possibly, these subjective aspects require only minimal monitoring and are unlikely to fluctuate much over time, minimizing managerial resources spent on sales control. Another explanation may be that American subsidiaries “do as the Romans do” and tend toward qualitative factors supposedly favoured by Asian firms when operating in the region. No doubt some empirical grounds for such a practice exist, as in the greater organisational commitment of life insurance salespersons in Singapore which has been linked to higher levels of exertion (working hard) and well-directed effort (working

smart), which in turn led to better performance, educational standards, commercial orientations, and personal affluence levels (which affect product knowledge, appearance, and motivation) which are not at all uniform.

Thus far, job dissatisfaction has negative effects which have been well documented. One thing for sure, people who are dissatisfied with their jobs want little to do with them - that is, they withdraw. An extreme form of employee withdrawal is quitting, formally referred to as "voluntary turnover." Withdrawal may also take the form of absenteeism. Organisations are highly concerned about these forms of withdrawal insofar as they are very costly. The expenses involved in selecting and training employees to replace those who have resigned can be considerable. Even unscheduled absence can be expensive. Although voluntary turnover is permanent, whereas absenteeism is a short-term reaction, both are effective ways of withdrawing from dissatisfying jobs.

Of course, a dissatisfied employee may show up for work despite feeling dissatisfied if he or she believes that performing certain tasks is critical. Still, others may care so little that they would resort to other means that would again cause similar or even worse negative repercussions. How would sales managers or the top management of an organisation employing such people know their employees are on the brink of quitting at first chance while at the same time ruining the organisation's current revenue?

This survey will provide some of the answers they need before the damage is done. This study brings about phenomena that contribute to the nature of job satisfaction and its causes among salespersons. Good pay, bearable working conditions, and expected promotion are among the aspects that most people would be satisfied with. But, how do their employers know about all this? This survey intends to look into the influence of such factors upon the nature of satisfaction and dissatisfaction among salespersons.

1.3 Objectives of the Study

The objectives of the study are to identify the correlates of job satisfaction among salespersons in a few chosen direct-selling organisations. This study is an effort to discover three relationships, which are : if there is any difference between gender in relation to job satisfaction among salespersons; if organizational commitment helps to increase the level of job satisfaction; and if working conditions help to improve job satisfaction among salespersons.

1.4 Significance of the Study

Primarily, this study intends to bring about insights into factors or correlates that affect job satisfaction among salespersons. Demographic characteristics such as gender,

age, education and working experience are used as part of the correlates of jobsatisfaction. Other correlates which will also be investigated are organizational commitment and working conditions. .

The secondary purpose of this study is to clarify factors which contribute to job satisfaction among salespersons. These factors can help organisations employing such salespersons to improve on their incentives in enhancing the level of satisfaction among their employees, and thus eradicate dissatisfaction.

In total, employers of salespersons may also find these findings to be useful as a guide to enhance training programs and appraisal approaches in improving the potential capabilities of salespersons. Employers can also improve on their motivation and incentive programs so as to keep their salespersons satisfied and happy with their jobs and save costs on retraining new salespersons who are of inferior economic potential compared to the more experienced ones.

1.5 Assumptions

Several assumptions need to be clarified in order to proceed with this study. Firstly, salespersons were selected from direct-selling organisations such as Avon Cosmetics, Nutri-Metrics, Tupperware, and other organisations selling products such as personal computers and accessories, and personal accessories such as leather goods

and clothes in around Subang Jaya, Bangi, Serdang and other parts of the state of Selangor Darul Ehsan.

Secondly, the respondents comprise salespersons who are actively involved in promoting and selling their organisations' products. They are not subject to any vested interest or prejudice in answering the questions relating to their commitment, organisational features pertaining to their job, and their attitude towards their job as salespersons. This is because their identities are not disavowed in any way in the questionnaire as well as in the survey.

Thirdly, this study discloses factors contributing to job satisfaction among salespersons and it is assumed that current interest in this will continue to prosper in the future since it is related to improving human capital as an important resource to organisations.

1.6 Working Definition of Terms

The conceptualization and definition of job satisfaction are complex and diversified. Best suited to meet the needs of this study, Hoppock (1935) describes *job satisfaction* as “any combination of psychological, physiological, and environmental circumstances that causes a person to truthfully to say, “I am satisfied with my job”.