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SALESFORCE MOTIVATION

COMPENSATION

AND

INCENTIVES

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SALESFORCE MOTIVATION, COMPENSATION  
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## ABSTRACT

The objective of this research is to provide an extensive literature review on motivation in general and salesforce motivation in detail; and to conduct an empirical study on motivation by focusing on expectancy theory of motivation.

The literature review includes motivation in general, salesforce motivation, theories of motivation and salesforce motivation, expectancy theory of motivation, salesforce compensation and incentives.

The field study of the research is done in two parts: The first part is a quantitative study in the Turkish pharmaceutical industry in the context of a case study. The components of motivation, the total quantifiable amount of motivation, the determinants of components of motivation and regional differences in general level of motivation of salespeople are empirically analyzed. The implicative power of the study is strengthened by focusing upon "sales incentives" in relation to reward systems in motivation. The salesforce population of a pharmaceutical firm is chosen for data gathering in this quantitative study.

The second part is employing a qualitative design in other industries. In this qualitative study, motivation, compensation, and incentive practices of firms in banking, insurance, pharmaceutical, and consumer goods industries are explored through personal interviews with the managers.

The Statistical Package for Social Sciences is utilized for data analysis, through frequencies, crosstabulation, correlation, and t-test analyses. The findings of the qualitative study are analyzed by content analysis.

The major conclusions of the study are that the most valued reward is personal growth; salespeople are most satisfied with liking and respect they receive at work; the marginal utility of internally-mediated rewards is proven; there are no significant relationships among individual factors and motivational components; salespeople have an average level of motivation; there is a significant relationship and consistency among motivation measured through the model introduced in the study and direct measure of motivation; there are no major differences among regions and groups with respect to the motivational variables; salespeople mostly prefer combination compensation plans; the most preferred incentives are life insurance, casualty



insurance, and personal use of company car; and salespeople prefer group or regional achievement and individual achievement as criteria for incentive awards.

Two major contributions of the study are detecting the total amount of motivation, extrinsic and intrinsic motivation of salespeople in a pharmaceutical firm to compare with direct measures of motivation of the same salespeople as behavioral intentions and analyzing regional differences in motivation. An additional theoretical contribution stemming from the qualitative study is the contradiction with the well-known theories of motivation and practices of compensation regarding the compensation practices in different industries, namely insurance, consumer goods, and pharmaceutical industries.



## ÖZET

Bu çalışmanın amacı, motivasyon ve satış elemanlarının motivasyonu konusunu içeren literatürün kapsamlı bir özetini sunmak ve bir motivasyon teorisini baz alan bir araştırmayı gerçekleştirmektir.

Literatür taraması, genel olarak motivasyonu, satış elemanlarının motivasyonunu, motivasyon ve satış elemanlarının motivasyonu teorilerini, satış elemanlarının ücretlendirilmeleri konusunu ve iyi performansı teşvik edici ödüller konusunu kapsamaktadır.

Çalışmanın saha araştırması iki ayrı metodla gerçekleştirilmiştir: Bunlardan birincisi; bir vaka çalışması olarak ilaç endüstrisinde gerçekleştirilen kantitatif bir araştırmadır. Motivasyonu oluşturan kavramlar, toplam motivasyon seviyesi, motivasyonu etkileyen kişisel değişkenler ve genel motivasyon seviyesindeki bölgesel farklılıklar üzerinde çalışılmıştır. Motivasyon kapsamındaki ödül mekanizmaları ile ilgili olarak ele alınan "iyi performansı teşvik edici ödüller" konusu da araştırmanın pratikteki gücünü arttırmak amacıyla çalışma kapsamına alınmıştır. Bu kantitatif çalışmada, bilgi bir ilaç firmasının tüm satış elemanlarından elde edilmiştir.

İkinci çalışma ise, başka sektörlerde gerçekleştirilen kantitatif bir araştırmadır. Bu çalışmada, banka, sigorta, ilaç ve tüketici ürünleri sektörlerindeki firmaların motivasyon, ücretlendirme ve teşvik etme politikaları yöneticilerle yapılan yüzyüze görüşmelerle araştırılmıştır.

Kantitatif çalışmanın sonuçları, SPSS (Sosyal Bilimler için İstatistik Paketi) programındaki frekans, ki-kare analiz, pearson analiz, ve t-testi analiz metodları kullanılarak değerlendirilmiştir. Kalitatif çalışmanın sonuçları ise, görüşmelerin içeriği analiz edilerek değerlendirilmiştir.

Çalışmanın önemli sonuçları şöyle özetlenebilir: Satış elemanlarının en çok değer verdiği gelişme (ödül) kişisel gelişme olanaklarıdır; satış elemanları en çok işte başkalarının onlara karşı duyduğu sevgi ve saygıdan memnundurlar; satış elemanlarının kayda değer başarılar kazanmaktan ve kişisel gelişme olanaklarından duyduğu memnuniyet arttıkça, bu gelişmelere verdiği değer de aynı oranda artmaktadır; kişisel değişkenler ve motivasyonu oluşturan kavramlar arasında istatistikî önem taşıyan bağlantılar yoktur; satış elemanlarının motivasyonu orta düzeydedir; bu çalışmada ortaya konulan model ile ölçülen

motivasyon ile doğrudan ölçülen motivasyon arasında tutarlı ve istatistiki önem taşıyan bir bağlantı vardır; motivasyon değişkenleri ile ilgili olarak bölgeler ve gruplar arasında belli başlı farklılıklar yoktur; satış elemanları büyük bir çoğunlukla karma ücretlendirme sistemlerini tercih etmektedir; iyi performansı teşvik edici ödüllerden en çok tercih edilenler: hayat sigortası, kaza sigortası ve firma arabasının kişisel kullanımınıdır; satış elemanları, teşvik edici ödüllerin verilmesi ile ilgili değerlendirme kriterleri arasında en çok grup/bölge başarısını ve kişisel başarıyı tercih etmektedir.

Çalışmanın literatüre iki önemli katkısı, bir ilaç firmasındaki satış elemanlarının toplam motivasyonunu, iç ve dış faktörlere dayalı motivasyonlarını, aynı elemanların doğrudan motivasyon ölçümleri ile karşılaştırmak üzere belirlemesi ve genel motivasyon seviyesindeki bölgesel farklılıkları incelemesidir. Kalitatif çalışmanın bir diğer önemli teorik katkısı da, tüm kabul görmüş motivasyon ve ücretlendirme teorilerine karşı gelen ücretlendirme politikalarının değişik endüstrilerde (sigorta, tüketici ürünleri, ve ilaç sektörlerinde) uygulandığını saptamasıdır.

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## INTRODUCTION

An important aspect of salesforce management that has received extensive attention in recent years is the salesforce motivation. Salesforce motivation is one of the important determinants of salesforce performance, which is quite essential to overall salesforce productivity.

In fact, the motivation of employees has received much space in the literature of organizational psychology and management. Recently, it is also accepted as a prominent part of salesforce management literature.

One of the main purposes of this research, descriptive in nature, is to provide an extensive review of motivation and specifically salesforce motivation literature. Furthermore, the researcher plans to enlighten the salesforce motivation literature further by focusing on one extensive model of salesforce motivation, namely expectancy theory of salesperson motivation to form an empirical base to conduct upon and to justify the several variables introduced in the literature.

The number of empirical studies on salesforce motivation is quite few, thus the major contribution of the research will be an empirical test of a widely accepted salesforce motivation theory in a case study context.

A secondary purpose of the research is to justify the impact of regional differences on the motivation of a salesforce, again in a case study context. The regional or local differences in general level of motivation of salespeople are not extensively discussed in the literature. However, this approach of the research adds to the exploratory value of the study.

The field study of the research is not kept limited in a case study context, but extended to other floors through a qualitative study accomplished on salesforce motivation, compensation, and incentives.

The first part of the study includes an extensive discussion of motivation in general, salesforce motivation, theories of motivation and salesforce motivation, expectancy theory of motivation, salesforce compensation, and incentives. Moreover, industries worked on in this study and "Salesforce satisfaction research" (1990) of the researcher and a co-author are briefly reviewed.

In the second part of the study, objectives of the research, theoretical framework, variables used in the study,

hypotheses to be tested and research methodology are introduced. Besides research design and methodology, the limitations of the study are also discussed in this section.

In the third part of the study, the general and other findings of the study, and qualitative study findings are discussed. Moreover, hypotheses are tested in view of the research data.

In the last part, conclusions of the study, contribution of the study to the literature of motivation, and implications for the managers in the pharmaceutical, banking, insurance, and consumer goods industries and for further research are discussed.



## CHAPTER ONE

### THEORETICAL BACKGROUND OF THE STUDY

The theoretical background of the study is composed of an extensive discussion on motivation in general, salesforce motivation, theories of motivation and salesforce motivation. A special attention will be given to the expectancy theory of motivation. Two other areas of discussion, where motivation forms a theoretical and practical basis, are salesforce compensation and incentives. Additionally, a brief review on industries studied in the research and on "Salesforce satisfaction research" (1990) is provided.

#### 1-1\_ Motivation in general and Salesforce Motivation

Theories of job performance suggest that three factors affect performance: (1)role perceptions, (2)motivation, (3)ability. Role perceptions influence the salesperson's understanding of what activities should be undertaken and how these activities should be performed. Motivation affects the amount of effort expended performing the activities, and ability affects the quality of the effort expended. (Weitz, Sujan, and Sujan 1986)

Motivated behavior has three aspects: (1)intensity, (2)persistence, (3)choice. (Atkinson 1964; Campbell and Pritchard 1976; Weiner 1980) Intensity refers to the level of mental and physical effort expended; persistence indicates the duration over which the effort is expended, particularly when adverse outcomes are encountered. And choice is the directional aspect of motivation because it refers to the task selected as well as the particular approach used in the task.

Motivation is a highly complex area of study. Psychologists and psychiatrists have been formally investigating motivation for well over a century and still continue to differ on several of its basic concepts. A knowledge of what motivation is and what is required to motivate people is equally valuable. (Storholm 1982)

Proper motivation based on study, planning, continuing effort, new approaches, and participation upgrades morale and increases efficiency. Improperly used motivation efforts can cause costly mistakes and hinder effective operations. (Johnson 1976) It is possible to demotivate staff through poor practices and behavior. Demotivation is any reduction in

enthusiasm, initiative or output of staff. Being insensitive to employees' needs and stifling employees' expression, ideas, and growth are some ways that cause demotivation. (Alessandra and Davidson 1986)

Five key factors as major influences to a high-performing team are a shared sense of mission or purpose, having clear and attainable goals, receiving frequent and objective feedback, receiving positive rewards for appropriate or approximate performance, and receiving timely support and help when requested or needed. (Wilson 1985)

Weaver (1985) suggests that all motivation is self-motivation. Individual motivation truly depends upon whether the employee finds something in the job situation that is a source of personal motivation for him or her.

There exist a number of interlocking factors that influence the outcome of how well an individual will carry out a particular task: (1) job content, i.e. the nature of the job, the variety of tasks, their difficulty, and how it changes over time, (2) the personality of the individual will be crucial; the degree of his commitment and involvement in the job, and how this will change over time; (3) management will have a vital controlling influence, and (4) the motivational input will include the methods which are used to stimulate interest in specific tasks. (West 1987)

The effects of a disgruntled individual will appear in a number of forms: (1) poor job performance, (2) expansion of minor complaints into major disasters, (3) development of other interests, and (4) demoralizing effects on other individuals within the group. In a business, these tendencies will lower morale, create disputes in the work place and lead to poor timekeeping, increased illness or absenteeism. (West 1987)

There are a number of ways in which management can alter the level of an individual's performance: (1) changing the nature of the job, (2) by raising upper limits (supporting the job performance by the use of appropriate technology, for example), (3) by raising the lower acceptable limits (work study or some other approach), (4) attempting to move the individual onto a higher level of performance by personal motivation or additional training. (West 1987)

There are fairly common attitudes towards what is regarded as a "good" job. (Pettman 1975; Herzberg 1969) These are (1) as great a variety of tasks as possible, but organized in a common pattern that provides overall direction, (2) the use of varied skills and abilities, (3) a fair degree of individual responsibility in decision taking, relevant to the

level of task, (4) a reasonably clear path of personal development which need not necessarily include promotion, (5) an environment which is supportive of individual action and provides means of identifying success or failure, and (6) the job should have some clear benefit to the organization and ideally also to the community in which it operates.

An essential aspect of salesforce management that has received some recent attention is salesforce motivation. When the salesforce is considered, designing and controlling an appropriate motivational system for what is basically an individualistic group, working alone for most of the time and regarded as low status within the organization, will pose an acute problem. (West 1987)

Darmon (1974) indicates that the salesforce motivation has so many unique characteristics that there is some question as to whether the findings and theories from other fields can be readily applied to salespeople. These distinctive characteristics include a higher independence for salespeople in the organization of their work, the possible existence of distinctive personality traits and/or socioeconomic characteristics and directing aspects of the compensation plan which is specifically a sales management problem.

Motivating the salesforce to devote greater effort to their jobs has always been a critical issue. It is an even greater concern in these times of rapidly escalating selling costs and decreasing productivity growth rates. (Darmon 1974)

The determinants of salespeople's performance have long intrigued researchers and practitioners alike. The subject of motivation has also received extensive discussion in the sales management literature but little substantive knowledge has emerged. This may, in part, reflect the fact that authors usually subsume motivation under the broad category of compensation or under other financial remuneration schemes sometimes classified as "stimulators". (Davis and Webster 1968; Phelps and Westing 1968; Stanton and Buskirk 1969; Still and Cundiff 1969)

To a lesser extent, the motivating qualities of nonmonetary or psychological incentives have also been prominently argued in the literature, although they are usually suggested as adjuncts to the basic compensation package. As a result of lack of evidence in both the monetary and nonmonetary areas of motivation, little is known about how compensation and other possible rewards motivate salespeople to produce.

The motivation of salespeople is an important concern in

sales management. Salesforce motivation -like other sales performance determinants- does not operate in a vacuum. No matter how highly motivated salespeople are, they will not be successful unless supported by a marketing strategy geared to customer needs, a well-designed strategic sales program, and effective account-management policies. (Churchill, Ford, and Walker 1985)

Motivating a salesforce is a very complicated process. The success or failure of a given compensation system or incentive program is influenced by many factors, including (1)environmental conditions, (2)the firm's other management policies and programs, and (3)the personal characteristics of the salespeople.

Churchill, Ford, and Walker (1985) indicate that most industrial and organizational psychologists now view motivation as a general label for the choice (1)to initiate action on a certain task, (2)to expend a certain amount of effort on that task, and (3)to persist in expending effort over a period of time. (Campbell and Pritchard 1976)

Churchill, Ford, and Walker (1985) define motivation as the amount of effort the salesperson desires to expend on each activity or task associated with the job. This may include calling on potential new accounts, developing sales presentations, and filling out reports.

The effort expended by a salesperson on each task associated with his or her job will lead to some level of achievement on one or more dimensions of job performance. These dimensions include total sales volume, profitability of sales, and new accounts generated. It is assumed that the salesperson's performance on some of these dimensions will be evaluated by superiors and rewarded with one or more rewards. These might be externally-mediated rewards, like promotion, or internally-mediated rewards, such as feelings of accomplishment or personal growth. (Churchill, Ford, and Walker 1985)

Four sets of independent variables that cause the salesperson's motivation to expend effort are (1)the ability of salesman, (2)financial compensation/incentives, (3)psychological incentives, and (4)organizational and managerial factors. (Walker, Churchill, and Ford 1977)

The linkage between the effort of a salesperson expended on any task and the resulting level of performance achieved on any performance dimension is moderated by that salesperson's ability to carry out the task successfully.

Traditionally, sales executives have insisted that



financial incentives are the key factors in influencing salesperson motivation. (Haring and Morris 1968; Litwin and Stringer 1968; McClelland 1975) With respect to financial compensation and incentives, there are two basic assumptions: (1) monetary rewards are the primary motivator of sales effort, (2) the pay package is the basic motivator whereas 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.

Smyth and Murphy (1969) argue:

"those individuals who are aggressive and relatively high in financial motivations eventually seek out such occupations as salesmen...the typical salesman is financially motivated far more strongly than the average employee in his company" (p.15).

Many studies have found that money is not the primary motivator of job effort (Herzberg 1959; Lawler 1973; Opsahl and Dunnette 1966; Alderfer 1969). It is possible that salespeople are systematically different in their motivations from workers in other occupations.

Alexander and Mazze (1965), Burton (1960); Leahy (1973) have recognized that psychological, nonmonetary incentives (recognition, opportunities for personal growth, etc.) are important in salespeople motivation. Various kinds of recognition and job enlargement programs can also be included.

Research in organizational psychology indicates that several organizational, managerial, and environmental factors can produce even greater influence on salesperson motivation. (Campbell, Dunnette, Lawler, and Weick 1970; Hackman and Oldham 1975; Lawler 1973; Staw 1977) Organizational and managerial factors that have mediating effects on salespeople motivation are selection policies, training procedures, supervisory policies, other organizational climate variables, interpersonal variables such as conflict. (Pruden 1969; Walker, Churchill, and Ford 1977; Pruden and Reese 1972; Newton 1969)

Actually, research on the salesperson falls far short of the kind and volume of research that has been done with workers in many other occupations.

## 1-2\_ Theories of Motivation and Salesforce Motivation

Theorists have been content merely to suggest specific things that motivate behavior rather than to delineate the

processes by which major classes of variables interact to produce behavior.

A motivation 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 behavior. (Campbell, Dunnette, Lawler, and Weick 1970)

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. Much of industrial motivation theory has direct applicability to the motivation of sales personnel.

Motivation theories attempt to identify the factors that influence behavior. Most of the accepted theories of organizational motivation were developed between 1940 and 1970.

Taylor's scientific management approach was the first motivation theory. Purchasing power of wage was related to time, interest, effort, and contribution of employee. Later on, it was seen that monetary rewards (including incentive wage, bonus plans) were not enough for motivation. (Wilkinson, Orth, and Benfari 1986)

Maslow's hierarchy of needs (1943) is also one of the first motivational models. It states that needs are arranged in hierarchy with physiological and security needs at the bottom, social and esteem (ego) needs in the middle, and self-actualization needs at the top. Physiological needs correspond to primary needs such as food and sleep. Security needs relate to everyday living such as keeping a good job and staying in school. Social needs correspond to needs for affection and affiliation with others. Esteem (ego) needs are the needs for power, status, and self-respect. And self-actualization is the need for fully actualizing the individual's potential. (Globerson 1985)

According to Maslow, once a need is satisfied, the next highest need emerges to motivate the individual's behavior. (Storholm 1982) People are continuously in a motivated state but the nature of motivation is fluctuating and complex. People rarely reach a state of complete satisfaction. The lower needs in the hierarchy must be satisfied before the highest needs can emerge. Some people appear to have social, esteem (ego), self-actualization needs to a degree that can never be fully satisfied. Thus, these three highest needs operate in parallel and are open-ended. (Wilkinson, Orth, and Benfari 1986) This idea of a hierarchy of human needs is also



hypothesized by Alderfer (1969) in his "existence, relatedness, growth" theory. There is some correspondence although not perfect, between the need categories identified by Maslow and Alderfer and the kinds of rewards used to motivate workers. A specific reward may be instrumental in satisfying more than one need simultaneously. (Ford, Churchill, and Walker 1985)

Although this theory would appear to make sense, it has been difficult to prove or disprove on an empirical basis. The primary value of the hierarchy of needs is its relevance to the motivation of employees as certain levels of these needs become relatively satisfied. For example, a highly paid salesperson could probably be motivated by an appeal to higher-level needs. In practice, this theory provides a somewhat useful guide in judging human motivation. (Storholm 1982)

One of the better known and most widely studied motivational theories is dual factor theory, developed by Herzberg (1959). There are essentially two sets of factors that evoke human behavior. The first group is termed "dissatisfiers" or "hygienic" factors. This group includes such things as salary, supervision, working conditions, job security, and company policy. Herzberg claims that these factors do not really motivate people to perform. They can only make one dissatisfied if they are not perceived as being at least acceptable to the employee. Enough dissatisfaction in any of these areas can even lead to the employee's quitting his or her job. The second group of factors consists of such things as challenge of job, opportunity for personal growth, responsibility, advancement, recognition, and, at the focal point, the job itself. These factors are known as "motivators" because they help employees to receive job satisfaction and are generally determinants of long-term changes in attitude.

Of particular interest is the place of money as a motivator in Herzberg's scheme. Essentially, this factor will evoke a short-term change in behavior or attitude, not constitute a long-term motivating force. The value of the dual factor theory lies in its applicability to professional careers such as sales. Although this theory is not supported by superior research practices in data gathering and analysis, it is nevertheless very widely accepted by business organizations and has formed the basis for a considerable number of job upgrading programs. (Storholm 1982)

McClelland's theory of Achievement Motivation is based on more rigorous research than any of the others discussed here. McClelland's theory is based upon the chronic, persistent needs for achievement, affiliation, and power. (1961) Persons with a high need for achievement are

characterized by goal-setting, the need for concrete feedback as to how well they are doing, and the willingness to take moderate risks. These characteristics are also common to successful entrepreneurs and to successful salespeople in certain occupations. Persons with a high need for affiliation are, among other things, more sensitive to other people's feelings than people with a high need for achievement. Business managers and politicians tend to score high in need for power or the need to influence other people's actions. According to McClelland, these needs are shaped early in life by cultural and parental factors. The classic high achiever learns to set goals early in life and is normally raised in a culture that is receptive to individual initiative and advancement. (Storholm 1982)

The essence of Expectancy Theory is that a person will behave according to the perceived likelihood that an action will lead to a certain outcome or goal. According to Vroom (1964), who first related the expectancy theory of motivation to business activity,

"It is essential to assume that most of the behavior exhibited by individuals on their jobs as well as their behavior in the "job market" is voluntary and consequently motivated" (p.9).

Vroom accordingly described motivation as a process that determined choices made by individuals among various forms of voluntary activity. The predictive ability of this theory has yet to be established. (Storholm 1982)

The concepts used by Maslow and Herzberg are more popular than is this expectancy theory because of their relative simplicity. However, the expectancy theory seems to be a more accurate picture of reality because it is of a dynamic nature and considers individual differences. The dynamic nature is manifested in the model through the option of continuous reevaluation of all the variables by the individual exposed to them. The differences of individuals are manifested through their own perception of importance and relationship between the relevant variables. (Globerson 1985)

The value of the expectancy theory is in providing insight for managers in dealing with individuals and groups. A reward system, for example, (money, promotion, benefits), must be wanted by the salesperson and must have a positive priority if he or she is to be motivated by it. Variations in performance level must then be perceived as leading to reward. Like the hierarchy of needs theory, it is difficult to test this theory empirically, but it provides a guide to a better understanding of the motivation of salespeople. (Storholm 1982) (See TABLE 1.1- Some Well-known Theories of Motivation)

One of the important theories of motivation is McGregor's Theory X and Theory Y. (Wilkinson, Orth and Benfari 1986) A Theory X employee has an inherent dislike of work, avoids responsibility, wants security and has little ambition; can only be managed by coercion, direct control, punishment, and threat. Whereas, a Theory Y employee perceives work natural as play and rest; learns to seek responsibility; has commitment to objectives, high degree of imagination, ingenuity, and creativity and can manage himself/herself by self-control or self-direction, preferring rewards associated with achievement.

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TABLE 1.1- SOME WELL-KNOWN THEORIES OF MOTIVATION (Storholm 1982)

<u>Motivation Theory</u>	<u>Basic Concept</u>
*Maslow's Needs Hierarchy	People have needs ranging from the most basic (food, shelter, etc.) to psychological needs (e.g. the need for self-actualization, knowing oneself). These needs motivate individuals to fulfill the need. After the need is fulfilled, it no longer provides motivation.
*Herzberg's Dual Factor Theory	Certain factors (e.g. money, supervision, working conditions) can result in dissatisfaction, but can not motivate employees. The real motivators are the work itself, recognition, decision-making, latitude, and other intrinsic factors.
*McClelland's Theory of Achievement Motivation	Each individual has needs for achievement, affiliation, and power. High need for achievement is characterized by certain behavior (setting goals, willingness to take moderate risks, need for concrete performance feedback) that is compatible with entrepreneurial activity. Most salespeople have higher than average need for achievement.
*Expectancy Theories	People behave in accordance with achieving their goals/ objectives. They can be motivated to perform various functions to the extent that they perceive that the performance of those functions will help them achieve their objectives.

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An integration of the important theories of motivation is possible. In fact, Herzberg's dual factor theory is a special application of Maslow's hierarchy of needs and very close to McGregor's Theory X and Theory Y. Moreover, it can be observed that Maslow's lower needs correspond to Herzberg's hygienes and McGregor's Theory X characteristics. On the other hand, Maslow's higher needs similarly correspond to McClelland's affiliation, power, achievement needs; Herzberg's motivators; and McGregor's Theory Y characteristics (responsibility, participation, commitment) (Wilkinson, Orth, and Benfari 1986)

Beer, Spectar, Lawrence, Mills, and Walton (1984) suggest two models. Model A is called traditional work system that can be seen in less complex societies and can be characterized by Theory X assumptions and lower level needs. Model B is, on the other hand, called the high commitment work system, which is characterized by Theory Y assumptions and higher level needs (greater responsibility, participation, increased contribution, personal competence). An integrated model suggests that Model B and positive Theory Y management style lead to high motivation and productivity. (Wilkinson, Orth, and Benfari 1986)

One other important theory of motivation is reward-punishment theory of motivation. It is assumed that the individual is encouraged to perform desirable actions through the offer of reward and is restrained from performing undesirable actions through the threat of punishment. This theory assumes that man responds as an isolated individual to rewards and punishments. Psychologists and psychiatrists have demonstrated that an individual's behavior cannot be understood simply in terms of the immediate rewards and punishments offered him/her. In fact, the very things he/she finds rewarding or punishing will be determined in large measure from his past experience. A direct connection between a given symbol, action, and reward is called reinforcement. Consistent association of a given symbol with a reward establishes an appropriate response to that symbol, whereas consistent association of another symbol with punishment establishes an appropriate response to that symbol. However, even consistent associations, when repeatedly made, seem to have a "wearing off" effect. The chances of eliciting desired response with a reward-punishment approach depend upon the ability to establish a definite and consistent association between symbols that stand for rewards and the rewards themselves, and similarly in the case of punishments. (Whyte 1955)

Rewards, according to most motivational psychologists, have a central role in guiding behavior (Weiner 1980) Rewards related to a work environment often are conceptualized as

being of two types, intrinsic and extrinsic. (Lawler 1973)

Dyer and Parker (1975) concluded that a generally accepted definition of intrinsic rewards is "rewards derived directly from or inherent in the task or job itself - associated with the content of the task or job" whereas extrinsic rewards are "rewards derived from the environment surrounding the task or work -associated with the context of the task or job".

In much of salesperson motivation research, intrinsic rewards have been defined as satisfying higher order needs and extrinsic rewards as satisfying lower order needs. (Oliver 1974; Tyagi 1982; Walker, Churchill, and Ford 1977) The alternative definitions are a result of disagreement about the conceptualization of intrinsic and extrinsic rewards. (Guzzo 1979)

A lack of agreement exists in the motivation literature concerning appropriate definitions of the terms intrinsic and extrinsic outcomes. The concepts of intrinsic and extrinsic are unclear and confusing to industrial and organizational psychologists. The terms intrinsic and extrinsic have long been used in the work motivation literature to distinguish between general classes of outcomes (rewards and penalties) (Dyer and Parker 1975)

A careful reading of this literature, however, shows considerable variance among authors in their definitions of these terms and in the way specific outcomes are classified as of one or the other type.

Salch and Grygier (1969) define intrinsic factors as "those directly related to the actual performance of the job" and extrinsic factors as "those related to the environment in which the job is being performed" (p.446).

Deci (1972), however, defined intrinsic rewards as "those mediated by the person himself" (p.219), while extrinsic rewards as "externally mediated, i.e. mediated by someone other than the employee himself" (p.218). Deci (1972) also distinguishes between two broad classes of motivation to perform an activity: Intrinsic motivation and extrinsic motivation. A person is intrinsically motivated if he performs an activity for no apparent reward except the activity itself. (Berlyne 1966; Hunt 1965; White 1959) Extrinsic motivation, on the other hand, refers to the performance of an activity because it leads to external rewards (e.g. status, approval, etc.).

Slocum (1971) implies that intrinsic rewards are associated with the satisfaction of higher order needs and



states firmly that

"Extrinsic rewards, such as pay, promotion, and security...are often primarily associated with satisfaction of the lower order needs discussed by Maslow" (p.312).

Wernimont (1972) says that

"All the intrinsic factors are internal feelings, while extrinsic factors are external situations" (p.173).

Lawler (1970) has drawn a distinction between intrinsic and extrinsic outcomes. Intrinsic outcomes are self-bestowed and are thus more available to the individual while extrinsic outcomes must be mediated through another entity. In addition, intrinsic outcomes are of higher order in terms of Maslow's (1943) paradigm and conform to "psychological needs".

Intrinsic outcomes are defined as follows, in summary:

- (1) derived directly from or inherent in the task or job itself -associated with the content of the task or job,
- (2) administered or mediated by the individual himself -internally mediated or self-reinforcing,
- (3) satisfies higher order (i.e., ego, esteem, or self-actualization) needs,
- (4) subjective or intangible -in the form of "feelings",
- (5) ends in and of themselves -inherently valued for their own sake.

Similarly, extrinsic outcomes can be defined as follows:

- (1) derived from the environment surrounding the task or work -associated with the context of the task or job,
- (2) administered or mediated by the organization or agents of the organization -externally mediated,
- (3) satisfies lower order (i.e., physiological, security, or social) needs,
- (4) objective or tangible -in the form of concrete objects or events,
- (5) means to ends -valued because of what they can lead to or "buy". (Dyer and Parker 1975)

Among industrial and organizational psychologists in general, as well as those most likely to be reporting and reading motivational research, the concepts of intrinsic and extrinsic convey a variety of divergent connotations. This divergency can also be observed when Campbell, Dunnette, Lawler, and Weick (1970) speak of internal-external outcomes; Deci (1972) speaks of intrinsic-extrinsic motivation; and Wahba and House (1974) speak of intrinsic-extrinsic valences. There are also some other variants on these themes. The intrinsic-extrinsic dichotomy, actually, is obviously confusing and possibly unwarranted.

The level of intrinsic orientation in salespeople is related to the extent to which they find their work, the task of selling, inherently interesting and rewarding; the level of extrinsic orientation is related to the extent to which they treat their work as a means for obtaining external rewards such as money, recognition, and promotion. It is noted that intrinsic and extrinsic reward orientations are conceptualized as two dimensions along which rewards can be assessed rather than polar extremes on one dimension. Salespeople can be oriented toward both reward dimensions or neither. (Switzky and Haywood 1974; Weitz, Sujan, and Sujan 1986)

Another theory of motivation, including reward orientations, is Attribution Theory of Motivation. The motivation, as discussed so far, is for increasing the amount of effort expended, i.e. working harder. However, one can also talk about the motivation to change the direction of effort, i.e. working smarter. (Sujan and Weitz 1986) A neglected but potentially important aspect of salesforce motivation is this desire to alter and improve the direction of effort -termed as the motivation to "work smarter".

In this theory, motivation is conceptualized as people's behavioral intentions. Attribution theory of motivation states that humans are motivated not only to maximize rewards but also to "attain a cognitive mastery of the causal structure of their environment". (Sujan and Weitz 1986) Reward orientations affect attributions for failure and success and these attributions affect motivation to work harder or smarter. Effort and strategy are the two behavioral attributions for failure/success considered in this theory. And the two factors that may differentially influence these two attributions are people's intrinsic and extrinsic reward orientations. In this theory, it is assumed that these two orientations operate independently, at least some of the time. (Sujan 1986)

Intrinsic reward orientation (finding one's work inherently rewarding) affects strategy attribution. Intrinsically oriented people learn newer and more complex strategies of working; they accept their failures.

On the other hand, extrinsic reward orientation (obtaining rewards from the environment surrounding one's work, using the work as a means) affects effort attribution. Extrinsically oriented salespeople use tried and tested methods of working to ensure success.

In attribution theory of motivation, intrinsic/extrinsic reward orientations are viewed both as traits and states. They are traits because there are individual differences with

respect to the extent to which salespeople have these orientations when entering organization. On the other hand, they are also states because situational factors faced while working can change these reward orientations (Sujan and Weitz 1986)

West (1987) summarizes four possible explanations of human behavior as being most applicable to salespeople so that the task of stimulating performance is done accordingly:

- (1)Rational man: Everyone is regarded as being mainly driven by financial return or physical well-being, and when adequately compensated will perform well - when not, not.
- (2)Social man: The group predominates. Everyone is controlled by a need to belong and be accepted in the group.
- (3)Self-motivating man: Each individual will set himself/herself achievement goals by which he or she will judge himself/herself.
- (4)Complex man: People will vary initially and over time in their relation to organizational demands. In consequence the employee will acquire new motives over time by learning; simple motives such as financial insecurity will be replaced by others.

West (1987) indicates that the use of a single approach will naturally pose problems especially when a group such as the salesforce is concerned, who both spend large amounts of time unsupervised and also away from the structured environment of the office, in addition to being temperamentally somewhat individualistic as well.

West (1987) notes that interestingly enough the majority of firms tend to support the view of the sales representative as rational man; since basic compensation plans are used as the most popular methods by employers to improve sales performance.

### 1-3\_ Expectancy Theory of Motivation

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 behavior is initiated, directed, and sustained. (Campbell, Dunnette, Lawler, and Weick 1970)

Other theories simply specify identification of the variables that influence behavior, but not the process by which they do it. Expectancy theory is appealing because of its pragmatic usefulness. (Tyagi 1982)



Research interest in salesperson motivation has increased substantially over the last years. This paramount concern of sales managers with motivation is a result of the effect motivation may have on performance. (Walker, Churchill, and Ford 1977)

Most of the empirical work in salesforce motivation has been based on the expectancy model (Vroom 1964) which was used in early salesforce motivation studies to predict performance levels. (Oliver 1974, 1979; Reinbarth and Wahba 1975; Heneman and Schwab 1972; House, Shapiro, and Wahba 1974; Mitchell 1974)

Expectancy or instrumentality-valence theory is perhaps the most widely accepted theory of work and motivation. Expectancy theory has a great deal of potential for understanding job behavior and work motivation.

Of several competing work motivation theories, the expectancy theory has obtained substantial recognition in salesforce management (Churchill, Ford, and Walker 1979; Oliver 1979; Teas 1981; Tyagi 1982; Walker, Churchill, and Ford 1977), mainly because of its ability to predict motivation, performance, and satisfaction successfully.

The expectancy motivation model has received considerable empirical support in tests among nonmarketing employees. (Campbell, Dunnette, Lawler, and Weick 1970; Lawler 1969; Nebeker and Mitchell 1974; Porter and Lawler 1968; Schuster, Clark, and Rogers 1971) Furthermore, Oliver (1974) found considerable support for the expectancy model in tests among industrial personnel.

Expectancy theory as applied to employee motivation is generally attributed to Vroom (1964) although its historical roots are in the works of Lewin (1938) and Tolman (1932) who postulated that organisms develop cognitive expectancies regarding the outcomes of behavior and consequently behave in a manner which is likely to result in preferred outcome states. (See TABLE 1.2- A Summary of the Development of Expectancy Theory)

Thus, it is essentially a process theory in that its focus is on major classes of motivational constructs and the manner in which they interact as opposed to detailing the specific outcomes or needs that presumably motivate behavior. (Campbell, Dunnette, Lawler, and Weick 1970)

Vroom's (1964) theory hypothesizes that employee job performance (P) is a function of the multiplicative interaction between motivation (M) and ability (A). Thus,

$$P = f ( M * A ).$$

The rationale for the implicative relationship is that if an individual is low on either performance component, then his performance must be necessarily low as well.

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

$$M = f ( V_j * E_j ).$$

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 TABLE 1.2- A SUMMARY OF THE DEVELOPMENT OF EXPECTANCY THEORY  
 (Wahba and House 1974)

<u>Concept</u>	<u>Determinants</u>
(1) Expected Value (17th Century's Economics)	[objective probability ( $P_i$ )] [objective value of money ( $\$i$ )]
(2) Expected Utility (Bernoulli 1738; Bentham 1789; Von Neumann and N. Morgenstern 1947)	[objective probability ( $P_i$ )] [subjective value ( $U_i$ )]
(3) Subjectively Expected Money Value (Preston and Barratta 1948; Mosteller and Noguee 1951)	[subjective probability ( $x$ )] [objective value of money ( $\$$ )]
(4) Subjective Expected Utility (Ramsey 1931; DeFinetti 1937; Savage 1954)	[subjective probability ( $E_i$ )] [subjective utility ( $U_i$ )]
(5) Potential for Behavior (Rotter 1954)	The function of behavior $x$ in situational in relation to reinforcement $a$ is a function of the occurrence of reimbursement following behavior $x$ in situa- tional and the value of reinfor- cement $a$ .
(6) Performance Vector (of animals) (Tolman 1955)	The need-push for food ( $nf$ ), the positive valence of expected food ( $vf$ ), the expectation of food ( $expf$ ) the need-push against work ( $n-w$ ), the negative valence of expected work ( $v-w$ ) ( $expw$ )

TABLE 1.2- CONTINUED  
Concept

Determinants

(7) Force (Lewin 1943)	Weighted valence of success at level $n$ $V_n$ (success $A_n$ ) the valence and subjective probability of success at level $n$ . Also similar equation for the weighted valence of failure.
(8) Attitude (Peak 1955)	[instrumentality ( $I$ ) in attaining reward] [the value of reward ( $V$ )]
(9) Resultant Motive (Atkinson 1957)	[expectancy ( $P$ )][motive ( $M$ )][incentive ( $I$ ) value] where incentive values and subjective probabilities are inversely and linearly related (i.e. probability of success $I_s = I - P_s$ and the negative value of failure $I_f = I - P_s$ )
(10) Productivity of workers (Georgopoulos, Mahoney, and Jones 1957)	Perceiving attainment of goal as conditional on path)
(11) Vroom's Models (1964)	
a) Force to perform an act (job effort)	[Expectancy ( $E$ ) that act $i$ will be followed by outcome $j$ ] [(the valence ( $V$ ) of outcome $j$ )]
b) Valence of outcome (job satisfaction)	[(instrumentality of outcome $j$ ( $I_i$ ) for attainment of outcome $k$ )] [(valence of outcome $k$ )]
c) Job performance	[(Force to perform an act or motivation ( $F$ )] [Abilities ( $A$ )]
(12) Porter and Lawler (1967)	Performance ( $P$ ) is a function of the three way interaction among extended effort ( $E$ ), or motivation; ability ( $A$ ) and role perceptions ( $R$ )
(13) Galbraith and Cummings (1967)	
a) Valence of outcome	The valence of an outcome ( $V_j$ ) is a function of the valence acquired through internalized motivation ( $V_o$ ) and the perceived instrumentalities of outcome $j$ in the attainment of externally-mediated outcomes ( $V_{k ijk}$ )
b) Valence of high performance	Performance is a function of the extrinsic rewards and the intrinsic rewards: Ego involvement ( $V_e$ ); Money ( $V_m$ ); fringe benefits ( $V_f$ ); promotion ( $V_p$ ); supportiveness ( $V_s$ ); group acceptance ( $V_g$ ) and their corresponding instrumentalities ( $I$ )

TABLE 1.2- CONTINUED

<u>Concept</u>	<u>Determinants</u>
(14)Grean(1969)	
a)Gain in performance	Gain in performance a)is a function of path-goal utility b)external pressure and c)internal pressure.
b)Gain in satisfaction	The gain in satisfaction $S_n$ is a function of the degree of path-goal utility, the amount of external pressure that is consonant with the given act relative to the total external pressure and the amount of internal pressure that is consonant with the act relative to the total internal pressure.
(15)House(1971)	
Motivation	Motivation to work is a function of intrinsic valence associated with task accomplishment(IVa) and task performance(IVb) and extrinsic valences( $V_i$ ) and the corresponding expectancies( $E_1$ and $E_2$ )
(16)Jacoby's(1974)	
Revised Model	Individuals can respond to questions concerning the significance ( $S_i$ ) of a particular input and also the likelihood( $L_{ij}$ ) that input will influence selection of a behavioral alternative.

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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, or the blocking of undesirable outcomes such as being terminated. The desirability of a job-related outcome  $k$ , 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 is 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  $k$ , and 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  $k$ th outcome and the instrumentality that

performance level j will result in outcome k, summed over all (n) outcomes. Thus,

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

However, an interesting point is that scales measuring expectancies, instrumentalities, and valences lack a rational "zero" point, at best they are interval in nature. Thus, to detect the total amount of motivation, multiplication of these variables may be questioned from a theoretical point. Expectancy theory assumes that an individual mentally multiplies valence and instrumentality to arrive at a motivational force deriving from his desire for or aversion to each outcome. Yet no evidence exists on how individuals actually process valence and instrumentality perceptions. Conceivably this process may be linear as opposed to multiplicative or may be of some other interactive form. (Oliver 1974)

Generally, performance measures are regressed on the valences and instrumentalities of a priori determined outcomes, expectancy, and ability in additive and/or interactive form. (Oliver 1974)

The motivation and performance valence constructs are usually not measured directly because of operational difficulties. While self-reported effort is sometimes used as a proxy for motivation, this variable can be seen as can be seen as completely determined by the antecedent constructs of expectancy theory of motivation.

Multiplicative composites as well as individual components of the expectancy model have successfully predicted work behavior in sales management (Oliver 1974, 1979) and in other job situations. (Galbraith and Cummings 1967; Hackman and Porter 1968; Lawler and Suttle 1973; Leon 1981; Matusi, Okada, and Mizuguchi 1981; Mitchell and Nebekar 1973; Peters 1977; Pritchard and Sanders 1973; Schwab, Olian-Gottlieb, and Heneman 1979; Stahl and Harrel 1981; Vroom 1964)

Following the expectancy theory formulation, salesperson motivation is generally expressed as:

$$M = f \left[ E_j * \sum_{k=1}^n ( V_k * I_{jk} ) \right].$$

n = the number of rewards available in the job situation.

E<sub>j</sub> = Expectancy that one's efforts will result in the attainment of performance level j.

The valence and instrumentality components of an individual's motivation are further divided on the basis of an intrinsic vs. extrinsic outcomes dichotomy.

Intrinsic motivation ( $M_i$ ) is as follows,

$$M_i = f [ E_j * \sum_{k=1}^{n_i} ( V_{ki} * I_{jki} ) ]$$

$i$  = variables related to intrinsic outcomes.

Extrinsic motivation ( $M_e$ ) is as follows,

$$M_e = f [ E_j * \sum_{k=1}^{n_e} ( V_{ke} * I_{jke} ) ]$$

$e$  = variables related to extrinsic outcomes.

Both intrinsic and extrinsic motivations play an important role in influencing salesperson work performance. This is because, in general, salespeople value both intrinsic and extrinsic rewards available in organizational settings. To the extent such rewards are important to salespersons, they are motivated to perform on jobs so that such rewards can be achieved. (Galbraith and Cummings 1967; Walker, Churchill, and Ford 1977)

Regression results indicate that both intrinsic and extrinsic motivation had strong influence on salesperson work performance. Many organizational psychology studies examining intrinsic and extrinsic models have shown that intrinsic outcomes may be as important in predicting satisfaction and performance as extrinsic outcomes. (Graen 1969; Greene 1972; House and Wahba 1972; Mitchell and Albright 1972) Intrinsic motivation as compared to extrinsic motivation has even been shown to produce a relatively greater impact on work performance. These results are consistent with a number of previous studies (Hackman 1977; Hackman and Oldham 1975), where intrinsic motivation was shown to be a more important factor than extrinsic motivation in increasing employee performance.

Recent empirical work has examined antecedents of the three components of the expectancy model of motivation - expectancy, instrumentality, and valence. (e.g. Churchill, Ford, and Walker 1979; Ford, Walker, and Churchill 1985; Ingram and Bellenger 1983; Teas 1981; Tyagi 1982, 1985) (See TABLE 1.3- Statistically Significant Antecedents of Components of Salesperson Motivation)

Walker, Churchill, and Ford (1977, 1985) provide a conceptual framework for researching the motivation of salespeople in the motivation component of their sales performance model. Based on expectancy theory, the model



TABLE 1.3- STATISTICALLY SIGNIFICANT ANTECEDENTS OF COMPONENTS OF SALESPERSON MOTIVATION (Cron, Dubinsky, and Michaels 1988)

Type of Antecedent	Valences		Expectancies	Instrumentalities
	Higher Order	Lower Order		
Individual characteristics	Churchill, Ford, Walker 1979		Teas 1981	Teas 1981
	Age(-)**	Age(+)*	Self-esteem(+)	Internal/external orientation(+)
	Tenure(-)	Tenure(+)	Kohli 1985	
	Unmarried(+)	Married(+)	Self-esteem(+)	
	Education(+)	Family size(-)		
	Family size(-)			
	Ingram, Bellenger 1983			
	Self-esteem(-)	Tenure(-)		
	Tenure(+)	Age(+/-)		
		Education(-)		
		Income(-)		
	Ford, Walker, Churchill 1985			
	Age(-)			
	Tenure(-)			
	Unmarried(+)			
	Family size(-)			
Task characteristics	Tyagi 1982		Teas 1981	Teas 1981
	Job challenge and variety(+)	Job challenge and variety(+)	Task variety and completeness(+)	Task autonomy and significance(+)
	Job importance(+)	Job importance(+)	Task complexity(+)	Task variety and completeness(+)
		Task conflict(-)	Tyagi 1985	Task complexity(+)
		Task conflict(-)		
	Tyagi 1985			Tyagi 1982
	Job challenge and variety(+)	Job challenge and variety(+)		Job importance(+)
		Job autonomy(+)		Task conflict(-)
				Role overload(-)
				Kohli 1985
				Role clarity(+)
Organizational and environmental characteristics	Tyagi 1985		Teas 1981	Teas 1981
	Org. identification(+)	Leadership consideration(+)	Participations in decisions(+)	Leadership consideration(+)
		Perceived inequity(+)	Selling constraints(-)	Participation in decisions(+)
	Ingram, Bellenger 1983		Tyagi 1982	Tyagi 1982
	Promotion rate(-)	Promotion rate(+/-)	Leadership consideration(+)	Leadership consideration(+)
	Salary base(+)	Recognition rate(+)	Org. identification(+)	

TABLE 1.3- CONTINUED

Type of Antecedent	Valences		Expectancies	Instrumentalities
	Higher Order	Lower Order		
	Tyagi 1982 Org. identification(+) Management concern and awareness(+)	Leadership consideration(+)	Management concern and awareness(+) Task conflict(-)  Kohli 1985 Achievement-oriented behavior(+)	Organizational identification(+) Management concern and awareness(+)  Kohli 1985 Leader contingency approving behavior (+) Leader upward influencing behavior(+)

(+) means a positive correlation.

(-) means a negative correlation.





proposes that a salesperson's motivation to expend effort on a given task will depend on several factors.

A salesperson's motivation to expend effort on a given task, then, is determined by three sets of perceptions: (1) expectancies -the perceived linkages between expending more effort on a particular task and achieving improved performance, (2) instrumentalities -the perceived relationship between improved performance and the attainment of increased rewards, and (3) valence for rewards -the perceived attractiveness of the various rewards the salesperson might receive.

Expectancies are the salesperson's perceptions of the link between job effort and performance. Specifically, an expectancy is the person's estimate of the probability that expending effort on some task will lead to improved performance on a dimension. There are two aspects of the subordinates' expectancy perceptions: Magnitude and accuracy. The magnitude of a salesperson's expectancy perceptions indicates the degree to which that person believes expending effort on job activities will influence his or her ultimate job performance. Other things, being equal, the larger a salesperson's expectancy perceptions, the more willing he or she is to devote effort to the job in hopes of bettering performance.

The accuracy of a salesperson's expectancy perceptions refers to how clearly he or she understands the relationship between effort expended on a task and the resulting achievement on some performance dimension. When salespeople's expectancies are inaccurate, they are likely to misallocate job efforts. They spend too much time and energy on activities that have little impact on performance and not enough on activities with a greater impact.

Personal and organizational characteristics affect the magnitude and accuracy of salespeople's expectancy perceptions.

Korman (1971) and Lawler (1970) suggest that the worker's overall level of self-esteem and his perceived competence and ability at performing the necessary tasks will be related positively to the magnitude of his/her expectancy estimates. Research on nonselling personnel supports the hypotheses. (Lawler and Hall 1970; Sims, Szilagyi, and McKemey 1976) The self-esteem and self-perceived ability framework is based on research by Bagozzi (1978) in which self-esteem was dichotomized into generalized self-esteem and specific self-esteem. Generalized self-esteem is defined by Bagozzi (1978) as global self-attributions of overall competence with everyday life situations and broad feelings

of personal regard for the self. Specific self-esteem as defined by Bagozzi (1978) is particular self-attributions and self-regard with respect to actual performance on the job (e.g. perception of ability to achieve one's potential, self-confidence in dealing with customers, and so on). Generalized self-esteem corresponds to Walker, Churchill, and Ford's (1977, 1985) concept of self-esteem. Specific self-esteem corresponds to Walker, Churchill, and Ford's concept of self-perceived ability.

As a salesperson gains experience, he has the opportunity to improve both his skills and his confidence in his ability to perform his job successfully. The relationship between experience and magnitude of expectancy is hypothesized to be positive.

The greater the environmental constraints a salesperson sees as restricting his performance, the lower his/her expectancy estimates will be.

Moreover, as the salesperson gains more experience, his/her expectancy estimates are likely to be more accurate.

A salesperson's expectancies are influenced also by his perceptions of the role demands of his company superiors and his customers. Supervisor's expectancy estimates are often used as the criteria for judging the accuracy of workers' expectancies .

The more closely a sales manager supervises his salespeople and guides their efforts, the more likely it is that those salespeople will hold accurate expectancies.

Like expectancies, instrumentalities are probability estimates made by the salesperson. They are the individual's perceptions of the link between job performance and various rewards. Specifically, an instrumentality is a salesperson's estimate of the probability that an improvement in performance on some dimension will lead to a specific increase in the amount of a particular reward. The reward may be more pay, winning a sales contest, or promotion to a better territory.

As with expectancies, there are the magnitude and the accuracy of the subordinates' instrumentalities. When the magnitude of a salesperson's instrumentality estimates is relatively large, he or she believes there is a high probability that improved performance will lead to more rewards. Consequently, he or she will be more willing to expend the effort necessary to achieve better performance.

The true link between performance and rewards in a firm

is determined by management policies about how sales performance is evaluated and what rewards are conferred for various levels of performance. These policies may be inaccurately perceived by the salespeople. As a result, salespeople may concentrate on improving their performance in areas that are relatively unimportant to management, and they ultimately may become disillusioned with their ability to attain desired rewards.

Besides the firm's compensation policies, other organizational factors and the personal characteristics of the salespeople themselves can influence both the magnitude and the accuracy of their instrumentality estimates.

Compensation plan of the firm has an impact on the magnitude of a salesperson's instrumentality estimates. A salesperson who is compensated largely or entirely by commission is likely to perceive a greater probability of attaining more pay if he improves performance on those dimensions directly related to total sales volume (e.g. increase in total sales, increased % of quota) than the salesperson who is compensated by straight salary. The salaried salesperson is more likely to perceive a greater probability of received increased pay for improving his performance on dimensions not directly related to short-term sales volume (e.g. new account generation, reduction of selling expenses, performance of administrative duties) than the salesperson on straight commission.

The salesperson may be rewarded with many things other than pay, such as promotion, recognition, and feelings of accomplishment. A compensation plan by itself is inadequate for explaining the salesperson's perceptions concerning the linkages between performance and these nonfinancial rewards.

A personality characteristic that has been theoretically and empirically linked to salesforce motivation is the salesperson's locus of control beliefs. (Teas 1981; Walker, Churchill, and Ford 1977)

The locus dimension (Heider 1958) is based on the assumption that an event (such as performance) can be attributed either to those factors internal to the individual (ability, effort, mood, etc.) or to external environmental factors such as task difficulty, luck, unusual help from others.

The concept of locus of control concerns the degree to which the individual believes the events in his or her life are internally (e.g. personally) controlled or externally controlled by forces outside the individual. (Rotter 1966; Sims, Szilagyi, and McKemey 1976; Lied and Pritchard 1976; Teas 1981)

Lawler (1970) and Walker, Churchill, and Ford (1977) hypothesized that salespeople who are oriented toward internal control beliefs can be expected to perceive stronger performance-outcome relationships (instrumentalities) than salespeople who hold external control beliefs. The greater the degree to which a salesperson believes he/she has internal control over his/her life, the more likely he/she is to feel that an improvement in his/her performance will result in the attainment of more rewards.

Empirical evidence support Lawler's (1970) and Walker, Churchill, and Ford's (1977) hypotheses. (Broedling 1975; Lied and Pritchard 1976; Sims, Szilagyi, and McKemey 1976) Teas (1981) also found some support for this hypothesis in an empirical study of industrial salesforce motivation. Moreover, as in previous research on industrial sales personnel, internal-control orientation was found to be positively related to the retail salesperson's instrumentality estimates.

However, there is also a couple of problems with internal locus of control (as well as generalized self-esteem) variable. Internal locus of control (and generalized self-esteem) is not a readily identifiable characteristic. More importantly, both of them are fairly stable characteristics and not easily changeable for motivational purposes.

The longer a salesperson is on the job, the more opportunities he/she has to learn how performance is evaluated and rewarded in his/her firm and the more accurate his/her instrumentality estimates are likely to be.

The more closely the salesperson is supervised and the more influence he has in determining the standards by which he is evaluated and rewarded, the more likely his instrumentality perceptions are to be correct.

These salespeople who perceive considerable role ambiguity are more likely to be uncertain about the linkage between performance and rewards, and to have inaccurate instrumentality estimates.

Though a plethora of research has examined salesperson instrumentalities (Kohli 1985; Oliver 1974; Teas 1981; Tyagi 1982; Walker, Churchill, and Ford 1977), much remains to be learned about this topic. (Cron, Dubinsky, and Michaels 1988)

Valences are the salesperson's perceptions of the desirability of receiving increased amounts of the rewards he or she might attain as a result of improved performance. One

question about valences that has always interested sales managers is whether there are consistent preferences among salespeople for specific kinds of rewards, whether some rewards are consistently valued more highly than others. Historically, many sales managers and most authors of books and articles on motivating salespeople have assumed that monetary rewards are the most highly valued and motivating rewards. They feel that recognition and other psychological rewards are less valued and serve only to spur additional sales effort under certain circumstances. (Haring and Meyers 1953; Smyth 1968)

However, few empirical studies have been conducted to test whether salespeople typically have higher valences for more pay than for other rewards. In studies of Churchill, Ford, and Walker (1979) and Ingram and Bellenger (1983), pay is ranked number one underscoring the well known importance of pay in successful motivation programs. Recognition, job security, and liking and respect are the least preferred rewards in both studies.

One recent study of 106 salespeople in the three industrial products companies supports the conventional view. On the average, these salespeople placed a higher value on receiving more pay than any other reward (Ford, Walker, and Churchill 1984)

But increased pay is not always seen as the most attractive reward by salespeople in all companies. In two large manufacturing organizations who ranked seven different rewards according to their relative attractiveness, one company's salespeople ranked "opportunities for personal growth" as the most valued reward.

There are no universal statements to be made about what kinds of rewards are most desired by salespeople and most effective for motivating them. Salespeople's valences for rewards are likely to be influenced by their satisfaction with the rewards they are currently receiving. Their satisfaction with current rewards, in turn, is influenced by their personal characteristics and by the compensation policies and management practices of their firm.

The relationship between satisfaction and the valence for rewards is different for rewards that satisfy lower-order needs (e.g. pay and job security) than for those that satisfy higher-order needs (e.g. promotions, recognition, opportunities for personal growth, self-fulfillment). Maslow's theory of a need hierarchy (1943, 1970), Herzberg's theory of motivation (1959), and Alderfer's "existence' relatedness, and growth" theory (1969) all suggest that lower-order rewards are valued most highly by workers



currently dissatisfied with their attainment of those rewards. In other words, the more dissatisfied a salesperson is with current pay, job security, recognition, and other rewards related to lower-order needs, the higher the valence he or she attaches to increase in those rewards. In contrast, as salespeople become more satisfied with their attainment of low-order rewards, the value of further increases in those rewards declines.

The theories of Maslow, Herzberg, and Alderfer further suggest that high-order rewards are not valued highly by salespeople until they are relatively satisfied with their lower-order rewards. The greater the salesperson's satisfaction with lower-order rewards, the higher the valence of increased attainment of high-order rewards.

Perhaps the most controversial aspect of Maslow's and Alderfer's theories is the proposition that high-order rewards have increasing marginal utility. The more satisfied a salesperson is with the high-order rewards he or she is receiving from the job, the higher the value he or she places on further increases in those rewards.

Several studies in industrial psychology have provided at least partial support for these suggested relationships between satisfaction and the valence of lower-order and higher-order rewards. (Alderfer 1969; Dackler and Hulin 1969; Lawler and Suttle 1972) Some evidence is equivocal, though, and some propositions -particularly the idea that high order rewards have increasingly marginal utility -have not been tested adequately.

Two studies of valence for rewards conducted among salespeople provide some support for the preceding hypotheses. One survey of salespeople in two manufacturing firms found that salespeople relatively satisfied with current pay (a lower-order reward) had significantly lower valences for attaining more pay than those dissatisfied with current pay. Also, salespeople satisfied with their overall attainment of higher-order rewards had significantly higher valences for more of those rewards than those dissatisfied with their higher-order rewards. Salespeople satisfied with their lower-order rewards, however did not have significantly higher valences for higher order rewards, as the theories would predict. (Churchill, Ford, and Walker 1979) On the other hand, a second study of salespeople in three companies did find that the desire for higher-order rewards like personal growth and promotion was highest among those individuals who were most satisfied with their current pay and other lower-order rewards. (Ford, Walker, and Churchill 1984)

Demographic characteristics, such as age, family size, and education, also affect a salesperson's valence for rewards. At least part of the reason for this is that people with different demographic characteristics are likely to have different levels of satisfaction with their current rewards. Although there is only limited empirical evidence with respect to salespeople in this regard, some conclusions can be drawn from studies conducted in other occupations. (Lawler 1973; Churchill, Ford, and Walker 1979; Ford, Walker, and Churchill 1984)

It is generally true that older, more experienced salespeople obtain higher levels of lower-order rewards (e.g. higher pay, a better territory) than newer members of the salesforce. Thus, it could be expected that more experienced salespeople are more satisfied with their lower-order rewards. Consequently, they also should have lower valences for lower-order rewards, and higher valences for higher-order rewards than younger and less experienced salespeople.

A salesperson's satisfaction with the current level of lower-order rewards may also be influenced by the demands and responsibilities he or she must satisfy with those rewards. The salesperson with a large family to support, for instance, is less likely to be satisfied with a given level of financial compensation than the single salesperson. Consequently, the more family members a salesperson must support, the higher the valence for more lower-order rewards and the lower the valence for higher-order rewards.

Finally, individuals with more formal education are more likely to desire opportunities for personal growth, career advancement, and self-fulfillment than those with less education. Consequently, highly educated salespeople are likely to have higher valences for higher-order rewards. (Churchill, Ford, and Walker 1985)

Several studies have tested the ability of motivation models such as the one outlined by Churchill, Ford, and Walker (1977, 1985) for predicting the amount of effort workers will expend on various job activities. The findings provide positive support for the validity of such expectancy models of motivation, explaining as much as 25 percent of the variation in effort among workers. (Campbell and Pritchard 1976; Churchill, Ford, and Walker 1979)

The salesperson model of performance suggests that motivation is only one determinant of job performance. Thus, it seems inappropriate to use only motivation to predict differences in job performance among workers. Nevertheless, several studies have attempted to do just that, and with surprising success some studies have found that predictions



of workers' motivation to expend effort can explain as much as 40 percent of the variation in their overall job performance. (Campbell and Pritchard 1976; Oliver 1974)

There is evidence that models like Churchill, Ford, and Walker's (1977, 1985) model are valid descriptions of the psychological processes that determine a salesperson's motivation. Moreover, this specific model approaches the question of sales motivation from the perspective of the salesperson himself/herself rather than relying on the perceptions and predictions of sales managers. (See TABLE 1.4- A Summary of Recent Empirical Research on Salesforce Motivation)

However, there is a question of even greater relevance to sales managers as they design effective compensation and incentive programs. The question is how the three determinants of motivation -expectancy perceptions, instrumentality perceptions, and valences for rewards- are affected by (1) differences in the personal characteristics of individuals, (2) environmental conditions, and (3) the organization's policies and procedures. (Churchill, Ford, and Walker 1985)

#### 1-4\_ Salesforce Compensation

The salesperson compensation scheme can fulfill at least three major functions; (1) remunerating the salesperson for his/her work (compensating); (2) inducing the salesperson to devote the largest possible amount of effort to his/her task -in quantity and quality (motivating); (3) channeling salesperson's effort toward various activities according to the objectives and priorities of the firm (directing). (Still and Cundiff 1969)

Research in organizational behavior has shown that money is potential motivator of human behavior which is effective under a wide range of circumstances. (Opsahl and Dunnette 1966)

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 salesforce. (Steinbrink 1978)

Compensation is the most important reward used to motivate salespeople. (Churchill, Ford, and Walker 1979) The compensation program has an important role in the motivation and control of salespeople. (Weitz, Sujan, and Sujan 1986)

TABLE 1.4- A SUMMARY OF RECENT EMPIRICAL RESEARCH ON SALESFORCE MOTIVATION

<u>Author</u>	<u>Theoretical study</u>	<u>Operational Constructs</u>	<u>Results</u>
Wright (1974)	Dependent variables being production volume and goal attainment criterion; independent variables being compensation and incentives; other variables being job outcomes, valence, instrumentality, expectancy, and ability.	Six month production volume; twenty job outcomes (compensation, incentive-type awards, and job dimensions identified by Herzberg); desirability scale for valences; subjective probabilities for instrumentality; chances asked for expectancy; in-house intelligence test for ability.	Expectancy theory proves to be useful in identifying effective motivators, incentive outcomes have motivational implications, some outcomes could be highly desired but be relatively unattainable.
Wright (1981)	The motivational implications of the industrial salesperson's personal characteristics and his or her perceptions of the job, the company's organization, and selling constraints.	Predictor equations for the salesperson's expectancy and instrumentality estimates are tested empirically.	Salesperson's personal characteristics and his or her perceptions of supervisory style, org. communication, job significance and autonomy, job variety and completeness, job complexity and selling constraints are important predictors of salesforce motivation.
Wright (1982)	Organizational climate contributions to salesperson's intrinsic and extrinsic motivation to perform.	Jones, Bruni, Hornick, Sells (1977) questionnaire to measure perceived org. climate (job characteristics, leadership characteristics, and work group characteristics); desirability scale for valence; chances format for expectancy; subjective probabilities for instrumentality.	Climate variables produce relatively stronger influence on intrinsic than extrinsic dimensions of instrumentality and motivation. Among climate variables challenge and variety, job importance and role overload do not significantly influence exp. compo.

TABLE 1.4- CONTINUED

<u>Author</u>	<u>Theoretical study</u>	<u>Operational Constructs</u>	<u>Results</u>
Das(1982)	The prediction of retail salesperson's job-related instrumentality estimates, organizational factors, task characteristics, locus of control, and predictor variable interaction.	I-E scale of Rotter(1966) for locus of control; Leader Behavior Description Questionnaire for leader initiating structure and consideration(Halpin and Winer 1973);Feedback from Agents scale(Hackman and Oldham 1974)for org. feedback;Job Diagnostic Survey Instrument(Hackman and Oldham 1974)for the core task variables;Teas (1981)items developed for probability estimates of instrumentality.	Magnitude of the retail salesperson's instrumentality estimates is positively related to personality, leadership style, communication and task characteristics variables.
Gram and Challenger (1983)	The relationship between personal and organizational characteristics and the attractiveness of various rewards to industrial salespeople.	Thermometer scale of Churchill, Ford, and Walker (1979)for valence scores; Career Development Inventory of Zelkowitz(1975)for vocational maturity; Bagozzi(1976)scale of specific self-esteem.	Significant relationships are found between such predictor variables as age, job tenure, income level, specific self-esteem, compensation plan base, promotion opportunity rate and recognition rate and valences for various rewards. Org. variables are found more promising.
Ford, Churchill, and Walker(1985)	The effects of a large number of personal characteristics such as life-style and career variables and personality traits on valences for rewards.	Thermometer scale for valence scores;multiple choice questions for demographic, life-style, and career cycle characteristics;Ghiselli Self-Description Inventory (1971)for general self-esteem and need for occupational achievement and self-actualization.	Salespeople are motivated by money even at the later stages of their careers;high order rewards are most attractive to salespeople in early stages of their career;psy. charac.didnot have any sig.impact on reward valences;

BLE 1.4- CONTINUED

<u>Author</u>	<u>Theoretical study</u>	<u>Operational Constructs</u>	<u>Results</u>
			valence for recognition was consistently low.
yagi(1985)	The relative importance of key job dimensions and leadership characteristics in enhancing salesperson motivation and work performance.	Hackman and Oldham(1980) instrument for job dimensions; Jones, Bruni, Hornick, and Sells(1977) instrument for leadership behaviors; Churchill, Ford, Walker(1979) thermometer scale for valence measurement; chances format for expectancy and instrumentality.	Key job dimensions are more instrumental in enhancing work motivation; and leadership behavior more influential in effecting extrinsic motivation.
ujan(1986)	Smarter and harder components of salesperson motivation are examined; influence of intrinsic and extrinsic reward orientations on attributional styles is also examined.	Measures constructed for reward orientations; asking subjects to integrate across their experiences and produce general explanations for attributional styles; behavioral intentions for motivation.	A tendency to attribute failures to poor strategies motivates salespeople to work smarter, whereas a tendency to attribute failures to insufficient effort motivates salespeople to work harder.
ron, ubinsky, and ichaels(1988)	How the three elements of the expectancy model differ across four career stages-exploration, establishment, maintenance, and disengagement.	Career Development Adult Form(Super 1957)to measure a salesperson's career stage; thermometer-type scale(Churchill, Ford, Walker 1979)for valence; chances asked for expectancy estimates; chances asked for instrumentality estimates.	Exploration-stage salespersons do not feel that they will be rewarded for being effective performers; for many establishment-stage sales personnel, promotion is an important aspect of personal success; individuals in the maintenance stage are not passive; people in the disengagement stage have the lowest instru. estimates.

Most textbooks on sales management devote a considerable amount of space to the description and evaluation of the major components of motivation or "the motivational mix". (West 1987) Generally included are (1) salary, commission, and/or bonus, (2) fringe benefits, (3) expenses, (4) competition within the group, (5) awards. Occasionally included -but often considered to lie outside the mainstream "financial" rewards -are items that are discussed elsewhere, namely: (6) promotion prospects, (7) information-meetings, conventions, (8) appraisal, managerial involvement in the job performance, (9) additional training. The development of the salary or "compensation" package is generally considered to be of prime importance, indeed is often regarded as the be-all and end-all of motivation. (West 1987)

Compensation is a measurable amount sought and evaluated by the salesperson and his family, for this amount determines the family standard of living. It contributes to the happiness and welfare of the recipient and establishes him in society. It is a measure of progress revealed by a rising standard of living, by freedom from pressing monetary worries, and by acceptance in the community. In an economic sense, compensation measures salesperson's worth to his employer. (Webster 1976)

Stanton and Buskirk (1974) indicates that a firm may compensate its salespeople for their efforts in two major ways: One is financial and the other is nonfinancial. Financial remuneration may be in the form of direct payment of money, or it may be an indirect monetary reward such as paid vacations, company-financed insurance or retirement programs. Nonfinancial rewards include satisfying or at least attending to a salesperson's need for opportunity to advance in the job, recognition, both inside and outside the company, and self-respect.

A firm's compensation policy can be broken into three independent dimensions for purposes of analysis: (Baker, Jensen, and Murphy 1988) (1)The level of compensation -the expected total cost of the pay package to the employer, or the expected total value of the pay package to the employee. It determines the quality and quantity of workers an organization can attract; in order to hire a worker a firm must offer at least the worker's opportunity cost or reservation utility; (2)The functional form of compensation - provides the definition of the relation between pay and performance and the definition of performance. While the level of compensation determines who the firm can attract, the functional form determines how the employees perform once they are hired. The functional form provides the performance incentives for employees; (3)The composition of the pay package defines the relative amounts of the components of the



pay package, such as cash composition, fringe benefits, quality of the working environment, relationships with co-workers, leisure, etc.

A good compensation plan can do much to develop a highly productive salesforce, because it will help to instill in the salespeople a high degree of morale and industriousness. (Stanton and Buskirk 1974)

Two examples of dilemmas in the compensation are (1) sales executives want a plan that will maximize the salespeople's income and minimize the company's outlay; (2) sales executives also want one plan to give the salespeople security and stability of income as well as much incentive. In each situation, the desires are diametrically opposed to each other. (Stanton and Buskirk 1974) Thus, an important management need is to relate the salesperson's compensation to his overall performance in support of the company's strategic objectives. (Vajta 1985)

A good pay plan should act as an unseen supervisor of the salespeople by enabling management to control and direct their activities. This means motivating salespeople to ensure a fully balanced selling effort. (Stanton and Buskirk 1974)

An ideal compensation plan for salespeople provides both a regular, steady income and an incentive income. In practice the companies develop a compromise structure. (Stanton and Buskirk 1974)

When the job of salespeople in the field is considered, it can be seen that they face direct and aggressive competition daily. Rejection by customers is a constant negative force. Success in selling demands a high degree of self-discipline, persistence, and enthusiasm. As a result, salespeople need extraordinary encouragement, incentive, and motivation in order to function effectively. (Steinbrink 1978)

A properly designed and implemented compensation plan can provide most of these encouragement, incentive, and motivation. Moreover, a good plan attracts good salespeople in the first place and then keeps them producing at increasing rates.

Basic compensation plans are summarized through a survey of discussions in Stanton and Buskirk (1974), Steinbrink (1978), Storholm (1982), Webster (1976), and Churchill, Ford, and Walker (1985).

Three basic compensation plans are available to sales management: salary, commission, and combination (salary plus

incentive) plans.

(1) Salary plan:

This kind of plan, in which salespeople are paid fixed rates of compensation, may also include additional compensation in the form of discretionary bonuses, sales contest prizes, or other short-term incentives. The plan works well when the main objective is missionary work or requires a lot of time for prospecting or if the salesperson's primary function is "account-servicing". Secondary objectives of increasing sales from existing accounts and opening new accounts require special incentive treatment.

The salary plan is appropriate where it is difficult to evaluate who really makes the sale, where a salesperson's contribution can not be accurately separated from the efforts of others in the company such as inside personnel and technical service persons. When management finds it difficult to develop adequate measures of performance against which an equitable bonus or commission can be paid, a salary plan is desirable.

The salary plan has advantages for both salespeople and their companies because it:

- (1) assures a regular income
- (2) develops a high degree of loyalty
- (3) makes it simple to switch territories or quotas or to reassign salespeople
- (4) ensures that nonselling activities will be performed
- (5) facilitates administration
- (6) provides relatively fixed sales costs

The salary plan does have disadvantages in that it:

- (1) fails to give balanced sales mix -because salespeople concentrate on products with greater customer appeal
- (2) provides little, if any, financial incentive for the salesperson
- (3) offers few reasons for putting forth extra effort
- (4) favors salespeople who are the least productive
- (5) tends to increase direct-selling costs over other types of plans
- (6) creates the possibility of salary compression where new trainees may earn almost as much as experienced salespeople.

(2) Commission plan:

In this type of plan, salespeople are paid in direct proportions to their sales. Such a plan includes straight commission and commission with draw. The plan works well at the start of a new business where the market possibilities



are very broad and highly fragmented.

When management desires to maximize incentive, regardless of compensation levels in other company functions, or prefers a predictable sales cost in direct relationship with sales volume, the commission plan is appropriate.

Following are the advantages of the straight commission plan:

- (1) pay relates directly to performance and results achieved
- (2) system is easy to understand and compute
- (3) salespeople have the greatest possible incentive
- (4) unit sales costs are proportional to net sales
- (5) company's selling investment is reduced.

The disadvantages of this plan are:

- (1) emphasis is more likely to be on volume than on profits
- (2) little or no loyalty to the company is generated
- (3) wide variances in income between salespeople may occur
- (4) salespeople are encouraged to neglect nonselling duties
- (5) some salespeople may be tempted to "skim" their territories
- (6) service aspect of selling may be slighted
- (7) problems arise in cutting territories or shifting salespeople or accounts
- (8) pay is often excessive in boom times and very low in recession periods
- (9) salespeople may sell themselves rather than the company and stress short-term rather than long-term relationships
- (10) highly paid salespeople may be reluctant to move into supervisory or managerial positions
- (11) excessive turnover of sales personnel occur when business turns bad.

If a commission plan is desired, the disadvantages can be offset by adding some elements of guarantee to the compensation package, especially for new salespeople. This can include guaranteeing a monthly minimum income, generous draws, and starting new people on a salary-plus-commission plan until commissions reach a desired level. The effect of possible personal economic fluctuations can be balanced by strong security-oriented fringe benefit packages including surgical and medical insurance, and educational assistance. These stabilizing elements may help in recruiting and keeping salespeople.

(3) Combination plan:

This type of plan includes all variations of salary plus other monetary incentive plans. The variations include base salary plus commission on all sales, salary plus bonus on sales over quota, salary plus commission plus bonus and so on.

There are many sound reasons for installing salary-plus-incentive plan. It permits greater incentive than a salary or commission plan and provides better control of the incentive or variable income than is possible with the commission plan. Also much greater degree of flexibility with a wide variation in incentives to work with allows management to develop practically tailor-made plans for each salesperson.

But, these plans have liabilities, too salary-plus incentive plans tend to be more complex than the two other methods. Thus, they involve more paperwork, control, and administrative work. They need more frequent revision because of the interaction of the elements that comprise the total plan.

The most important determination in building a sound salary-plus-incentive plan is the split between the fixed portion (salary) and the variable portion(incentive). The split is usually determined on the basis of historical sales performance and compensation records. Competitive analysis of other company programs, the base salary needed to keep good men, and an estimate of incentive potential may also be considered. Ceiling on incentive payments are usually part of combination plans.

In the incentive portion of the combination plan, three basic forms of rewards can be considered: a commission, a bonus, and a commission plus bonus.

Commission incentives are the most popular. Companies pay by one or more of these typical methods:

- (1)a fixed commission on all sales
- (2)at different rates by product category
- (3)on sales above a determined goal
- (4)on product gross margin

One great advantage of the commission incentive is the frequency and regularity of the reward, usually monthly. Salespeople are more quickly motivated to keep or exceed performance levels with the rapid tie-in between performance and reward.

Bonus incentives are usually paid as a percentage of salary and vary by goal performance levels. Bonuses are paid on a variety of sales results but gross margin goals are used most frequently. Other factors used as a measure for bonus goals are market share, product mix, new accounts, nonsales activities, higher unit sales and increased sales from existing accounts. Some companies simply make bonus arrangements on a discretionary basis.

A bonus incentive plan is more difficult to establish

and administer than a commission incentive. Also, rewards paid on a quarterly basis are not as effective motivators as weekly or monthly commission payments.

Another variation of the combination plan is one which pays salary, commission, and bonus. While this approach offers more flexibility than the other two types, it is more complex and more difficult to administer than any other plan.

Advantages are that the combination plans:

- (1) offers participants the advantages of both salary and commission
- (2) provides greater range of earnings possibilities
- (3) gives salespeople greater security because of steady base income
- (4) makes possible a favorable ratio of selling expense to sales
- (5) compensates salespeople for all activities
- (6) allows a greater latitude of motivation possibilities so that goals and objectives can be achieved on schedule.

Disadvantages are that the plan:

- (1) is often complex and difficult to understand
- (2) can, where low salary and high bonus or commission exist, develop a bonus that is too high a percentage of earnings; when sales fall, salary is too low to retain salespeople.
- (3) is sometimes costly to administer
- (4) can, unless a decreasing commission rate for increasing sales volume exists, result in a "windfall" of new accounts and a runaway of earnings.
- (5) has a tendency to offer too many objectives at one time so that really important ones can be neglected, forgotten, or overlooked.

As a summary, seven distinct varieties of compensation are (1) straight salary, (2) straight salary and discretionary bonus, (3) straight commission, (4) commission and bonus, (5) salary and commission, (6) salary and bonus, (7) salary and commission and bonus.

Stanton and Buskirk (1974) indicate that a greater and greater proportion of firms are using a combined basic salary and commission or bonus system; the numbers using either straight salary or straight commission have been steadily declining. (See TABLE 1.5- Characteristics of Compensation Methods for Sales Personnel)

Baker, Jensen, and Murphy (1988); Weitz, Sujana, and Sujana (1986) and Storholm (1982) have all emphasized and discussed the complex relationship between money and motivation. There is some evidence that most sales managers tend to place money near the top as a motivator. Yet most

behavioral scientists tend to assign it a low priority on the scale of motivating factors. Some emphasize that the place of money as a motivator depends entirely upon the individual.

One perception of money is as a "hygienic" factor in Herzberg's motivational scheme. What may really be needed by the salesperson often may not be met by increased income. Instead of more money, perhaps the salesperson needs more challenge on the job or even a more "interesting" sales territory. In a situation of this type, money does not act as a long-term motivator.

Another perception of money is as a "scorecard" of how well an individual is performing. In this case, if the salesperson perceives himself/herself as being in competition with peers, with an established earnings quota, or even with himself or herself, money might very well provide a strong motivating force. In this case, the money's importance is not what it can buy, but its indication of professional standing. This factor can be a much more powerful motivator than the actual value of the money.

In many cases, it is difficult for a sales manager to determine how important money is to individual salespeople as a motivating force. Because of the traditional emphasis on monetary income, as a measure of success in sales, the salesperson's customary role virtually requires him or her to place emphasis on the importance of money. In any sales organization, the acquisitive or "hungry" salesperson is perceived by management to represent the norm. Any utterances that tend to downgrade the importance of money are viewed with suspicion; if not with outright alarm. As a result, the sales manager must often make the assumption that the salesperson places great importance upon money as a driving force when there may in fact be other factors that would have a greater motivating effect. Thus, it is unwarranted for sales managers to assume that money itself will act as a consistent motivator of salespeople. (Storholm 1982)

#### 1-5\_ Incentives

Other policies besides direct compensation have an impact on both the salesperson's total pay package and the company's financial position. These are sales incentive plans. (Steinbrink 1978)

The most popular motivating tools are sales incentives. Incentives have increased importance because they are cost effective relative to other motivators; salespeople want more

TABLE 1.5- CHARACTERISTICS OF COMPENSATION METHODS FOR SALES PERSONNEL (Churchill, Ford, and Walker 1985)

Compensation Method	Frequency of use	Especially useful	Advantages	Disadvantages
Straight salary....	18%	When compensating new salespersons; when firm moves into new sales territories that require developmental work; when salespersons need to perform many nonselling activities.	Provides salesperson with max. amount of security; gives sales manager large amount of control over salespersons; easy to administer; yields more predictable selling expenses.	Provides no incentive; necessitates closer supervision of salespersons' activities; during sales declines, selling expenses remain at same level.
Straight commission..	9%	When highly aggressive selling is required; when nonselling tasks are minimized; when company cannot closely control sales force activities.	Provides maximum amount of incentive; by increasing commission rate, sales managers can encourage salespersons to sell certain items; selling expenses relate directly to sales resources.	Salespersons have little financial security; sales manager has minimum control over salesforce; may cause salespeople to provide inadequate service to smaller accounts; selling costs less predictable.
Combination.....	73%	When sales territories have relatively similar sales potentials; when firm wishes to provide incentive but still control sales force activities.	Provides certain level of financial security; provides some incentive; selling expenses fluctuate with sales revenue; sales manager has some control over salesperson's nonselling activities.	Selling expenses less predictable; may be difficult to administer.



non-monetary recognition; and competition is a more significant motivator. (Couretas 1985)

Incentives have psychological implications, too; since behavior that is rewarded is behavior that is learned and that persists. Behavior that is not rewarded is not learned and does not persist. This is called "reinforcement". There has been more research done on this issue than anything else. It is one of the clearest principles established in psychology. If one wants people to behave in a certain way, one reinforces that behavior by rewarding it. The reward system for humans is quite complex. Escaping pain, avoiding punishment -the pain of being fired, for example- is also a reward, a negative reinforcement. The literature suggests that one can induce behavior more quickly by getting people to avoid pain. But if one wants more lasting change, positive rewards work best.

Thus, special incentive programs can be a powerful tool for building motivation to achieve important sales and marketing objectives. Walton (1986), Urbanski (1986), and Couretas (1985) indicate the reasons for using and not using sales incentives. Reasons for using incentives include to produce a short-term surge in overall volume, to achieve long-range sales gains, to provide short-term emphasis on the sale of specific products, to emphasize sales to specific customers, to improve salesforce morale, to open new accounts, to launch new products, to promote dealer activity, to revive old products, to boost recession-period sales, to increase awareness of company name, and to match competition's program. And the reasons for not using incentives include not to feel they are necessary, to find them against company policy, to find them too costly, too time consuming, and difficult to administrate, to feel that they are unfair and not liked by salespeople, and to think that they do not accomplish the objectives.

Moreover, some important criteria for incentive awards that are mentioned in the survey of Employee Motivation Practices of Incentive Magazine (1990) are individual achievement, top performers only, department/team competition, supervisor evaluation, and improvement of individual record.

Shlomo (1985) indicates that success in selling products or services demands from the salesperson a high degree of self-discipline, persistence, and enthusiasm. Therefore, a salesperson needs intensive encouragement in order to follow the company's objectives and pursue his job effectively. Steinbrink (1978) also indicates the unique aspects of the salesperson's job: limited personal contact with the managers; extended periods of travel which brings loneliness

and inconvenience; decisions that require a high level of motivation (when to make the first call of the day, how many calls to make, objectives to be achieved on each call, when to quit for the day).

Motivation calls for creating a climate in which the salesperson can motivate himself with the incentives provided by management. Just as incentives are used for encouraging employees in operational areas to improve their performance, so are incentives used for salespersons. (Steinbrink 1978; Shlomo 1985)

Webster defines "incentive -that which incites, or tends to incite, to determination or action; motive; spur". And American Machinist defines "incentive -something designed to stimulate greater response in a certain direction through providing a reward, in this case a financial reward, for accomplishments better than fair, reasonable norm or standard". (Britton 1953)

The literature on incentives is summarized from the discussions of Britton (1953) and Steinbrink (1978).

There are three main classes of incentives: (1)direct financial incentives; (2)indirect financial incentives, and (3)non-financial incentives.

(1)Direct financial incentives:

Direct financial incentives include (a)wage incentive plans, which offer opportunity for greater earnings through extra output, and (b)other plans such as supervisory and executive incentives, profit sharing, bonuses, and stock ownership. While the rewards may be removed from the period of performance (as is the case in most profit-sharing and bonus plans), their purpose is extra pay for extra output.

Direct financial incentives tie the worker's pay directly to output. They may be either individual or group incentives. Moreover, the awards that are most favored in contests are money, trips, and merchandise. A successful sales contest should include the basic elements such as well-defined objectives; simple rules; short duration; goals attainable by most salespeople; inclusion of wives and families, when possible; follow-through program to sustain enthusiasm.

(2)Indirect financial incentives:

Indirect financial incentives include fair rates of pay, equitable pay classification systems, sound promotional policies and fringe benefits. Since they apply to the



employees generally and are not tied to an employee's individual work, it is hard for the employee to see their relationship to himself/herself and his work. The reward is extra money that may be forthcoming sometime in the future. Indirect financial incentives may be said to improve employee output negatively; that is, where they do not exist, morale and productivity suffer.

Fringe benefits include the cost of maintaining medical, accident, life, and dental insurance programs on a personal basis; paying up the costs of personal use of the company or leased car, and memberships; educational expense assistance; reimbursement of moving expenses, etc. Thus, fringe benefits constitute an important part of the "total income" of every company employee, including the sales force.

(3) Non-financial incentives:

Non-financial incentives emphasize and dignify the individual. Non-financial incentives encourage the employee to become creative, to take pride in his/her work, to become an efficient person, and to approach his/her job with a positive and aggressive attitude. Non-financial incentives differ from indirect financial incentives in that the rewards have absolutely no relationship to pay. Non-financial incentives are difficult to define. Almost any company action to benefit its employees in other than financial ways could be considered a non-financial incentive.

Techniques that principally provide salespeople recognition, status, and a sense of group belonging are generally referred to as "psychic income".

Over the years, as the role of the salesperson has been redefined and enlarged, many companies have conferred more meaningful titles on members of their sales forces to improve their status with customers, to give them personal status symbols, and to more aptly describe their functions. Companies commonly use such titles as regional, area, or zone manager, field sales engineer, account executive, and staff associate. Individual telephones, names on doors and desks have also been recognized as important status symbols which identify the employee as an individual.

The granting of praise and recognition is an inexpensive but effective tool for motivating employees to better job performance. Under this heading comes another inexpensive tool, interest in the individual, his/her family, his/her outside activities, and problems. Other productive ways to recognize individual good performance or encourage effectiveness are distinguished salesperson awards, honorary job titles, publicity, personal letters or telephone calls of

commendation, face-to-face encouragement, and individual help with responsibilities.

A private talk between the salesperson and the supervisor can do a great deal to encourage the salesperson toward greater effort. It individualizes the salesperson and indicates the supervisor's and the firm's interest in him. Private talks particularly help in dispelling unfavorable attitudes -the salesperson's lack of confidence, a belief he/she is not liked, a feeling of discrimination.

In-group spirit can be fostered through many ways. It can be encouraged through the promotion of company social events, inter-company sports, retirement dinners, banquets for having met quotas, annual company holidays, family days, etc. All of these can be bolstered by the use of the company publication and other communication media.

Non-financial incentives have proved valuable in increasing the employee's desire to work and improving his/her attitude toward his/her job. All these broad nonfinancial methods of motivation are inexpensive and convey a sense of personal communication that salespeople value highly.

A man's time, his presence on the job, a measured quantity of work may be bought. Job satisfaction, enthusiasm and pride in work, impossible to buy, can be developed only by an enlightened management constantly striving to find methods for creating teamwork. Measurement of success in money alone will not insure favorable employee attitudes. Most men are motivated by more than money. Being on the right job, having a good working spot, and receiving recognition for work well done, are all important non-financial incentives.

The supervisor's role in the function of incentives is obvious. James F. Lincoln (1951) lists three important reasons why incentive plans fail:

- Lack of understanding on the part of management of the human urges involved
- Lack of honesty of purpose on the part of management
- Lack of ability on the part of management to make the team and do its part to the extent that the worker accepts management as a teammate.

Thus, it is important to note the limitations of sales incentive plans. First of all, sales incentives cannot replace management control; rather an incentive plan can only aid management in doing its job. Incentives alone will not motivate a mediocre sales force to be a high performing sales force. The overall organizational climate as well must be

structured so as to achieve maximum motivation. Such factors affecting this climate include peer recognition, perception of career opportunities, respect for company products, management appreciation, sense of accomplishment obtained from meeting objectives, and company image. (Shlomo 1985)

#### 1-6\_ Industries Worked On and Salesforce Satisfaction Research of the Researcher (1990)

The researcher has chosen four distinct industries in Turkey with different characteristics related to the topic of this research.

Three industries are analyzed only through qualitative research, namely banking, insurance, and consumer goods industries. Banking industry is chosen because in the last decade in Turkey, this service industry has shown a great improvement regarding marketing view in operations. The banks have shown a great interest in the motivation of their employees to improve their relationships with their customers.

On the other hand, insurance industry is a very young industry in Turkey at its pioneering stage. Thus, the insurance firms are assumed to have a different view with respect to the motivation of their employees in the field.

Another industry analyzed is consumer goods industry, which is quite established in Turkey. However, the interesting point with respect to this industry is the different distribution channels involved in and dealer activity. In this industry, salespeople have most of the time no face-to-face contact with ultimate consumers, but with dealers.

The fourth industry chosen is the pharmaceutical industry. Three firms in this industry are interviewed qualitatively; moreover, the quantitative research of this study is accomplished in an another pharmaceutical firm in Turkey.

The information about the pharmaceutical industry, good manufacturing practices in this industry and principles of pharmaceuticals promotion is obtained from Pharmaceutical Manufacturers' Association (1990, 1992)

Moreover, the researcher has accomplished two studies in 1990 regarding the pharmaceutical industry in Turkey. The information and the findings from these two studies are also utilized.

One of these studies is a research on "salesforce satisfaction in a pharmaceutical firm" in Turkey. (Oztunc and Pekerkan 1990)

Some important findings and comments from this study are summarized below. Later on, some of these findings will be used for comparison purposes.

\*In some specific industries, salesforce management is more essential due to sectoral factors. The pharmaceuticals industry is one of these industries and its salesforce personnel, namely "detailmen" are to visit doctors and pharmacies to create goodwill, good company image, and brand awareness, to inform the customers (i.e. in short to do missionary selling)

\*It is clear that these salespeople's performance and job satisfaction are quite important for the whole organization's activities and success.

\*Salespeople's feelings about management, interpersonal relationships, job performance, and job satisfaction are evaluated.

\*Supervisory variables like role consideration/closeness of supervision and influence over standards and interpersonal variables like role ambiguity and role conflict and these variables' relation to job satisfaction are analyzed.

\*Specific self-esteem and job experience variables are analyzed as moderating variables.

\*Job satisfaction is analyzed as the dependent variable. Job satisfaction relies on six organizational climate factors as the job itself, fellow workers, supervision, company policy and support, pay/compensation, promotion and advancement.

\*It is seen that in the specific self-esteem measure the majority find one's self quite well compared to other sales representatives. Comparing the relative means, it is seen that salespeople find themselves quite well or very well on the following dimensions compared to other salespeople:

	<u>Mean*</u>
Relations with doctors/pharmacies	4.155
Sales performance	4.018
Management of time	3.891
Ability to reach quota	3.845
Knowledge of company/competitor products;doctor/pharmacist needs	3.745

\*5-point scale;1:not at all sufficient..5:very sufficient

\*The salespeople are relatively satisfied with the job itself; supervision and their fellow workers. However, they are comparatively less satisfied with promotion and advancement, company policies and support (sales promotion, sales training programs, etc.) and pay and compensation. The relative means are as follows:

	<u>Mean*</u>
"The job"satisfaction	4.682
"Supervision"satisfaction	4.316
"Fellow workers"satisfaction	4.277
"Promotion & advancement"satis.	3.325
"Company policies & support"satis.	3.262
"Pay & compensation"satisfaction	3.060

\*5-point scale;1:Always false..5:Always true

\*It is seen that the total population, on the average, has positive perceptions about role consideration/closeness of supervision, and influence over standards. They perceive no role ambiguity and no role conflict in the firm. Comparatively, they feel role conflict much more than role ambiguity.

\*They are least satisfied with pay and compensation. 49.1% of the population believes that their pay is not high in comparison with what others get for similar work in other companies.

\*The greater the role consideration/closeness of supervision is, greater overall job satisfaction salespeople have; the salespeople are more satisfied with their supervisors in the firm.

\*The greater the influence salespeople have on determining standards, higher is the job satisfaction they perceive. The lower the role ambiguity and role conflict they perceive in the firm, the greater is total job satisfaction they feel.

\*There is no significant difference among the seven district groups, salespeople from different educational levels, and salespeople who have spent different amounts of time as people in selling career with respect to total job satisfaction.

The above findings and the extensive literature on motivation, salesforce motivation, compensation, and incentives are utilized as a strong and valid basis for this research.



## CHAPTER TWO

### RESEARCH DESIGN AND METHODOLOGY

#### 2-1\_ Research Objectives

The purpose of this research is to enlighten the salesforce motivation literature further by focusing on one comprehensive model of salesforce motivation. This model is used for a case study in the Turkish pharmaceutical industry.

Expectancy theory of salesforce motivation with its components is applied to detect the salesforce motivation in a pharmaceutical firm and the results are to be compared with direct measures of motivation.

Moreover, to expand the elementary motivation model in terms of more basic dimensions of behavior, the determinants of the expectancy theory components are investigated, mostly focusing on personal characteristics. However, one organizational characteristic, "compensation plan of the firm", is modified to be a personal characteristic, "compensation plan base preferences of the salesforce members". The personal characteristics are especially emphasized since recognizing the needs, wants, and desires of salespeople through individual factors is quite a primary task.

A special emphasis is also laid upon as an important part of basic compensation plans, i.e. "incentives". The preferences of salesforce members among several incentives and criteria for incentive awards are analyzed to establish an implicative relationship with the reward system emphasized in the expectancy theory of motivation.

A secondary purpose of the research is to justify the impact of regional differences on the motivation of a salesforce. As a case study, seven different regions where a pharmaceutical firm's salesforce operates are compared with respect to the motivational variables and preferences for incentives.

The field study of the research is not limited to only the pharmaceutical industry or only one firm. Motivation, compensation, and incentive practices of some firms in banking, insurance, pharmaceutical, and consumer goods industries are also explored and incorporated to the research through a qualitative study of personal interviews with sales, marketing, promotion, and training managers of these firms.

Thus, the research design is both exploratory and descriptive since "motivation" concept, a measurement process, several motivational components, direct measures of motivation, regional differences in motivation, and practices in other floors are explored to enlight the literature further and to bring out future research opportunities on one hand and since several hypotheses regarding motivational variables are set and tested in the quantitative study. In view of both quantitative and qualitative studies, the research design appears to be a cross-cut of both exploratory and descriptive characteristics.

## 2-2\_ Theoretical Framework

Having the research objectives strongly in mind, the research is tried to be established on a strong, theoretical basis. The extensive literature on theories and models of motivation, and especially on expectancy theory of motivation provides that strong base.

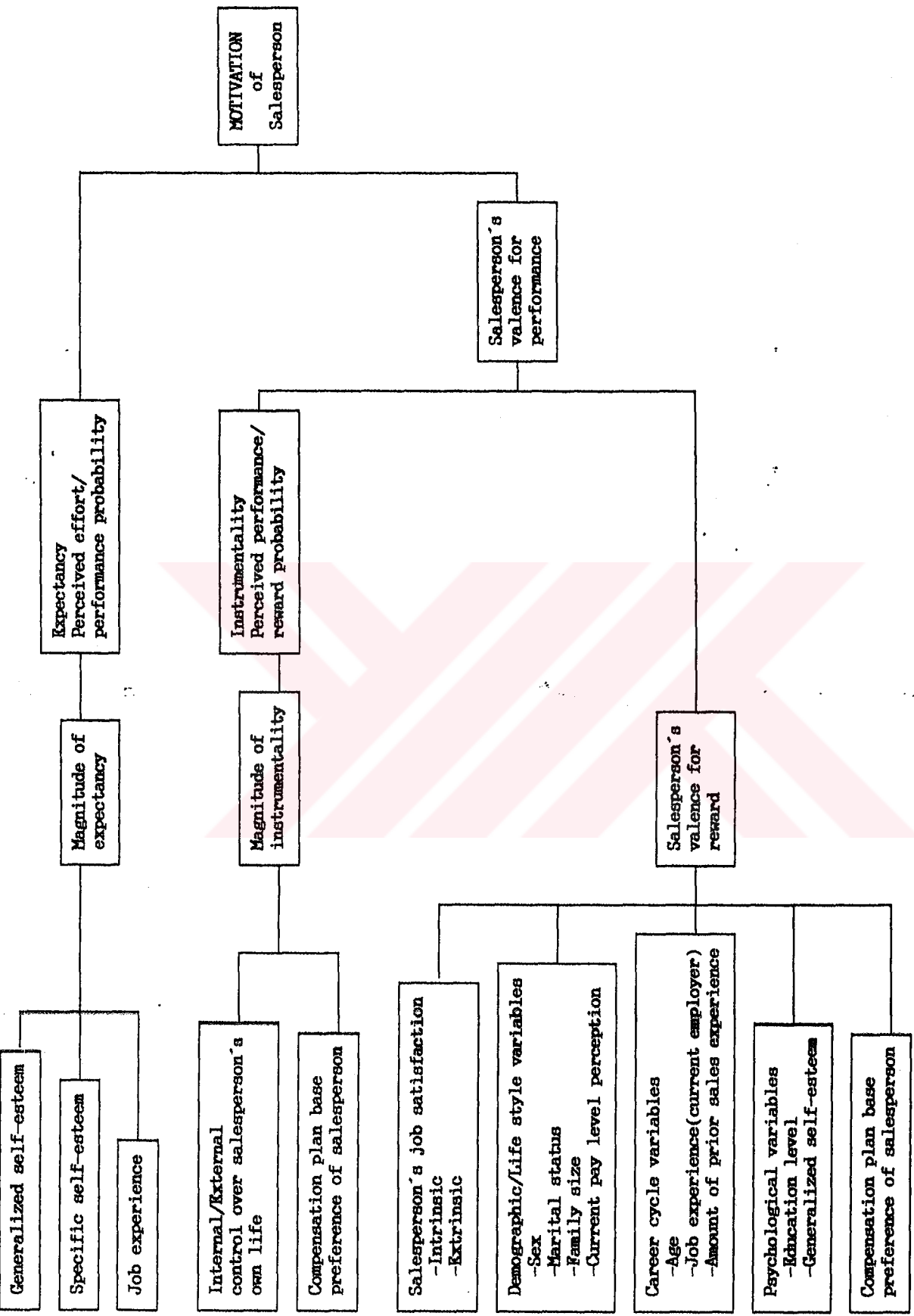
The theoretical framework is mainly founded on Walker, Churchill, and Ford (1977) and Churchill, Ford, and Walker (1985) model of salesforce motivation. This model is utilized as a framework as originally as possible. However, some necessary modifications are also made. (See FIGURE 2.1-Expectancy Theory of Motivation (The Components and the Antecedents))

As a major modification, organizational, environmental, supervisory, and aptitude variables are not included in the framework. Some of these variables such as "role consideration/closeness of supervision", "influence over standards", "role ambiguity", "role conflict" were used in a previous research on "salesforce satisfaction in a pharmaceutical firm". (Öztunç and Pekerkan 1990) Thus, the special attention of this research is given to personal characteristics, which are harder to measure, but have also important implicative power.

Another modification is with the components of expectancy theory in this model. In the model of Walker, Churchill, and Ford (1977, 1985), accuracy of expectancy and instrumentality variables is also included as determinants of components of expectancy theory. However, due to the necessity for measuring the accuracy through comparing perceptions of sales, district, managers and salesforce members, these variables are excluded for simplicity purposes.

Another important modification is with an organizational





\* Based on the model of Walker, Churchill, and Ford(1977) and Ford, Churchill, and Walker(1985)

characteristic revised to be a personal characteristic due to the characteristics of the sample. "Compensation plan of the firm" as a determinant of "magnitude of the instrumentality" is modified to be "compensation plan base preference of salesperson" since the research sample is taken to be a specific firm's salesforce members which are all compensated under the firm's basic compensation plan, but may have different preferences for compensation plan base that is hypothesized to influence the magnitude of their instrumentalities.

As for the determinants of the valence component, most of the personal characteristics analyzed in Ford, Churchill, and Walker (1985) are incorporated from Walker, Churchill, and Ford (1977) model of salesforce motivation. It is important to note that one personal characteristic (demographic variable) is also modified in the framework. Ford, Churchill, and Walker (1985) uses "current pay level" as "amount of income currently available to meet financial demands" among other demographic/life style variables. However, in the framework, "current pay level perception" as "the sufficiency of amount of total income currently available from salesperson's work for living comfortably" is used as a demographic/life style variable.

### 2-3\_ Variables

As can be seen in the framework, "motivation of salesperson" is the dependent variable, with "expectancy" and "salesperson's valence for performance" being its determinants.

"Salesperson's valence for reward" and "instrumentality" are the determinants of "salesperson's valence for performance". These can also all be called as "components of the motivation".

"Magnitude of expectancy" and "magnitude of instrumentality" are the aspects of "expectancy" and "instrumentality" that are involved in the framework.

The independent variables that affect "the components of motivation", which can also be called "antecedents of motivation components", are as follows: Generalized self-esteem, specific self-esteem, job experience, internal/external control over salesperson's own life, compensation plan base preference of salesperson, salesperson's job satisfaction, demographic/life style variables, career cycle variables, and psychological variables.

The variables in the framework are to be carefully defined. Motivation of salesperson, as defined by Churchill, Ford, and Walker (1985), is the amount of effort the salesperson desires to expend on each of the activities or tasks associated with his/her job, such as calling on potential new accounts, planning sales presentations, and filling out reports. A salesperson's motivation to expend effort on a task will depend on two variables: (1) expectancy, and (2) valence for performance.

Expectancy (perceived effort/performance probability), as defined by Walker, Churchill, and Ford (1977, 1985), is the salesperson's estimate of the probability that expending a given amount of effort on a task will lead to an improved level of performance on some performance dimension.

Salesperson's valence for performance, as defined by Walker, Churchill, and Ford (1977), is the salesperson's perception of the desirability of attaining an improved level of performance on some dimension.

Walker, Churchill, and Ford (1977) define magnitude of expectancy as the degree to which the salesperson believes that the effort he or she expends on job activities has an effect on his/her ultimate level of performance. An alternative description for magnitude of expectancy is the salesperson's perceptions of his/her ability to control or influence his/her own level of job performance.

Moreover, valence for performance, the valence of desirability in the salesperson's mind of improved job performance on any dimension is a function of instrumentality and valence for rewards.

Instrumentality (perceived performance/reward probability), as defined by Walker, Churchill, and Ford (1977) and Churchill, Ford, and Walker (1985), is the salesperson's estimates of the probability that a given improvement in performance on some performance dimension will lead to his/her attainment of a specific increase in the amount of a particular reward. It can also be defined as the salesperson's perceptions of the linkages between performance and rewards.

Salesperson's valence for rewards, as defined by Walker, Churchill, and Ford (1977) and Churchill, Ford, and Walker (1985), is a salesperson's perception of the desirability of receiving increased amounts of each of the variety of rewards he or she might attain as a result of improved performance.

Walker, Churchill, and Ford (1977) define magnitude of

instrumentality as the degree to which the salesperson believes that a given improvement in performance on some performance dimension will lead to his/her attainment of a specific increase in the amount of a particular reward.

Generalized self-esteem, as defined by Bagozzi (1978), is global self-attributions of overall competence with everyday life situations and broad feelings of personal regard for the self.

Specific self-esteem, again defined by Bagozzi (1978), is particular self-attributions and self-regard with respect to actual performance on the job (e.g. perception of ability to achieve one's potential, self-confidence in dealing with customers, and so on).

Internal/external control over salesperson's own life is defined by Rotter (1966) as the degree to which the individual believes the events in his or her life are internally controlled (e.g. personally controlled), or externally controlled by forces over which he or she has no control.

Compensation plan base preference of salesperson is defined by the researcher as salesperson's preference for straight salary, straight/variable commission, or combination (salary, commission, and/or bonus) compensation plans as widely accepted categories of sales compensation in sales management.

Walker, Churchill, and Ford (1977) define salesperson's job satisfaction -intrinsic and extrinsic satisfaction. Intrinsic satisfaction is related to the internally-mediated rewards the salesperson obtains from his/her job -satisfaction with the work itself, opportunities for personal growth and accomplishment. On the other hand, extrinsic satisfaction is related to the externally-mediated rewards given upon the salesperson -satisfaction with pay, company policies and support, supervision, fellow workers, chances for promotion, and customers.

Demographic/life style variables are "sex" of salesperson, "marital status" of salesperson, "family size" (number of dependents, including self), and "current pay level perception". Current pay level perception, as modified from Ford, Churchill, and Walker (1985), is defined by the researcher as the sufficiency of amount of total income currently available from salesperson's work for living comfortably.

Career cycle variables are "age" of salesperson, "job experience" (length of tenure with current employer), and

"amount of prior sales experience" (defined by Ford, Churchill, and Walker 1985) as number of years the salesperson has worked as a salesperson before the current employer).

Psychological variables are "education level" (defined by Ford, Churchill, and Walker (1985) as a level, which is indicative of high career aspirations and concern for personal growth and development), and "generalized self-esteem".

Salesperson's valences for rewards correspond to rewards typically offered in sales organizations. Lower-order/higher order, extrinsic/intrinsic, externally-mediated/internally-mediated dichotomies can be used for categorizing rewards for salespeople. Rewards to be used in valences, instrumentalities, and job satisfaction of salesperson are classified in this research with respect to Dyer and Parker (1975) intrinsic/extrinsic dichotomy. Accordingly, externally-mediated rewards are pay, job security, recognition, promotion, and liking and respect; whereas internally-mediated rewards are worthwhile accomplishment and personal growth.

## 2-4\_ Hypotheses

The hypotheses are set regarding the relationships figured out in the theoretical framework. These hypotheses are based on the literature survey, in which several similar hypotheses are made and several important findings from a great number of researches support the following hypotheses.

- H1 : The greater the salesperson's feelings of generalized self-esteem, the greater the average magnitude of his/her expectancy estimates.
- H2 : The greater the salesperson's perceived ability to carry out the activities associated with his/her job (specific self-esteem), the greater the average magnitude of his/her expectancy estimates.
- H3 : The longer a salesperson's tenure in his/her position, the greater the average magnitude of his/her expectancy estimates.
- H4 : The greater the degree to which a salesperson feels he/she has internal control over the events in his/her life, the greater the average magnitude of his/her instrumentality estimates.

- H5 : a)Salespeople who prefer mostly straight/variable commission compensation plans will perceive a greater probability of receiving increased pay as a result of improved performance on dimensions directly related to short-term increases in sales volume (increasing the total sales, exceeding sales quota) than salespeople who prefer mostly straight salary compensation plans.  
b)Salespeople who prefer mostly straight/variable commission compensation plans will perceive a smaller probability of receiving increased pay as a result of improved performance on dimensions not directly related to short-term increases in sales volume (increasing the number of new accounts influenced, reducing the selling expenses, better performing administrative duties) than salespeople who prefer mostly straight salary compensation plans.  
c)Salespeople who prefer mostly combination compensation plans do not differ with respect to their perceived probabilities of receiving increased pay as a result of improved job performance on dimensions directly or indirectly related to short-term increases in sales volume.
- H6 : The lower the salesperson's satisfaction with externally-mediated rewards, the higher the valence for increased amounts of those rewards.
- H7 : The higher the salesperson's satisfaction with externally-mediated rewards, the higher the valence for increased amounts of internally-mediated rewards.
- H8 : The higher the salesperson's satisfaction with internally-mediated rewards, the higher the valence for increased amounts of those rewards.

TABLE 2.1 shows the questions regarding personal characteristics as determinants of salesperson's valences for rewards; five externally-mediated (extrinsic) rewards and two internally-mediated (intrinsic) rewards.

Lots of controversy exists in the literature with respect to these relationships between valences and personal characteristics. (Lawler 1971; Oliver 1974; Swan, Futrell, and Todd 1978; Churchill, Ford, and Walker 1979; Ingram and Bellenger 1983; Ford, Walker, and Churchill 1985<sup>a</sup>) Thus, the researcher tried to be careful not setting hypotheses with respect to these relationships based on past research findings. The relationships are treated as questions to be answered. Since the research design is exploratory, the researcher feels that there is no requirement for setting concrete hypotheses with respect to this controversial issue.





Similarly, the researcher feels that it is not appropriate to set hypotheses on two other issues. One of them is about the regional or local differences in the motivation of salesforce members operating in different regional or local conditions. This was not tested empirically in the literature, thus the researcher is not able to set a concrete hypothesis on the issue.

Likewise, the researcher wants to calculate the "total amount" of motivation for each salesperson by using the relationships and principles of the model and expectancy theory of motivation. Furthermore, the researcher plans to compare this "measured" motivation with a direct measure of motivation for each salesperson offered by Oliver (1974). However, as Warshaw (1980) and Sujan (1986) point out motivation has not been measured much directly as behavioral intentions in previous research on the salesperson motivation, but rather most of the time indirectly through salespeople's valences, instrumentalities, and expectancies. In view of this remark, it is impossible to set a concrete hypothesis regarding the relationship between the "total amount" of motivation calculated through the model and direct measure of motivation.

Indeed, these two interesting issues will be analyzed by making use of this research's data so that, although no hypothesis can be tested, much more can be learned about these relationships and can be utilized for future research.

## 2-5\_ Data Collection Procedure

To test the hypotheses and to bring out several findings that can be useful, the research design is set accordingly. There are two distinct parts to the methodology of this research. One of them is based on a quantitative study, whereas the other one is qualitative.

### 2-5-1\_ Population and Sample

The quantitative study of the research is made with the salesforce population of a pharmaceutical firm in Turkey. Since population refers to all members in the group that happen to be the focus of the study, all the employees in a salesforce form the population. Thus, there is no sampling done with respect to the quantitative part of the research.

There were two options considered by the researcher. One of them was sampling from different pharmaceutical firms in

Turkey. This would have enabled the researcher to focus on firms with different compensation plans, but in the meantime would have caused the researcher to lose control over the sample characteristics. It would have been impossible to reach a significantly substantial part of salesforce members of these firms outside Istanbul. This would have formed a weakness in the research, since the researcher believed that regional or local differences in motivation can only be tested including the other parts of the country besides Istanbul.

The second option was focusing on the salesforce population of a pharmaceutical firm. Thus, the researcher would be able to reach all the salespeople in several different regions and would be able to test regional differences in motivation. On the other hand, the researcher would not be able to analyze the impact of different compensation plans on motivation of salespeople since only one type of compensation plan is applied to the population of salesforce members. Thus, by choosing the second option, the researcher had to concentrate on the "compensation plan base preference" of salesforce members instead of "compensation plan type" in a firm.

The qualitative part of the study is done with several firms from different industries including the pharmaceutical industry. These industries (banking, insurance, consumer goods, and pharmaceutical industries) and the firms in these industries are chosen by convenience sampling. That is, data is collected from a number of members of the population who are conveniently available to provide the necessary information. Moreover, people interviewed in these firms are chosen by judgment sampling. That is, these people were in the best position to provide the information required.

## 2-5-2\_ Data Collection Methods

For the quantitative part of the research, data collection is made through self-administered questionnaires. The questionnaire is mailed to each salesperson in every region to be returned in fifteen days. Accompanying the questionnaire is a cover letter from the marketing manager and promotion manager of the firm requesting participation and a cover letter from the researcher promising complete confidentiality. Moreover, the salespeople are assured anonymity and that the completed questionnaires are analyzed only directly by the researcher. A 100% response rate is accomplished, thus the researcher is able to reach the total population. Data is collected in March-April, 1992.

The questionnaire, comprised of 23 questions and 123 items, is prepared for a respondent to fill out with ease. Except 12 items which are measured nominally, all the items are measured by interval scales due to data analysis purposes.

All the items are translated from English only by slight changes in wording. Moreover, some terms are changed so that they will fit more closely to the industry practice. For example, "customers" are changed to "doctors, pharmacies" and "salespeople" are changed to "medical representatives (detailmen)" by the researcher. (See Appendix IV and V)

Pre-pilot study is done to 5-6 people (whose professions are not sales) to test the time, ease, understandability of content and wording of the Turkish questionnaire. Some modifications in wording and content are made accordingly.

After pre-pilot study, a pilot study with 8 salespeople in Istanbul region is made to test the questionnaire with salespeople. Some modifications regarding the wording of "job security" and "current pay level perception" are made in view of the comments of these 8 salespeople.

There are no incidents like salespeople's complaints about the length, wording, content, and format of the Turkish questionnaire.

The qualitative part of the research is made through structured interviews made with sales, training, promotion, and marketing managers of different firms. The researcher has a predetermined list of 7 questions that will be posed to the respondents in a face-to-face interview. (See Appendix VI and VII)

The managers are contacted by telephone and arrangements for these interviews are made. All the managers interviewed are in Istanbul. As an incentive to participate, a summary of the findings is offered to each participating firm. All the managers cooperated with the researcher and qualitative data is collected in March-April, 1992.

### 2-5-3\_ Population and Sample Characteristics

The firm, whose salesforce population is involved in the quantitative study, is a multinational pharmaceutical firm.

One hundred twenty-eight salespeople of this firm, operating in seven distinct regions (ISTANBUL 1, ISTANBUL 2, IZMIR, ANKARA, KONYA, G.ANTEP, and SAMSUN regions) and in

three pharmaceutical groups (Over-the-counter (C) group, Prescribed (P) group, and Immunology (I) group) are sent questionnaires by mail. 29 salespeople are from iST1, 27 salespeople from iST2, 18 salespeople from iZM, 15 salespeople from ANK, 14 salespeople from KON and 14 salespeople from SAM, and lastly 10 salespeople are from G.ANTEP. 62 salespeople are from the C group, 55 salespeople from the P group, and only 10 salespeople are from the I group.

The 86.6% of the population is salesmen; 13.4% is saleswomen. 64.6% is between 18-34 years of age, 32.3% is between 35-49 years of age, and only 3.1% is between 50-65 years of age.

Exactly, 82.7% of the population is married, 17.3% is single salespeople. There is no widow or divorced salesperson.

The 39.8% of the population has a family size (including self) of 3 people, 34.4% has a family size (including self) of 4 people and 14.1% has a family size (including self) of 2 people.

Remarkably, 67.5% of the population is university graduates, 31.1% is highschool graduates, and only 1.6% is middleschool graduates.

The 44.5% of the population has a job experience of 1-5 years, 39.1% has of 5-15 years, 10.2% has of 0-1 year, and only 6.3% has a job experience of over 15 years.

Exactly, 48.8% of the population has no prior sales experience, 39.2% has a prior sales experience of 0-5 years, whereas only 12.0% has a prior sales experience of 6-35 years. (See also TABLE App.-I-4 Demographic Characteristics of the Sample in Appendix I)

The qualitative part of the study is done with 13 firms in 4 industries in Turkey.

Four firms are selected from the pharmaceutical industry. One of them is the firm, which is also involved in the quantitative study. Two other firms are also foreign-based (American and Swiss-based pharmaceutical firms) and the fourth one is a Turkish firm, one of the leaders in the industry. Sales and promotion managers of these firms are interviewed.

Four banks are selected from the banking industry. One of them is a public sector bank; one is a large size private sector bank; one is a smaller size private sector bank; and

the fourth one is a private bank dealing with foreign trade financing. Credit marketing executive, training managers, and branch manager of these four banks are interviewed.

Three insurance firms are selected in the insurance industry. Two of them are large-sized, public sector firms operating in the domains of large-sized public banks; whereas one of them is a smaller-sized, but a foreign (American-based) insurance company. Training manager and marketing managers of these insurance firms are interviewed.

And, lastly in the consumer goods industry, two leader and competitive firms of the industry are selected. Both of them are multinational firms and sales technology manager, and marketing manager of these two firms are interviewed.

This selection of appropriate firms within four industries is tried to be made to get a representative picture of different firms in each industry.

#### 2-5-4\_ Variables and Measures

The variables described and included in the theoretical framework are operationalized by measurements offered in the literature.

"Magnitude of expectancy" and thus, "expectancy" is measured by probability estimates concerning the productivity of a 10% increase in selling efforts, a 10% increase in time devoted to obtaining new accounts, and a 10% increase in time devoted to selling activities, which is also considered by Teas (1981). The scale used is called performance probability scale.

"Expectancy" is measured by several different items used in recent practices. (Churchill, Ford, and Walker 1979; Oliver 1974; Stahl and Harrel 1981; Tyagi 1982; Sims, Szilagyi, and McKerney 1976). The researcher chooses the performance probability scale.

However, the scale is used with major modifications. Firstly, the questions in the scale are turned to complete sentences, concerning the relationships with 10% in selling efforts and time devoted to selling activities and a 10% increase in sales. A 10% increase in time devoted to obtaining new accounts is discarded for simplicity purposes. Secondly, 5-point probability scale is modified to a 4-point agreement/disagreement scale, "no idea" being a fifth extra alternative. However, "no idea" is not evaluated as a middle point on the scale. (See Appendix IV Question 1; items 1 and 2)



The "magnitude of the salesperson's instrumentality estimates" is used to measure the instrumentality variable. The specific results of good performance are obtained from previous motivation research. (Galbraith and Cummings 1967; Hackman and Porter 1968; James, Hartman, Stebbins, and Jones 1977; Pritchard, ReLeo, and Von Bergen 1976; Pritchard and Sanders 1973; Sheridan, Slocum, and Byung 1975; Teas 1981) Several measurement approaches are observed in past salesforce motivation research. (Walker, Churchill, and Ford 1977; Churchill, Ford, and Walker 1979; Teas 1981; Tyagi 1982)

Instrumentality measure used in this research is modified from Teas (1981) measure of instrumentality. Instrumentality is a rather abstract concept requiring conditional probabilistic judgements. Some modifications are seen necessary to minimize the possibility of frustration and to facilitate completion of this section. The potential results of good performance are limited to only 7 rewards, 5 being extrinsic and 2 being intrinsic, firstly. Secondly, "good job performance" is limited to only "increasing sales by 10%". Thirdly, the probability scale of 5-point is modified to agreement/disagreement scale of 4-point and an additional alternative as "no idea". Fourthly, the results of good performance are expressed in meaningful sentences. (See Appendix IV Question 2; items 3-9)

Another specific measure of instrumentality is again observed in Teas (1981), as "job dimensions related directly or indirectly to sales volume and increased pay instrumentality". The two direct dimensions and three indirect dimensions are used as offered by Teas (1981), respectively being increasing total sales, exceeding sales quota and increasing the number of new doctors visited (e.g. by 10%), reducing the selling expenses, better performing administrative duties. Additionally, an "other" item is used with these job dimensions. A major modification is changing the 5-point probability scale to 4-point influence/not influence scale. (See Appendix IV Question 9; items 61-66)

Rewards used to measure valences and instrumentalities of salespeople, and salesperson's intrinsic and extrinsic job satisfaction are separated as externally-mediated and internally-mediated with respect to Dyer and Parker's (1975) intrinsic/extrinsic dichotomy.

It is possible to observe many measurement approaches for salesperson's valence for rewards in the literature. (Churchill, Ford, and Walker 1979; Oliver 1974; Ford, Churchill, and Walker 1985; Tyagi 1985) Although desirable-undesirable scales to measure the variance of the valence component can also be used, the measurement for salesperson's

valence for rewards used in this research is based on Churchill, Ford, and Walker's (1979) thermometer-type scale. In this scale, salespeople indicate the incremental amount of satisfaction they would receive from an additional amount of each reward on a thermometer-type scale. This instrument has been used in previous salesforce studies and has been judged to have better psychometric properties than alternative valence measures. (Churchill and Pecotich 1981) Positive rewards used by Churchill, Ford, and Walker (1979) are relatively exhaustive of the set of rewards companies use to motivate salespeople. However, some modifications are also made with respect to this measurement. A "10% increase" clause is only used with the reward "pay" and not with the other rewards, and the incremental amount of satisfaction scale is replaced by a 4-point important/not important scale. (See Appendix IV Question 3; items 10-16)

Teas (1981) uses generalized self-esteem measure in the Jackson Personality Inventory (Jackson 1976). This widely used scale has been shown to be a valid, reliable measure. However, the researcher uses selected items from three different subsets used in the Self-esteem Inventory of Steffenhagen and Burns (1983, 1987). Eighteen items are chosen from the original 81 items of the inventory. Moreover, instead of 5-point agreement/disagreement or always/never scales, 4-point scales are used. (See Appendix IV Question 5; items 24-41)

Again, Teas (1981) offers specific self-esteem summated scale developed by Bagozzi (1976, 1978). Items are related to specific job situation factors and ask salespeople to rate themselves relative to company peers on performance dimensions such as sales performance; ability to reach quotas; potential to reach the top 10% of the company sales force; quality of relationships with customers; time and expense management; knowledge of company and competitor products, and of customer needs. However, in this research "potential to reach the top 10% of the company sales force" and "expense management" are dropped; and "customers" are modified to "doctors and pharmacies". Moreover, 7-point low/high scale is modified to a 4-point not sufficient/sufficient scale. (See Appendix IV Question 6; items 42-46)

Internal/external control over salesperson's own life variable is also named "locus of control" or "internal/external orientation" in the literature. A number of measures of locus of control beliefs have been developed by many researchers. Rotter's (1966) Internal-External Locus of Control scale is developed for a wide range of life situations and is also advised by Teas (1981). Crandall, Ratkovsky, and Crandall (1965) developed a scale more

specifically for achievement. Valecha (1975) developed 11 items from the original Rotter (1966) instrument. Russell (1982) also developed a "the final causal dimension scale" for locus of control.

The researcher uses selected items from the original Rotter (1966) instrument to measure internal/external control over salesperson's own life. The original scale is a 29-multiple choice item, forced-choice test including 6 filler items intended to make the purpose of test somewhat more ambiguous. This measure is also referred as the I-E scale. The items deal exclusively with the subjects' belief about the nature of the world and are concerned with the subjects' expectations about how reinforcement is controlled. Consequently, the test is considered to be a measure of a generalized expectancy correlating with the value the subject places on internal control; but none of the items is directly addressed to the preference for internal or external control. This measuring individual differences in generalized expectancy for internal-external control has been used in the largest number of studies of this variable.

The researcher selects 13 items out of 58 items (29 pairs) of the original Rotter (1966) I-E scale. These 13 items partly include internal and partly include external orientation. These items are measured on a 4-point scale of agreement/disagreement. Rotter (1966) indicates that the scale correlates satisfactorily with other methods of assessing the same variable such as questionnaire, Likert scale, interview assessments, and ratings from a story-completion technique. Also item analysis and factor analysis by Rotter (1966) show reasonably high internal consistency for an additive scale. Although, more internal mean scores can be accounted for on the basis of the high correlation with social desirability, discriminant validity is indicated by the low relationships with such variables as intelligence, social desirability, and political liberalness. (See Appendix IV Question 7; items 47-59)

The selected items are chosen from original scales of Steffenhagen and Burns (1983, 1987) and Rotter (1966) regarding generalized self-esteem and internal/external control due to three basic reasons. Firstly, these measures are already justified and found reliable by Turkish social psychologists. Secondly, these measures are also widely used and found reliable in the literature reviewed by the author. And thirdly, the choice of items mainly depends upon the author's own judgment.

Compensation plan base preference, a variable offered by the researcher, is measured by a nominal scale formed of three accepted categories of compensation plans, namely

straight salary, straight/variable commission, and a combination compensation plan (salary, commission, and/or bonus) (See Appendix IV Question 8; item 60)

Salesperson's job satisfaction -intrinsic and extrinsic is measured by Ford, Churchill, and Walker (1985) and House (1971). The researcher chooses House's scale (1971), in which the respondents are asked to indicate the degree to which descriptive statements about the chosen rewards are true or false on a 7-point scale ranging from 1, very false to 7, very true. House (1971) has made sample items for satisfaction categories such as advancement opportunity, job autonomy, intrinsic job rewards, job security, pay, recognition, and social environment. In the scale modified by the researcher, "job autonomy" is dropped and replaced by "personal growth" as a satisfaction category. Moreover, 7-point scale of false/true is modified to a 4-point scale of false/true. Although not validated, the reliabilities of the satisfaction measure are moderately high and adequate for research purposes in general. (See Appendix IV, Question 4; items 17-23)

Demographic variables are measured mostly through nominal scales. The categories for each variable is chosen so that there is a reasonable number of observations in each category, while at the same time ensuring that the categories properly captured the hypotheses specified.

"Sex" variable is measured nominally by two categories, "male" and "female"; "marital status" by three categories, "married", "single", and "widow/divorced". Additionally, "number of years married" is also asked open-ended. "Family size -including self" and "number of children had" are also asked open-ended. (See Appendix IV Questions 21, 18, 16, and 17)

"Current pay level perception", a variable offered by the researcher, is measured on an interval scale, a 4-point scale of sufficient/not sufficient. "Age" is measured nominally by three categories, "18-34", "35-49", and "50-65"; "job experience(current employer)" by four categories, "0-1 years", "1-5 years", "5-15 years", and "more than 15 years"; "amount of prior sales experience" by three categories, "None", "0-5 years", and "6-35 years". Kind of prior sales experience is also asked open-ended. (See Appendix IV Questions 15, 20, 13, and 14)

"Education level" is again measured nominally by four categories, "elementary school", "middle school", "high school", and "university"; "region salesperson operates" by seven categories, "IST1", "IST2", "IZM", "ANK", "KON", "G.ANTEP", and "SAM"; "group salesperson operates" by three



categories, "C", "P", "I". (See Appendix IV Questions 19, 22, and 23)

"Motivation" is directly measured by a scale offered by Oliver (1974). In this scale, the time period in which the behavior will be enacted is specified. Salesperson is asked to think about what he/she has done in the last year and asked about his/her plans to make a change from last year or stay the same in customer-specific activities such as the ways in which he/she will approach his/her customers, how many different approaches he/she will use with his/her customers, how many hours per week he/she will work, and how hard he/she will work during these hours. A 7-point scale of "the same as last year -a great deal of change from last year" is used by Oliver (1974). The researcher uses this measurement only after making some modifications. Firstly, "how many different approaches he/she will use with his/her customers" as a customer-specific activity is dropped. Secondly, "customers" is modified to be "doctors, pharmacies visited". "Plan to make a change" is modified to be "plan to make an improvement", and the 7-point scale is modified to a 4-point scale of the same as last year-much more better than last year. These modifications are made to make the measurement more precise and better serving the purpose. (See Appendix IV Question 10; items 67-69)

Moreover, "salespersons' preferences for incentives" are measured on a 4-point interval scale of very useful/not at all useful. The list of 35 incentives is obtained from extensive literature on incentives. An "other" item is also included. Some minor modifications are using "distinguished medical representative award (medical representative of the year award)" instead of "distinguished salesperson award (salesperson of the year award)", "company rosette with symbolic value" instead of "company ring with symbolic value". (See Appendix IV Question 11; items 70-105)

"Preferences for criteria for incentive awards" is measured on a 4-point scale of strongly agree/strongly disagree. Incentive Magazine, Survey of Employee Motivation Practices (1990) brings out five distinct criteria for incentive awards: individual achievement, top performers only, department/team competition, supervisor evaluation, and improvement of individual record. These criteria are expressed in complete sentences by the researcher except improvement of individual record. Moreover, an "other" item is added and "department/team competition" is modified to "group/region accomplishment" in the scale. (See Appendix IV Question 12; items 106-110)

The qualitative part of the research involves a structured interview. The structured interview form is

composed of seven questions about "job descriptions of salespeople operating in their firms", "projects or attempts for motivating these employees", "measuring the degree of satisfaction these employees have on various job dimensions such as pay, company policies, etc.", "measuring the motivation levels of these employees", "personality tests during selection, training, or later stages to determine their fit as a salesperson", "total compensation package applied to these employees", and "incentives given, and criteria for incentive awards". At the end of the interview, name of the person interviewed, name of the firm, position of the person interviewed, and date of the interview are noted. (See Appendix VI)

## 2-6\_ Data Analysis Techniques

After data collection stage, data is coded and edited for data analysis. Inverse statements are rearranged while coding. For example, the numerical coding scheme used resulted in higher scores being associated with greater internal control orientation. (See Appendix III)

After data is coded, Statistical Package for Social Sciences (SPSS) program is used for data analysis. Thirteen additional variables are calculated through "compute" commands, namely average magnitude of expectancy, average magnitude of instrumentality, average generalized self-esteem, average specific self-esteem, average internal/external control over salesperson's own life, average satisfaction with externally-mediated rewards, motivation directly measured, motivation of salesperson measurement (salesperson's valence for performance multiplied by average magnitude of expectancy), average valence for externally-mediated rewards, average valence for internally-mediated rewards, average satisfaction with internally-mediated rewards, extrinsic motivation and intrinsic motivation (i.e. motivation related to externally-mediated and internally-mediated rewards, respectively).

Frequency analysis for each variable is made. Furthermore, hypothesis testing is made by crosstabulation and Pearson correlation analysis among the variables. Additional analysis is also made such as Pearson correlation between motivation of salesperson measurement and motivation directly measured; crosstabulation between region/group variables and other specific variables such as job satisfaction, valences for rewards, compensation plan base preference, motivation directly measured, motivation of salesperson measurement, preferences for incentives, preferences for criteria for incentives and current pay level



perception; Pearson correlation between current pay level perception and preferences for incentives; frequencies for extrinsic and intrinsic motivation; and t-test analysis for average valences for and satisfaction with externally- and internally-mediated rewards.

"Other" items of "increased pay as a result of improved performance on job dimensions", "preferences for incentives", and "preferences for criteria for incentive awards" and "kind of a prior sales experience" are analyzed qualitatively through content analysis.

Moreover, thirteen interviews made with different firms are also analyzed qualitatively through content analysis and findings are grouped with respect to the four industries.

The results of data analysis, hypothesis testing, and additional findings are introduced in the following chapter.

## 2-7\_ Limitations of Study

Although the research results are expected to give way to important implications and contribution to the literature of salesforce motivation, it should be noted that there are a number of limitations to be regarded.

Firstly, a limitation of the data in the present study may be due to the selection of a specific type of sales population in one specific industry. Thus, generalizability of results to different industries can be questioned.

Secondly, there are limitations with respect to the variables used and their measurements. In this study, several variables that are related to job satisfaction, motivation, and performance are excluded.

The potential contribution to the performance variance explained by pure measures of ability is not also tested in this study.

Furthermore, in this study, only the magnitudes of the salesperson's expectancy and instrumentality estimates is examined.

This study focuses on general valence scores for broad reward categories such as recognition.

In this study, once again it should be noted that sample differences may account for some of the differences among study results regarding the relationships between valences

and personal characteristics. One problem may be the likelihood of interactions among personal variables affecting valences. (Ford, Churchill, and Walker 1985)

Confusing and possibly unwarranted dichotomy of intrinsic and extrinsic is another important problem faced with reward valences, and intrinsic and extrinsic job satisfaction.

An additional limitation with the I/E control and generalized self-esteem scales is the "social desirability" bias, which is defined by Rotter (1966) as the subject's not selecting the one actually he/she believes, but selecting the one he/she should choose. This bias has an important potential to distort results although control items are utilized and Rotter (1966) indicates that the scale has a low relationship with "social desirability".

CHAPTER THREE

FINDINGS

Firstly, the results of the quantitative study will be discussed and hypotheses testing will be made. There are also other important findings that need to be mentioned in the quantitative study results.

Secondly, the results of the qualitative study will be introduced by a content analysis of the structured interviews.

3-1\_ General Results

\*Salespeople believe that increasing their selling efforts by 10% causes a 10% increase in sales more than they believe that increasing their selling time by 10% causes a similar increase in sales. The 83.3% of the salespeople believe that they can expect a 10% increase in sales by a 10% increase in selling efforts, whereas only 59.1% of the salespeople agree that a 10% increase in sales can be expected after a 10% increase in selling time.

\*Salespeople believe that a 10% increase in sales can lead to an increase in recognition firstly. 93.8% of the salespeople agree/strongly agree that it would lead to an increase in recognition. Worthwhile accomplishment follows it by 88.7%, and personal growth comes after with a 81.8%. Increase in liking and respect follows after. The least expected rewards are increase in job security (76.6%), 10% increase in pay (48.7%) and promotion(43.0%).On the average,salespeople agree that the seven rewards can be obtained after a 10% increase in sales. (2.9816/4.000) (See TABLE 3.1-Instrumentality)

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TABLE 3.1- INSTRUMENTALITY (10% increase in sales leads to..)

	<u>Mean *</u>
Increase in recognition	3.445
Worthwhile accomplishment	3.366
Personal growth	3.091
Increase in liking & respect	3.041
Increase in job security	2.960
10% increase in pay	2.555
Promotion	2.491

\*Scale:1:strongly disagree....4:strongly agree.  
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\*Internally-mediated rewards are the most valued rewards by the salespeople. Personal growth (97.6% of salespeople finds it very important/important) and worthwhile accomplishment are the leading rewards that salespeople value. Liking and respect, job security, recognition, promotion, and 10% increase in pay follow consequently. Only 77.2% of the salespeople find a 10% increase in pay important/very important. Moreover, salespeople value internally-mediated rewards (worthwhile accomplishment, personal growth) more than they value externally-mediated rewards (pay, job security, recognition, promotion, and liking and respect), respective means being 3.4764/4.000 and 3.2126/4.000 (t-test, t-value= -5.88, p= .000). (See TABLE 3.2- Valence for Rewards, and see FIGURE App.-II-1 in Appendix II)

TABLE 3.2- VALENCE FOR REWARDS (Rewards that salespeople value most and get additional satisfaction from)

	<u>Mean *</u>
Personal growth	3.512
Worthwhile accomplishment	3.441
Liking & respect	3.422
Job security	3.417
Recognition	3.250
Promotion	3.087
10% increase in pay	2.898

\*Scale:1:not at all important....4:very important.

\*Salespeople are most satisfied with liking and respect (96.9% of the salespeople are satisfied); worthwhile accomplishment, recognition, personal growth, and job security follow after. They are least satisfied with pay (only 71.7% is satisfied) and with promotion (only 45.2% is satisfied). Salespeople are more satisfied with internally-mediated rewards (worthwhile accomplishment, personal growth) than with externally-mediated rewards (pay, job security, recognition, promotion, and liking and respect), respective means being 3.1557/4.000 and 2.9098/4.000 (t-test, t-value= -6.17, p= .000). (See TABLE 3.3- Satisfaction with respect to Seven Rewards, and see FIGURE App.-II-2 in Appendix II)

\*Salespeople, on the average, have a high level of generalized self-esteem (3.2268/4.000). Similarly, on the average, they have a high level of specific self-esteem (3.2516/4.000). Their specific self-esteem is higher than their generalized self-esteem. (See TABLE App.-I-1 Specific Self-Esteem in Appendix I) Salespeople are most confident with their relationships with doctors and pharmacies (99.2% finds themselves quite sufficient/very sufficient); sales

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TABLE 3.3- SATISFACTION WITH RESPECT TO SEVEN REWARDS

	<u>Mean *</u>
Liking & respect	3.276
Worthwhile accomplishment	3.230
Recognition	3.126
Personal growth	3.048
Job security	2.870
Pay	2.819
Promotion	2.444

\*Scale:1:very false....4:very true.  
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performance, ability to reach quota, management of time follow after. They are somewhat less confident about their knowledge of company/competitor products and doctor/pharmacist needs (93.7% finds themselves quite sufficient/very sufficient, which is still a high percentage).

\*Salespeople, on the average, have a better-than average level of internal control over their lives (2.8210/4.000). However, they are surely at a lower level with respect to this characteristic compared to their generalized self-esteem and their specific self-esteem.

\*The majority (97.7%) of salespeople prefer a combination compensation plan including salary, commission, an/or bonus. Surprisingly enough, only 2.4% (3 people) prefer other types of compensation plans. (See FIGURE App.-II-3 in Appendix II)

\*Job dimensions directly-related to short-term increases in sales volume (exceeding sales quota by 10%, increasing the total sales (TL)) are the leading job dimensions which are believed to result in an increased pay due to improved performance on those job dimensions. Whereas, job dimensions not directly related to short-term increases in sales volume are less believed to result in an increased pay due to improved performance on those. Better performing administrative duties, reducing the selling expenses, and lastly increasing the number of new doctors visited by 10% does not result with an increased pay. (See TABLE App.-I-2 Increased Pay as a Result of Improved Performance on Job Dimensions in Appendix I)

Some other important job dimensions are brought out that are said to result in an increased pay due to improved performance on those dimensions, such as goodwill/hard work/good planning/perseverance; productivity; harmony; creativity; industriousness; information level; good

relations with others; etc.

\*When directly measured, salespeople have a higher-than average level of motivation (2.7516/4.000) (See TABLE 3.4- Motivation -Directly Measured)

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TABLE 3.4- MOTIVATION -DIRECTLY MEASURED (n= 124)

<u>Ranges of motivation-directly measured</u>	<u>Number of salespeople</u>
1.00 - 1.99	16
2.00 - 2.99	40
3.00 - 3.99	58
4.00	10

\*Average mean of motivation-directly measured= 2.7516/4.000.  
\*\*Scale:1:the same as last 12 months....4:much more better than last 12 months.

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\*Salespeople prefer life insurance as an incentive firstly (95.2% of the salespeople finds it very useful/useful), accident (casualty) insurance and personal use of company car follow after very closely. Cash (besides salary, commission, or any other financial compensation) is only preferred as the fourth alternative in incentives. PC is the first electronic good to be preferred as an incentive (84.1% finds it very useful/useful). Individual trip (extra week's paid vacation in addition to the usual annual paid vacation; including spouse and/or family) and group trip (including business seminars) follow after only as the sixth and seventh alternatives respectively. While nonfinancial incentives lead as the first alternatives like the fringe benefits, merchandise are the least preferred incentives (e.g. calculator, electronic typewriter, videocassette recorder, camera equipment, videotapes, tape player, household goods, and radio are the least preferred incentives that are indicated by the salespeople). (See TABLE App.-I-3 Preferences for Incentives in Appendix I)

Some other incentives that are pointed out by the salespeople are sharing problems/morale support/trust to company/solving personal problems as a nonfinancial incentive; change in titles (due to promotion); participating in executive levels; cooperative arrangements led by the company for housing; the company's sending successful salespeople to PC, foreign language, etc. courses in home country and in foreign countries.

\*Group/regional performance/success is the most preferred criteria for incentive awards; individual achievement/personal success follows closely after. Only



supervisor evaluation and only the top performers are the least preferred criteria for incentive awards. Here, it should be noted that 86.6% of the salesforce agrees/strongly agrees that group/regional performance/success can be a satisfactory criteria for incentive awards. (See TABLE 3.5- Preferences for Criteria for Incentive Awards and see FIGURE App.-II-4 in Appendix II)

TABLE 3.5- PREFERENCES FOR CRITERIA FOR INCENTIVE AWARDS

	<u>Mean *</u>
Group/regional performance/success	3.087
Individual achievement	3.000
Only supervisor evaluation	2.524
Only the top performers	2.520

\*Scale:1:strongly disagree....4:strongly agree.

\*Other criteria for incentive awards that are noted are sales figure (inventories and SSK); evaluation of customers (doctors, etc.); peer evaluation; criteria determined by the salespeople themselves; a combination of all the criteria; information level about the company/competitor products; and a combination of personal and regional success.

\*The 86.6% of the sample is male, 13.4% is female. Thus, the majority is salesmen. 64.6% is between 18-34 years of age, whereas 32.3% is between 35-49 and only 3.1% is between 50-65 years of age. The sample is quite a young one. The majority of the sample is married (82.7%), only 17.3% is single. There is no widow or divorced salesperson. 34.3% of the salespeople who are married is married for 6-10 years, 32.4% for 0-5 years, 20.6% is for 11-15 years, only 6.9% is married for more than 20 years and 5.9% is married for 16-20 years. Thus, the majority of the salespeople is married for 0-10 years (66.7%). 39.8% of the sample has a family of 3 people, while 34.4% has a family of 4 people, 14.1% has a family of 2 people; and only 2.3% lives alone. 6.3% has a family of 5; 2.3% has a family of 6, and 0.8% has a family of 7 people. The majority has a family size (including self) of 3-4 people (74.2%). 28.1% of the sample has no children. 39.1% has one child and 27.3% has two children; 3.9% has three children; and only 1.6% has four children. Thus, the majority has 1-2 children (66.4%). 67.5% of the sample is university graduates, 31.0% is highschool graduates, only 1.6% is middle school graduates. There are no elementary school graduates. Thus, the sample is quite a highly educated one. 44.5% of the sample has a job experience of 1-5 years, 39.1% has a job experience of 5-15 years, 10.2% has a job experience of 0-1 year, only 6.3% has a job experience of more than 15 years. The majority of the sample has a job experience of 0-5 years (54.7%); thus the sample has a short job experience in

general. 48.8% of the sample has no prior sales experience, 39.2% of the sample has 0-5 years of prior sales experience, whereas only 12.0% has 6-35 years of prior sales experience. The salespeople who have prior sales experience were detailmen, salespeople in other industries, marketing people or in education. Others had miscellaneous professions (textile, pharmacy, pharmaceutical company, accounting, free lance, office work, etc.). 22.8% of the sample is from IST1; 21.3% is from IST2; 14.2% is from IZM; 11.8% is from ANK; 11.0% is from KON and SAM; only 7.9% is from G.ANTEP. Thus, IST1 and IST2 regions have the greatest number of salespeople; IZM and ANK regions follow closely after. KON and SAM are the next regions, and G.ANTEP has the lowest number of salespeople (only 10 salespeople). As a total, the company has 128 salespeople in 7 regions. 48.8% of the sample is from C group (over the counter); whereas 43.3% is from P group (prescribed) and only 7.9% is from I (immunology) group. C group has the greatest number of salespeople with 62 people; whereas P group is formed of 55 salespeople. There are only 10 salespeople in I group. (See TABLE App.-I-4 Demographic Characteristics of the Sample in Appendix I)

\*On the average, salespeople perceive their current pay level at the average sufficiency (2.508/4.000). 55.7% of the salespeople finds their current pay level sufficient; whereas 36.9% finds it not sufficient and 6.6% finds it not sufficient at all. Only 1 person finds his/her current pay level quite sufficient. (See FIGURE App.-II-5 in Appendix II)

### 3-2\_ Hypotheses Testing

After a review of general results, each hypothesis set in this study is tested. As for confidence level accepted for this research, it is set as 95% confidence level. Thus, maximum allowed significance (p) is .050.

H1 : The hypothesis that the greater the salesperson's feelings of generalized self-esteem, the greater the average magnitude of his/her expectancy estimates is rejected. Although, there is a positive relationship as hypothesized ( $r=.1079$ ), it is not statistically significant ( $p=.119$ ).

H2 : The hypothesis that the greater the salesperson's perceived ability to carry out the activities associated with his/her job (specific self-esteem), the greater the average magnitude of his/her expectancy estimates is rejected. Although, there is a positive relationship as hypothesized ( $r=.1173$ ), it is not statistically significant ( $p=.097$ ).

H3 : The hypothesis that the longer a salesperson's tenure in his/her position, the greater the average magnitude of his/her expectancy estimates is rejected. The relationships

with job experience (current employer) and with amount of prior sales experience are not statistically significant ( $X^2=25.49$ ,  $p=.1119$  and  $X^2=5.53$ ,  $p=.9378$  respectively).

H4 : The hypothesis that the greater the degree to which a salesperson feels he/she has internal control over the events in his/her life, the greater the average magnitude of his/her instrumentality estimates is rejected. The relationship is not statistically significant ( $r=-.0023$ ,  $p=.491$ ).

H5 : Hypotheses H5(a) and H5(b) can not be tested, because the majority of the salespeople (97.7%) prefers combination compensation plans (salary, commission, and/or bonus). However, only H5(c) can be tested. The hypothesis that salespeople who prefer mostly combination compensation plans do not differ with respect to their perceived probabilities of receiving increased pay as a result of improved job performance on dimensions directly or indirectly related to short-term increases in sales volume can be partially accepted. Salespeople who prefer combination compensation plans do not differ with respect to their perceived probabilities of receiving increased pay as a result of improved performance on dimensions like increasing the total sales (TL) ( $X^2=9.07$ ,  $p=.1696$ ); exceeding sales quota by 10% ( $X^2=2.90$ ,  $p=.8211$ ); and reducing the selling expenses ( $X^2=3.34$ ,  $p=.7646$ ). However, they differ with respect to their perceived probabilities of receiving increased pay as a result of improved performance on dimensions like increasing the number of new doctors visited by 10% ( $X^2=23.30$ ,  $p=.0007$ ) (57.3% of salespeople who prefer combination plans say that improved performance on this dimension does not result in receiving increased pay); and better performing the administrative duties ( $X^2=15.40$ ,  $p=.0173$ ) (65.3% of salespeople who prefer combination compensation plans say that better performing the administrative duties does result in receiving increased pay).

H6 : The hypothesis that the lower the salesperson's satisfaction with externally-mediated rewards, the higher the valence for increased amounts of those rewards is partially accepted. The lower the salesperson's satisfaction with pay, the higher the valence for increased amounts of pay ( $r=-.1867$ ,  $p=.018$ ). However, interestingly enough, the higher the salesperson's satisfaction with job security, recognition, and liking and respect, the higher the valence for increased amounts of those rewards (respectively  $r=.2260$ ,  $p=.005$ ;  $r=.4289$ ,  $p=.000$ ;  $r=.2404$ ,  $p=.003$ ). Moreover, there is no significant relationship found between the satisfaction with promotion and valence for promotion ( $r=.1000$ ,  $p=.135$ ).

H7 : The hypothesis that the higher the salesperson's satisfaction with externally-mediated rewards, the higher the

valence for increased amounts of internally-mediated rewards is accepted. The higher the salesperson's average satisfaction with externally-mediated rewards, the higher the valence for increased amounts of worthwhile accomplishment and personal growth (respectively,  $r=.2760$ ,  $p=.001$ ;  $r=.2013$ ,  $p=.013$ ).

H8 : The hypothesis that the higher the salesperson's satisfaction with internally-mediated rewards, the higher the valence for increased amounts of those rewards is accepted. The higher the salesperson's satisfaction with worthwhile accomplishment and personal growth, the higher the valence for increased amounts of those rewards (respectively,  $r=.2389$ ,  $p=.004$ ; and  $r=.2121$ ,  $p=.009$ ).

Moreover, TABLE 3.6 shows the answers regarding personal characteristics as determinants of salesperson's valence for rewards. There are no significant relationships found between "sex", "marital status", "family size", "amount of prior sales experience", "education level" and "compensation plan base preference" of salesperson and valences for the seven rewards. However, there are significant relationships found between "current pay level perception", "age", and "job experience (current employer)" of salesperson and valence for "increased pay", but not for other rewards. Salespeople with lower current pay level perceptions have higher valences for increased pay. 81.7% of younger salespeople has higher valences for increased pay; whereas 72.5% of older salespeople has higher valences for increased pay. 84.75% of the salespeople (on the average) with short job experience has higher valences for increased pay; whereas 69.05% of salespeople with long job experience has higher valences for increased pay.

Additionally, there are significant relationships found between "generalized self-esteem" of salesperson and valences for rewards like recognition, promotion, liking and respect, worthwhile accomplishment, and personal growth (higher-order rewards), but not for rewards like increased pay and job security (lower-order rewards). Salespeople with higher generalized self-esteem have higher valences for recognition, promotion, liking and respect, worthwhile accomplishment, and personal growth.

### 3-3\_ Other Findings

\*As for the motivation of salespeople measured by the model used in the research, which is based on expectancy theory of motivation, on the average salespeople have an average level of motivation (211.1176/448.000). 47.12% of 104 salespeople

Personal Characteristics

Demographic / Life style variables      Career cycle variables      Psychological variables

Sex	Marital status	Family size	Current pay level perception	Age	Job experience (current employer)	Amount of prior sales experience	Education level	Generalized self-esteem	Compensation plan base of preference of salesperson
N.S.** (p=.2480)	N.S. (p=.4580)	N.S. (p=.4701)	Lower* (p=.0000)	Younger* (p=.0049)	Short* (p=.0001)	N.S. (p=.4133)	N.S. (p=.9167)	N.S. (p=.3270)	N.S. (p=.2671)
N.S. (p=.7212)	N.S. (p=.5132)	N.S. (p=.5957)	N.S. (p=.0760)	N.S. (p=.3348)	N.S. (p=.9483)	N.S. (p=.1421)	N.S. (p=.6524)	N.S. (p=.4510)	N.S. (p=.1552)
N.S. (p=.6203)	N.S. (p=.4448)	N.S. (p=.9276)	N.S. (p=.1800)	N.S. (p=.7587)	N.S. (p=.7627)	N.S. (p=.0937)	N.S. (p=.9246)	Higher* (p=.0030)	N.S. (p=.9131)
N.S. (p=.8658)	N.S. (p=.7429)	N.S. (p=.6998)	N.S. (p=.1910)	N.S. (p=.2364)	N.S. (p=.1350)	N.S. (p=.1864)	N.S. (p=.9200)	Higher* (p=.0000)	N.S. (p=.2557)
N.S. (p=.4247)	N.S. (p=.9096)	N.S. (p=.2084)	N.S. (p=.2170)	N.S. (p=.8203)	N.S. (p=.8162)	N.S. (p=.7904)	N.S. (p=.9453)	Higher* (p=.0010)	N.S. (p=.5458)
N.S. (p=.8549)	N.S. (p=.8988)	N.S. (p=.7636)	N.S. (p=.4200)	N.S. (p=.9544)	N.S. (p=.7862)	N.S. (p=.7400)	N.S. (p=.3435)	Higher* (p=.0010)	N.S. (p=.9275)
N.S. (p=.8058)	N.S. (p=.7697)	N.S. (p=.9965)	N.S. (p=.4760)	N.S. (p=.2559)	N.S. (p=.4558)	N.S. (p=.9552)	N.S. (p=.6315)	Higher* (p=.0130)	N.S. (p=.8591)

Salespeople have higher valences for...

1. Increased pay when :
2. Job security when :
3. Recognition when :
4. Promotion when :
5. Liking & respect when :
6. Worthwhile accomplishment when :
7. Personal growth when :

\* : Significant at 95% confidence level

\*\* : N.S. -> not significant



(for whom this measurement is possible) has lower-than - average motivation level; whereas 27.88% of 104 salespeople has higher-than-average motivation level. 25.00% of 104 salespeople has an average level of motivation. Minimum amount of motivation measured is 59/448; whereas maximum amount of motivation measured is 416/448. (See TABLE 3.7- Motivation of Salespeople)

TABLE 3.7- MOTIVATION OF SALESPEOPLE (n=104)

<u>Range of motivation of salesperson</u>	<u>Number of salespeople</u>
7 - 49	0
50 - 99	10
100 - 149	9
150 - 199	30
200 - 249	26
250 - 299	17
300 - 349	4
350 - 399	6
400 - 448	2

\*Range:min:7-max:448; data range:min:59-max:416.

\*\*Average mean of motivation of salespeople:211.1176/448.000.

\*\*\*49 salespeople in lower-than-average; 26 salespeople in average; 29 salespeople in higher-than-average levels of motivation measured.

\*As for the extrinsic motivation of salespeople measured by the model, on the average salespeople have a lower-than-average level of extrinsic motivation (143.648/320.000). 56.2% of 105 people (for whom this measurement is possible) has lower-than-average extrinsic motivation level; 28.57% of 105 salespeople has an average level of extrinsic motivation; whereas only 15.23% of 105 salespeople has a higher-than-average extrinsic motivation level. Minimum amount of extrinsic motivation measured is 32.5/320; whereas maximum amount of extrinsic motivation measured is 292/320. (See TABLE 3.8- Extrinsic Motivation of Salespeople)

\*As for the intrinsic motivation of salespeople measured, on the average, salespeople have an average level of intrinsic motivation (68.339/128.000) 68.69% of 115 salespeople (for whom this measurement is possible) has an average level of intrinsic motivation; 22.60% of 115 salespeople has a lower-than-average intrinsic motivation level; whereas only 8.69% of 115 salespeople has a higher-than-average intrinsic motivation level. Minimum amount of intrinsic motivation measured is 18/128; whereas maximum amount of intrinsic motivation measured is 128/128. 6 people in the salesforce are measured to have the maximum amount of intrinsic



motivation possible. (See TABLE 3.9- Intrinsic Motivation of Salespeople)

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 TABLE 3.8- EXTRINSIC MOTIVATION OF SALESPEOPLE (n=105)

<u>Range of ext.motivation of salesperson</u>	<u># of salespeople</u>
5 - 49	2
50 - 99	18
100 - 149	39
150 - 199	30
200 - 249	7
250 - 299	9
300 - 320	0

\*Range:min:5-max:320; data range:min:32.50-max:292.  
 \*\*Avg.mean of ext.motivation of salespeople:143.648/320.000.  
 \*\*\*59 salespeople in lower-than-average; 30 salespeople in average; 16 salespeople in higher-than-average levels of extrinsic motivation measured.

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 TABLE 3.9- INTRINSIC MOTIVATION OF SALESPEOPLE (n=115)

<u>Range of int.motivation of salesperson</u>	<u># of salespeople</u>
2 - 49	26
50 - 99	79
100 - 128	10

\*Range:min:2-max:128; data range:min:18-max:128(6 s.people)  
 \*\*Avg.mean of int.motivation of salespeople:68.339/128.000.  
 \*\*\*26 salespeople in lower-than-average; 79 salespeople in average; 10 salespeople in higher-than-average levels of intrinsic motivation measured.

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 \*A very important finding that serves the purpose of the research is the significantly high correlation between motivation of salespeople measured by the model and motivation of salespeople directly measured ( $r=.3538$ ,  $p=.000$ ,  $n=102$ ). This brings out the fact that measurement through the model and direct measurement give out the same, consistent results significantly trustable enough to reach a conclusion that the model can be successfully used to measure motivation.

\*When looked at the relationships between current pay level perception and preferences for incentives, there are significant relationships between current pay level perceptions of salespeople and their preferences for seven

incentives, but not for others. (See TABLE App.-I-5 in Appendix I) As salespeople perceive their current pay levels lower, they prefer individual trip (extra week's paid vacation in addition to the usual paid vacation, including spouse and/or family); tapeplayer; calculator; camera equipment; gift certificates of well-known firms (for getting a shirt/tie, etc.); reimbursement of moving expenses by the company; company rosette with symbolic value, as incentives more.

\*When looked at TABLES App.-I-5 and App.-I-6 in Appendix I, there are some significant relationships to be noted between regions/groups and several variables. Firstly, there is no difference among regions and groups with respect to the valences for rewards. Secondly, there is no difference among regions and groups with respect to the satisfaction with rewards, except for "pay" and "personal growth". Some regions are more satisfied and some are less satisfied with the pay. İZM, G.ANTEP, İST2, and İST1 are more satisfied than ANK, KON, and SAM are with the pay. (See TABLE App.-I-7 in Appendix I) Some regions are more satisfied and some are less satisfied with personal growth opportunities. İZM, ANK, G.ANTEP, and KON are more satisfied than İST2, SAM, and İST1 are with personal growth opportunities. (See TABLE App.-I-8 in Appendix I) There are no differences, again, among regions and groups with respect to compensation plan base preference, motivation as directly measured, motivation of salesperson, and current pay level perception. Similarly, there is no difference among regions and groups with respect to preferences for criteria for incentives, except "only the top performers" criteria. Some regions differ with respect to preferring only the top performers to be rewarded as criteria for incentive awards. İZM, İST2, SAM prefer it more than KON, İST1, ANK, and G.ANTEP do. (See TABLE App.-I-12 in Appendix I) As for preferences for incentives, there are no differences among regions and groups, except "sporting goods", "reimbursement of moving expenses", "honorary job titles", and "group trip (including spouse or family, colleagues, and their families)". Some regions and groups differ with respect to their preferences for sporting goods as incentives. SAM, ANK, G.ANTEP prefer sporting goods as incentives more than İZM, İST2, İST1, and KON do. Similarly, Group P and Group I prefer them more than Group C does. (See TABLES App.-I-9 and App.-I-14 in Appendix I) Some regions differ with respect to their preferences for reimbursement of moving expenses by the company as an incentive. İZM, SAM, G.ANTEP, KON prefer it more than İST1, ANK, İST2 do. (See TABLE App.-I-10 in Appendix I) Some regions again differ with respect to their preferences for honorary job titles as incentives. KON, G.ANTEP, İST1, İZM prefer them more than SAM, ANK, İST2 do. (See TABLE App.-I-11 in Appendix I) Additionally, some groups differ with respect to their

preferences for group trip (including spouse and/or family, colleagues, and their families) as incentive. Group C and Group P prefer it more than Group I does. (See TABLE App.-I-13 in Appendix I)

### 3-4\_ The Findings of the Qualitative Study

Besides the results of the quantitative study, the findings of the qualitative part of the research also need to be mentioned. Each industry will be analyzed regarding the motivation, compensation, and incentive practices in the firms of that industry. (See Appendix VI for the interview guide)

#### 3-4-1\_ Pharmaceutical Industry

As data from the four pharmaceutical firms is analyzed, the following points need to be mentioned:

\*The job description of a detailman or a medical representative is as follows: introducing the company products to the target market of doctors/dentists/pharmacists through presentations by using selling skills, choosing the target market of doctors, etc. effectively and reaching the most influential ones firstly, doing indirect propaganda and placing the name of the product in the doctors' memories, doing marketing research, learning the needs and recommendations of doctors, pharmacies, and taking action about them, taking orders from sales points and informing the district managers about these orders, writing daily reports, preparing frequencies, giving monthly expense reports (bills, car expenses, average expense analysis, etc.).

\*The "motivators" for salespeople are incentive system, training, competition, appraisals, participation in decisions, meetings, rewards (positive or negative reinforcement), formal grievance procedure, upward communication, social gatherings, face-to-face talks with district managers and promotion managers.

\*The degree of satisfaction the salespeople have on various job dimensions such as pay, company policies, etc. is not measured by a formal procedure generally. However, only one firm uses a questionnaire format for measuring the satisfaction of its salespeople.

\*The motivation levels of these salespeople are not measured by a formal procedure, either; but detected by the evaluations of district and sales managers. Again, only one firm uses a questionnaire format for detecting the motivation levels of its salespeople.

\*Using personality tests during selection, training, or later stages to determine their fit as a salesperson is not a very common practice in the industry. Only one firm uses a psycho-technical test during selection stage to learn about general abilities, mental abilities, fit as a salesperson, and accuracy and speed of decision making.

\*Salespeople are compensated mostly by combination plans (salary plus commission). Increases in salary are mainly due to inflation, performance, and seniority. The commissions are paid with respect to the realization of regional or individual quotas determined each year. Not only sales figures but also detailing activities are in the commission quotas. Other financial compensation includes mainly food expense, accommodation expense, accident expense, etc. reimbursements.

\*Incentives offered in the industry are group trips (with or without family, to foreign countries or domestic destinations), training meetings (in foreign countries or in informal mood), gold, cash for New Year presents, birthday presents, New Year presents, cash for clothing, gift certificates of well-known firms, car expense reimbursement, small merchandise, company rosette (normal, silver, gold), award plaque, award certificate, distinguished salesperson award, sales league trophy, letters of commendation to the most successful region, recognition of the salesperson who finds out the maximum number of doctors' addresses or who makes the maximum number of presentations, meetings with general manager, company dinners, personal thanks and appraisal, prominent announcements of social news, meetings, plaque owners, etc. in the company newspaper which is also provided to other companies and the target market. These incentives are mostly given based on such criteria as realization of product targets, realization of other targets, and information level/knowledge of products.

The pharmaceutical industry, thus, is one of the industries that is keen on "motivators" and "incentives"; using incentive compensation widely. There is a wide range of "incentives" used in this industry. This can also be observed in the quantitative study results. The specific sales population is given several types of incentives in past years and expects to be given still various other types by the management.

### 3-4-2\_ Banking Industry

The data for banking industry is, again, collected from four banks. The following findings warrant attention:

\*The job description of an account executive or credit marketing executive is as follows: marketing all banking services in a total package and persuading the firms to use these services by marketing activities, introducing credit, insurance, foreign currency procedures, bank account, and other services in view of customer needs and banking efficiency, introducing different financial products and new services (foreign currency credits, pre-financing, factoring, leasing, swap, forward, repo, exim credit, etc.) to the customers and helping them to make decisions, improving the portfolio by gaining new customers, establishing productivity in the operations of new customers and current customers with the bank, coordinating the bank-customer relationships, being responsible of the profit-risk margin of the bank-customer relationships, arranging the prices, doing technical analysis, introducing the customers to the upper management of credit marketing, being responsible from the approval of credits, solving operational problems of the customer within the bank, and seeing through that the operations of the customer are done effectively within the bank.

\*The "motivators" for these employees are meetings, competition, rewards, recognition, extensive training, high compensation, autonomy, good working environment, responsibility, initiative, respect for personality, seeing each employee as a "profit center", incentive system, feedback, goal-setting, high technology provided, and extensive communication.

\*The degree of satisfaction the salespeople have on various job dimensions such as pay, company policies, etc. is generally measured on a personal basis in informal meetings. Only one bank has used a questionnaire format a couple of times to learn about the personal satisfaction on pay, promotion, etc. Later on, the bank has arranged a meeting to inform the employees on the results of the study. Another bank plans to make an analysis of training needs and thus, plans to learn more about the satisfaction levels of the employees.

\*The motivational levels of these employees are measured mostly through informal meetings, upward communication, customer evaluation, daily reports, performance appraisal/goal setting, and participation in performance evaluation. Only one bank has used a questionnaire format a couple of times to learn about the motivation and bank image, and has arranged a meeting to discuss the results.

\*As for using personality tests during selection, training, or later stages to determine their fit as a salesperson, it is noted that one bank uses a special test in selection stage, and one other bank uses an ability test besides the



interview. However, special personality tests are not common. Most of the banks try to learn about the personality traits of these people through interviews and training periods. One bank indicates that a part-time psychologist works with the bank to help them with the employee problems.

\*These people are mostly compensated by straight salary plans. The increases in salaries are due to performance and seniority. There are no commissions paid out. Besides the straight salary, the employees get some additional financial compensation through title indemnity, signature indemnity, profit sharing, foreign language indemnity, and transportation expense reimbursement.

\*Incentives offered in the industry are cash rewards, small merchandise, New Year gift lotteries, travel lotteries, group trips (without spouse/family), individual trip, training outside the bank or in foreign countries, New Year parties with top executives, award certificate, award trophy, personal letters and telephone calls of commendations. These incentives are mostly given based on such criteria as portfolio performance, extraordinary achievement, productivity, branch success or performance, contest results, and development potential.

Thus, the banking industry, in view of being a service industry, is also active in motivating its marketing people through motivators and incentives. The banks even get involved in satisfaction and motivation studies. A further remark on the banking industry is that straight salary compensation plans are most common plans.

### 3-4-3\_ Insurance Industry

The data for insurance industry is obtained from three insurance firms. The following results are noted:

\*The job description of an account executive, marketing or sales person is as follows: marketing insurance, determining customer needs, following the company operations through, finding new customers, doing marketing research about potential customers, contacting the right people in the selected firms, introducing the insurance firm and its products to the customer, collecting information about the customer, preparing policy drafts and improving the policies, closely following the operations, problems, and business connections of the customers, and collecting insurance fees.

\*The "motivators" for these employees are commission, meetings, training, and bonus.

\*The degree of satisfaction these salespeople have on various



job dimensions such as pay, company policies, etc. is generally measured through periodic talks, and staff meetings. No formal format is used for this purpose.

\*The motivation levels of these employees are measured mostly through performance appraisal, reports, and informal talks. Again, there is no formal format for this purpose.

\*Using personality tests during selection, training, or later stages to determine their fit as a salesperson is not common in the industry. Instead of these personality tests, face-to-face interviews and observing the candidates are utilized to see their fit as a salesperson.

\*These people are mostly compensated by straight salary plans. The managers indicate that the main job of these people is pioneering (finding new customers) and that the commission plans are not appropriate since they cause pressure on current customers, destroy income security, and decrease pioneering activities. The increases in salaries are mainly due to performance and inflation. Besides straight salaries, these people are additionally compensated by profit sharing and bonus due to performance appraisal. Only one life insurance firm compensates its marketing people by a combination plan [low salary, high commissions (progressive rate, arranged with respect to sales), and profit sharing].

\*Incentives offered in the industry are cash awards, religious holiday bonus, travel lotteries, New Year present lotteries, birthday presents, small merchandise, individual trip (family compensated by the salesperson), picnics/company dinners, entertainment, gatherings, training meetings, and appraisals of the top level executives. These incentives are mostly given based on such criteria as top performers in sales, and evaluation of managers.

In the insurance industry, the "satisfaction" and "motivation" concepts are handled through informal relationships. Except one insurance firm studied by the researcher, the firms use straight salary plans mostly.

#### 3-4-4\_ Consumer Goods Industry

The data is collected from two leader multinational firms in the industry. The following are the results:

\*The job description of a salesperson, a field sales representative is as follows: increasing the sales done over the wholesalers, providing the retailers with product promotion materials on time and effectively, informing them about promotion campaigns, visiting the customers on specific routes and days, paying attention to and being responsible

from price, physical condition, shelf space, cleanliness, and shelf arrangement of products in retail shops, being responsible from promotions, displays, billboards, increasing the product availability in the market and in retail sales points, recording inventories, taking orders, collecting receivables, following new sales spots and finding potential wholesaler or retailer points, following competitor activities and collecting information, introducing the new products, taking action to solve customer problems, influencing wholesalers in view of company goals, training wholesalers as partners of the firm, establishing regular sales from the factory to wholesalers, and establishing the balance by controlling the disruptive activities of the wholesalers in the market.

\*The "motivators" for these employees are bonus incentive system, promotion, job security, good company image, regional meetings, informal meetings, national meetings (in different environments, entertainment, gatherings), training, and foreign language/PC, etc. courses outside the company or in foreign countries.

\*The degree of satisfaction these salespeople have on various job dimensions such as pay, company policies, etc. is measured through regional meetings, national meetings on company policies and past performance informally. One of the firms indicates that they use questionnaire studies in case of important problems, but not periodically.

\*The motivation levels of these employees are detected informally through communication meetings, performance appraisals, career discussions, and goal setting. No formal questionnaire format is used.

\*As for using personality tests during selection, training, or later stages to determine their fit as a salesperson, it is noted that one of the firms uses a standard form where it tries to learn about the past experiences and motives of the candidates. However, mostly face-to-face interviews are utilized to detect such characteristics as socialness, presentation capacity, capability in human relations, high information level, extroversion, and flexibility.

\*These people are mostly compensated by straight salary plans. The increases in salaries are due to supervisor evaluation, market practices, inflation and performance. Besides salaries, additional financial compensation such as credit financing for cars, gas expense reimbursement, and bonus (but not periodically) is provided.

\*Incentives offered in the industry are special cash award, individual trip (with spouse/family, in home country or

abroad), business trips (for training), small merchandise (walkman, video, personal gifts, camera equipment, etc.), and recognition (dinners with top executives, appraisals, award plaques, publicity in national meetings, honoring of the reports prepared by lower-level employees by upper-level management, personal letters of commendation, publicity in regional bulletin boards and prominent announcement of contest results in the company newspaper). These incentives are mostly given based on such criteria as performance, contest performance, several criteria regarding sales, individual achievement, team performance, and extraordinary accomplishment.

Thus, the consumer goods industry, as far as these two strong firms are concerned, is also keen on using "motivators" and "incentives" effectively. There is a wide range of financial and non-financial incentives used. The most common type of compensation plan is straight salary plan.

As far as the four industries studied, the "motivators" and "incentives" are extensively used in the pharmaceutical, banking, and consumer goods industries. However, sales incentives are not very common in the insurance industry. Moreover, except the pharmaceutical industry, the three other industries are noted to use straight salary plans for compensating salespeople. Surprisingly enough, only in the pharmaceutical industry, in which missionary selling dominates, the combination compensation plans are common.

## CHAPTER FOUR

### CONCLUSIONS AND IMPLICATIONS

#### 4-1\_ Conclusions of the Study

The findings of the research enlight many important areas regarding the motivation of salesperson and give way to prominent implications useful for managers and researchers.

In the context of this research, several issues are brought out that need more attention in other research contexts.

Salespeople believe that increases in selling efforts cause more sales than increases in selling time do. They also believe that increases in sales result in higher-order rewards (recognition, worthwhile accomplishment, personal growth, liking and respect) rather than in lower-order rewards (job security, increase in pay, or promotion).

The rewards that are most valued by salespeople are personal growth and worthwhile accomplishment. Recognition, promotion, and increase in pay are the least valued rewards.

Salespeople are most satisfied with liking and respect they receive at work. They are generally more satisfied with internally-mediated rewards (higher-order rewards). They are less satisfied with lower-order or externally-mediated rewards. In fact, they are least satisfied with job security, pay, and promotion. The same results were found in 1990. (Öztunç and Pekerkan 1990) They were again most satisfied with internally-mediated rewards (the job satisfaction) and less satisfied with pay and compensation.

Salespeople have high levels of generalized self-esteem and specific self-esteem. The similar results are obtained in 1990 and 1992 with respect to the specific self-esteem characteristics. Salespeople are most confident with their relations with doctors and pharmacies and their sales performance like they were in 1990. Similarly, they are least confident with their knowledge of company and competitor products and doctor and pharmacist needs like they were in 1990. (Öztunç and Pekerkan, 1990)

Salespeople have a better-than-average level of internal control over their lives.

Salespeople mostly prefer combination compensation

plans and they believe that job dimensions directly-related to short-term increases in sales volume result in increased pay due to improved performance on those job dimensions more than job dimensions not-directly related to short-term increases in sales volume do.

When directly measured, salespeople have higher-than-average level of motivation. On the other hand, when measured through the model of expectancy theory of motivation, they have an average level of total motivation, lower-than-average level of extrinsic motivation, and average level of intrinsic motivation.

A significant relationship is found between direct measure of motivation and motivation measurement through the model; as intended by the researcher. It is seen that they both give out the same, consistent results on salesforce motivation.

There are no significant relationships found between the individual factors and motivational components studied in the research. No significant relationships are observed among generalized self-esteem, specific self-esteem, and perceived effort/performance probabilities; among job experience with the current employer, amount of prior sales experience and perceived effort/performance probabilities; among internal control over the events in salesperson's life and perceived performance/reward probabilities.

Salespeople that mostly prefer combination compensation plans are indifferent with respect to job dimensions directly-related to short-term increases in sales volume in relation to increased pay as a result of improved performance on those job dimensions. However, they believe that performing the administrative duties better does result in increased pay, whereas increasing the number of new doctors visited does not result in increased pay.

When salespeople are less satisfied with pay, their valence for pay is higher. However, when they are more satisfied with job security, recognition, and liking and respect they get at work, they value them more and more. If salespeople are more satisfied with externally-mediated rewards, they value internally-mediated rewards (worthwhile accomplishment and personal growth) more.

Moreover, the marginal utility of internally-mediated rewards is also observed in this research. As salespeople are more satisfied with internally-mediated rewards, they value them even more.

As for personal characteristics as determinants of



valences, younger salespeople, salespeople with short job experience, and salespeople with lower current pay level perceptions have higher valences for pay. Moreover, salespeople having higher generalized self-esteem have higher valences for higher-order rewards (i.e. \*recognition, promotion, liking and respect, worthwhile accomplishment, and personal growth).

The incentives that are most preferred by the salespeople are life insurance, accident (casualty) insurance, personal use of company car, cash (besides salary, commission, or any other financial compensation), PC, individual trip (extra week's paid vacation in addition to the usual annual paid vacation, including spouse an/or family), and group trip (including business seminars). It should be noted that non-financial incentives and fringe benefits are more preferred than financial incentives or merchandise. Indeed, the least preferred incentives are merchandise such as calculator, electronic typewriter, videocassette recorder, camera equipment, videotapes, tape player, household goods, and radio. There are also other incentives preferred such as cooperative arrangements led by the company for housing; the company's sending successful salespeople to PC, foreign language, etc. courses in home or foreign countries.

In general, salespeople perceive their current pay level at the average sufficiency. The ones, that perceive their current pay levels lower, prefer incentives such as individual trip (extra week's paid vacation in addition to the usual annual paid vacation including spouse and/or family); small merchandise like camera equipment, tapeplayer, etc.; gift certificates of well-known firms; and reimbursement of moving expenses by the company more. Salespeople, furthermore, value the company rosette with symbolic value highly.

As for preferences for criteria for incentive awards, salespeople prefer mostly group/regional and individual achievement. They prefer only supervisor evaluation or only the top performers to be rewarded as the least important criteria. They also come up with such suggestions of incentive award criteria as peer evaluation, customer (in this case, doctors, etc.) evaluation, and information level about the company and competitor products.

There are no differences among regions and groups with respect to valences for rewards, satisfaction with rewards (except with "pay" and "personal growth"), compensation plan base preference, motivation as directly measured, the total amount of motivation detected through the model, current pay level perceptions, preferences for criteria for incentive



awards (except "only the top performers" criteria), and preferences for several incentives (except "sporting goods", "reimbursement of moving expenses", "honorary job titles", "group trip (including spouse or family, colleagues, and their families)).

In general, the use of "motivators" and "incentives" are quite common in the pharmaceutical industry. The combination compensation plans are the common practice in compensation of salesforce. The variety of incentives offered to salespeople in this industry also needs attention.

Banking industry also utilizes strong motivators and incentives for the salespeople. It is found that formal studies of job satisfaction and motivation are conducted in this industry. Again, there is a wide range of incentives offered. The common type of compensation plan is straight salary plans.

Another industry, that commonly uses straight salary plans (once in a while combination plans) is the insurance industry. The "satisfaction" and "motivation" concepts, along with "sales incentives" for periodic use are newly considered in this industry.

On the other hand, motivation and satisfaction of salespeople are closely followed and "motivators" and "incentives" are extensively used in the consumer goods industry. A wide range of incentives are offered to salespeople. Straight salary plans are utilized for compensating salespeople.

Since the interviews are made with specific number of managers in different industries, results of the qualitative study cannot be generalized. But one is able to obtain an idea about the motivation, compensation, and incentive policies in different industries.

Thus, this research offers a review of motivational literature, measurement of motivation directly or through suggested models, an analysis of the impact of regional differences and personal differences on salesforce motivation and salesforce preferences for sales incentives, and also looks more closely to similar practices in other industries.

#### 4-2\_ Contributions to the Literature

Firstly, an extensive review of literature on motivation and salesforce motivation is provided. Motivation of salespeople is explored on the basis of the expectancy theory

of motivation. The total amount of motivation of the salesforce in a pharmaceutical firm is tried to be measured quantitatively. Furthermore, extrinsic and intrinsic motivation of the salespeople are also operationalized. The motivation as measured by the model in the study is compared with the motivation measured directly, as behavioral intentions. New variables such as "compensation plan base preference" and "current pay level perception" are utilized in the theoretical framework and hypotheses; as variables affecting the components of the motivation. Additionally, preferences for combination compensation plans are analyzed for the first time with respect to job dimensions directly or indirectly related to sales volume resulting in increased pay as a result of improved performance on those dimensions. An important contribution of the research is the analysis of regional differences (in view of different regions in which the specific pharmaceutical firm operates) in sales motivation. This objective mainly affects the design of the research and choice of the sample.

Another important contribution stemming from the qualitative study is the obvious difference among the compensation practices and policies of different industries. Surprisingly enough, in insurance and consumer goods industries, instead of "payment by results", straight salary compensation plans are utilized. The firms in these industries, especially the multinational firms in the consumer goods industry, declare that the "real" motivation comes right off through working within these companies. On the other hand, the firms in the pharmaceutical industry utilize combination compensation plans where there is an incentive portion added to the basic salary. Surprisingly enough, the missionary selling observed in this industry is well-known of difficulties in incentive compensation and better fit to the straight salary plans. This prominent contradiction with the well-known theories of motivation and compensation leads to an important theoretical contribution of this research.

#### 4-3\_ Implications

The research findings may be useful to generate implications for sales managers, future researchers, and other parties.

Instead of attempting to view motivation as an aggregate concept, sales managers should focus on micro components of salesperson motivation (i.e. expectancy, intrinsic and extrinsic dimensions of instrumentality, and valence measures). This approach would enable sales management to use

available motivational tools for their maximum impact on salesperson work performance more effectively and to take the actions that might lead to improvements in salesperson work motivation.

Furthermore, expectancy theory of motivation may be useful in identifying which of many possible outcomes in a sales situation are effective motivators and which are unrelated to performance. This information will permit the sales manager to shift the resources at his/her disposal to the most productive incentive programs and to improve or phase out those with little effect.

Attitude surveys should be conducted among salespersons on a frequent basis to measure components of motivation. Most attitude surveys in organizations focus only on satisfaction, and satisfaction levels. However, both intrinsic and extrinsic motivation of salespersons should be monitored regularly; such measures can be obtained by administering instruments such as those used in this study. A number of sales organizations already administer such measures in terms of surveys of salesperson's perceptions and attitudes at regular intervals (ranging from once in six months to once a year), using either standardized surveys or surveys developed specifically for the organization.

From a managerial viewpoint, a most intriguing aspect of the expectancy model of motivation is the rewards salespeople value.

To determine the salient rewards based on salesperson's perceptions, it is essential to find both intrinsic and extrinsic rewards that have valence for salespersons. It is important that salespersons' perceptions of the desirability of rewards are measured. Thus, instead of attempting to change what salespersons want, managers should try to find out what they want. The managers have an important role in creating, monitoring, and maintaining the expectancies and reward structures that will positively affect work motivation. The manager should play the key role in providing the right rewards for different salespersons, and clarifying the relationship of performance to reward expectancies to them. Thus, sales managers should be made aware of the nature of motivation as well as the tools (control over organizational rewards, skill in administering those rewards) to enhance salespersons' motivation.

As far as personal characteristics influencing reward valences, further insight into these could have managerial relevance in the recruitment, selection, and training functions of sales management.

In fact, there are five steps in applying expectancy theory in sales or in any management role, as mentioned by Quick (1989):

- (1) Telling salespeople what is expected of them.
- (2) Making their work valuable: Salespeople's needs for rewards are just varied and complicated as those of any other worker. There are internal rewards that flow directly from the work, such as a sense of achievement, satisfaction, an increase in self-esteem, growth, and progress. And there are external rewards, given by management, such as more money, promotions, praise, and other forms of bestowed recognition. The value of these rewards varies among salespeople. The more closely a person's values to the assignment are matched, the more value is created for the salesperson, and the stronger his or her motivation will be.
- (3) Making the work doable: To help increase the salesperson's confidence in his or her ability to carry off the assignment, training, coaching, or other resources can be offered.
- (4) Giving them feedback: Feedback is a vital step in the motivation process. When a salesperson is not doing what the manager expects, he or she needs to be told this, immediately and specifically.
- (5) Rewarding them when they have been successful: There are many ways to reward salespeople. Rewards do not necessarily have to be elaborate, but they should be consistent. The external rewards reinforce the internal rewards that flow from the work that the manager helps making more meaningful.

The sales managers who know their salespeople can be most successful in applying expectancy theory. Collecting information on salespeople through observing them, keeping records, and interviewing and coaching them from time to time to see what motivates them, what kinds of personal goals they have, what their strengths are, etc. is a way to know more about the salespeople.

Thus, the sales manager, planning to have a positive influence on salespeople's motivation through applying expectancy theory should regularly and consciously consider the above steps.

In view of these general implications for sales managers, the specific implications based on the results of this study are also considered.

The most valued reward, personal growth, is an important motivator for this group of salespeople. Personal growth opportunities may be increased by for example, sending successful salespeople to PC, foreign language courses, etc. in home country and in foreign countries, which is also a highly preferred "sales incentive". Similarly, salespeople highly value a feeling of worthwhile accomplishment they

receive from their work. The sales managers can reinforce this feeling even more by timely feedback and explaining the salespeople the importance of their duties (in relation to the organization and to the society, in general). Another valued motivator is liking and respect they receive at work. The managers can make use of this motivator by supporting social gatherings and the development of strong interpersonal relationships among the salespeople.

In this population of salespeople, salespeople are mostly satisfied with the rewards they highly value; which leads to a higher motivation. On the other hand, although they do not value job security, pay, and promotion, they are not highly satisfied with them either. Thus, these may not act as potential motivators as suggested by Herzberg (1959). However, they are potential sources of de-motivation. Thus, the management should consider to improve the "hygienic" powers of job security, pay, and promotion to form a strong base to build upon by other "motivators". If the salespeople have higher satisfaction with externally-mediated rewards, they will value internally-mediated ones even more; and as they get more satisfied with internally-mediated rewards, their valence for those rewards will increase as ultimate sources of "motivation". The overall result will be a "highly motivated salesforce".

The management should also consider the personal characteristics of the salespeople while planning improvements on rewards. Younger salespeople, salespeople with short job experience, and with lower current pay level perceptions can be best motivated by increases in pay in this population. Furthermore, salespeople with higher generalized self-esteem value higher-order rewards more; such as recognition, promotion, liking and respect, worthwhile accomplishment, and personal growth. If the sales management policy is to emphasize higher-order rewards for motivation, recruiting and selecting high generalized self-esteem people should also be a policy. An intriguing aspect involved in this issue is the "promotion" as a higher-order reward. Salespeople have low instrumentalities, valences, and satisfaction for "promotion". Promoting successful salespeople to administrative positions, indeed, is not perceived as a widely practiced company policy. Thus, it is unpractical for the management to recruit salespeople who value "being promoted" highly unless the company policy is changed.

The total amount of motivation of the salesforce, being average, can be increased by focusing on the components of the motivation. Extrinsic motivation, which is at a lower figure, can be best improved by focusing on the instrumentalities and valences of externally-mediated



rewards. Generally, intrinsic motivation of the population is higher in quantity, and yet can be improved. The measures of the total motivation, intrinsic and extrinsic motivation should serve as benchmarks for the sales management before taking the necessary actions. Thus, the sales managers are recommended to measure the motivation levels of their salespeople either through an instrument like the one used in this study or directly through behavioral intentions.

There is a wide range of incentives used in the pharmaceutical industry, ranging from financial incentives, fringe benefits to non-financial incentives and extensive recognition as brought out by the interviews made with the managers in the industry. For this sales population, the most effective sales motivators (highly preferred sales incentives) are life insurance, accident (casualty) insurance, personal use of company car, and cash (besides salary, commission, or any other financial compensation). Non-financial incentives and fringe benefits are preferred more than merchandise. While planning incentive reward systems or contests, these preferences should be taken into consideration for the maximum amount of motivation. An interesting incentive alternative brought out by this sales population, cooperative arrangements led by the company for housing can be a potential source of motivation considered by the management. In view of these results, the sales incentives, already used or planned to be used, can be focused upon more consciously and effectively.

This sales population's preferences for criteria for incentive awards should also be considered by the management. The incentives can be given by such criteria as group or regional achievement and individual achievement. However, salespeople do not prefer that they are only evaluated by supervisors for incentives or only the top performers among them are rewarded. They even suggest that peer evaluation or customer (doctors, etc.) evaluation can be satisfactory criteria for incentives. An already used criteria in the pharmaceutical industry, which is also suggested by salespeople, information level about the company and competitor products should also be noted as a satisfactory criteria.

Several incentives are especially desired by the salespeople as they perceive their current pay levels lower; namely individual trip, gift certificates, and reimbursement of moving expenses. Thus, the management should note that these incentives are as important as pay. Besides these incentives, the sales management should also note that the company rosette with symbolic value is highly valuable for the sales population.



The sales management should be careful to take the regional or group differences in motivation and in preferences for incentives into account; although there are not many significant differences among regions and groups with respect to several dimensions studied. The same kinds of rewards are valued or not valued in all the regions and groups. All the regions and groups do not differ in satisfaction with rewards, except that some regions differ with respect to satisfaction with pay and personal growth. The total amount of motivation do not differ among regions and groups. With respect to preferences for incentives, the regions and groups differ on a couple of incentives such as honorary job titles, reimbursement of moving expenses, etc. Similarly, they only differ with respect to one preference for criteria for incentive awards, namely on only the top performers to be rewarded.

There are not major differences among regions and groups that the management should be keen upon. And yet, being aware of even the minor ones adds to the motivating power of the managers in all the regions.

Not only implications for sales managers, but also for other parties need to be mentioned. Other institutions besides the pharmaceutical firms, such as public institutions in the health sector, and the Pharmaceutical Manufacturers' Association, may come up with appropriate "codes of behavior" for motivating the salespeople through approved motivators. This approach will help having better practices by salespeople with their relationships to customers (doctors, etc.). Furthermore, manipulative aspects of motivation may be closely controlled by these institutions.

Especially for the public in general, the careful consideration of motivating salespeople or any other employee is a means to higher productivity and thus, beneficial for anyone involved, from the employee to the consumer. Moreover, emphasizing the "human side" in the working context through "motivation of employees" concept is an improvement that the public should support at best.

The qualitative study findings also lead to important implications to be noted for other parties. The difference among compensation policies of different industries should be

regarded carefully especially by the new entrants to these industries, namely banking, insurance, consumer goods, and pharmaceutical industries. Indeed, foreign firms planning mergers and acquisitions with these firms in these industries should evaluate the interestingly different compensation practices already utilized by them to see whether these

practices are totally different from the ones in other countries.

Another implication from the qualitative study is for the managers of different firms in banking, insurance, and consumer goods industries where straight salary plans are widely used. In order to hire the most talented people for being more competitive in their markets, the management of these firms should offer high salaries to attract the right people. This brings out the fact that "selection" of applicants as salespeople gains more importance compared to "training" of employees as salespeople. In view of the "accomplishment" of these employees as a function of "selection", "training", and "motivation (including compensation)", it is clear that "selection" should be given more attention, at least as much as "motivation", by the managers of the firms in these industries.

As for researchers, there are a number of future research opportunities to be utilized. In fact, the limitations and future research opportunities go hand in hand.

Since the population of this research may not be truly representative of sales populations in other industries, it will be desirable to examine the current results in the context of other sales populations in industries such as banking, insurance, consumer durables, consumer goods, and in other firms of pharmaceutical industry. Specific quantitative studies can be made within these industries and firms after qualitative interviews made with managers and salespeople to gain preliminary information.

Several variables such as task characteristics (job dimensions such as skill variety, task identity, task significance, autonomy, feedback); environmental constraints (economic conditions, strength of competition, sales territory potential, restrictions of product availability) with respect to their relationships with job satisfaction, motivation, and performance and the interaction effects among these variables (including organizational and individual variables) should be further analyzed.

Furthermore, relationship between motivation and performance; relationship between motivation directly measured and motivation measured through a model; regional or local differences in motivation; and the directional aspects of motivation, referred to as "working smarter" warrant more research attention.

Davis and Webster (1968); Dodge (1973); Phelps and Westing (1968), all indicate that a number of situational

variables such as market potential, territory workload, and the company's effort and experience that may appreciably affect a salesperson's productivity, act as sources of unexplained variance in motivation studies. Moreover, it is also noted that stochastic effects on the salesperson's decision to produce should also be regarded. Intelligence and personality constructs, predictive of ability, may well be used.

Walker, Churchill, and Ford (1977, 1985) hypotheses about the accuracy of the salesperson's expectancy and instrumentality estimates should also be tested.

Additionally, expectancy scale may feature multiple and specific work activities, specific levels of effort on work activities, and multiple measures of outcomes associated with each work activity. As for the instrumentality scale, multiple performance dimensions can be used. (Connolly 1976; Hollenback 1979; Mitchell 1974; Cron, Dubinsky, and Michaels 1988) Also, alternative higher and lower order rewards could be used to assess salesperson's reward valences and instrumentality estimates.

It is not known and must be further analyzed whether some specific types of general rewards (e.g. specific types of recognition programs) are more highly valued than others.

A future study with a data base large enough to allow an exploration of both the separate effects of personal characteristics on valences and their interactions and longitudinal studies which look at how salespeople's valences change over time in response to changes in their life-style and career paths would also be ideal.

Moreover, organizational characteristics such as different compensation plan types in different firms, etc. may be better predictors of reward valences than personal characteristics of salespeople and thus a more promising area for future research. A variety of unexamined environmental and organizational variables that may affect reward valences remain to be studied.

Another recommendation for future research may be using full scales of I/E control and generalized self-esteem to obtain more reliable measures.

As for incentives, beside individual incentive systems, preferences for group incentive systems can also be analyzed. Incentives can also be included as job outcomes (rewards). A test of the separate effects of this set should, in part, resolve some long-standing issues concerning the behavioral implications of sales incentives over and above the effect of

the basic compensation plan.

Storholm (1982) also brings out the ethical problems in motivation. He indicates that some managers manipulate instead of motivate, and that the ethical dilemmas inherent in the motivation process are a significant factor to be considered by the sales manager.

Manipulation is a way of getting people to do things through the use of devious or questionable means. "Using" people to achieve one's own needs is considered to be manipulation and is a highly unethical practice, even though it is used extensively in business. Manipulation causes people to feel mistrust for their managers. In fact, effective sales management requires that salespeople be treated as human beings who need to grow, rather than as tools to be used to help further a manager's own ends. Thus, ethical problems in motivation deserve attention and may be new future research opportunities in sales management.



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APPENDIX -	I . Tables
	II . Figures
	III . Coding Sheet
	IV . Questionnaire - English
	V . Questionnaire - Turkish
	VI . Interview form - English
	VII . Interview form - Turkish

APPENDIX - I. Tables

TABLE APP. - I-1

SPECIFIC SELF ESTEEM

	<u>Mean*</u>
Relations with doctors/pharmacies	3.449
Sales performance	3.296
Ability to reach quota	3.214
Management of time	3.205
Knowledge of company/ competitor products ; doctor/pharmacist needs	3.102

\* : Scale; 1: Quite low .... 4: Quite high

TABLE APP. - I-2

INCREASED PAY AS A RESULT OF IMPROVED PERFORMANCE ON  
JOB DIMENSIONS

	<u>Mean*</u>
Exceeding sales quota by 10%	3.203
Increasing the total sales (TL)	3.141
Better performing administrative duties	2.669
Reducing the selling expenses	2.457
Increasing the number of new doctors visited by 10%	2.260

\* : Scale; 1: No chance .... 4: Certain to occur

TABLE APP. - I-3

PREFERENCES FOR INCENTIVES

	Mean*
Life insurance	3.606
Accident insurance	3.603
Personal use of company car	† 3.432
Cash (besides salary, commission or any other financial compensation)	3.294
Personal computer	3.269
Individual trip (extra week's paid vacation in addition to the usual annual paid vacation; incl. spouse and/or family)	3.242
Group trip (incl. business seminars)	3.236
Honorary job titles	3.190
Award plaque or certificate	3.176
Company rosette with symbolic value	3.176
Moving expense reimbursement	3.167
Distinguished salesperson award (salesperson of the year award, top performer honors, etc)	3.165
Special meetings with top executives	3.016
Books	2.976
Clothing	2.976
Publicity (prominent announcement in the company newspaper, etc.)	2.976
New model car	2.959
Trophy	2.911
Group trip (including spouse/family/ colleagues and their families)	2.881
Gift certificates of well-known firms (for getting a shirt/tie etc.)	2.854
Dinner in the winner's honor	2.840
Personal letters of commendation	2.680
Telephone calls of commendation	2.661
Sporting goods	2.492
Watch	2.467
TV	2.440
Compact disc player	2.423
Calculator	2.405
Electric typewriter	2.391
Videocassette recorder	2.360
Camera equipment	2.347
Video tapes	2.331
Tape player	2.319
Household goods	2.295
Radio	2.239

\* : Scale; 1: Not at all useful .... 4: Very useful



TABLE APP. - I-4

DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

Property		Percentage of Respondents	Number of Respondents
Sex	Male	86.6 %	110
	Female	13.4 %	17
Age	18-34	64.6 %	* 82
	35-49	32.3 %	41
	50-65	3.1 %	4
Marital status	Married	82.7 %	105
	Single	17.3 %	22
	Widow/divorced	0.0 %	0
Number of years married (% of sales-people married)	0- 5 years	32.4 %	33
	6-10 "	34.3 %	35
	11-15 "	20.6 %	21
	16-20 "	5.9 %	6
	20 + "	6.9 %	7
Family size (incl.self)	1	2.3 %	3
	2	14.1 %	18
	3	39.8 %	51
	4	34.4 %	44
	5	6.3 %	8
	6	2.3 %	3
	7	0.8 %	1
Number of children had	None	28.1 %	36
	1	39.1 %	50
	2	27.3 %	35
	3	3.9 %	5
	4	1.6 %	2
Education level	Elementary sch.	0.0 %	0
	Middle sch.	1.6 %	2
	High sch.	31.0 %	39
	University	67.5 %	85
Job experience	0- 1 years	10.2 %	13
	1- 5 "	44.5 %	57
	5-15 "	39.1 %	50
	15 + "	6.3 %	8

Property		Percentage of Respondents	* Number of Respondents
Amount of prior sales experience	None	48.8 %	61
	0- 5 years	39.2 %	49
	6-35 "	12.0 %	15
Region	IST1	22.8 %	29
	IST2	21.3 %	27
	IZM	14.2 %	18
	ANK	11.8 %	15
	KON	11.0 %	14
	G.ANTEP	7.9 %	10
	SAM	11.0 %	14
Group	C (Commercial)	48.8 %	62
	P (Prescription)	43.3 %	55
	I (Immunology)	7.9 %	10

TABLE APP. - I-5

CURRENT PAY LEVEL PERCEPTIONS, REGIONS, GROUPS,  
AND PREFERENCES FOR INCENTIVES

Preferences for ...	Current Pay Level Perception	Regions <sup>*</sup>	Groups
Cash (besides salary, commission, and other financial compensation)	N.S.** (p=.2370)	N.S. (p=.5648)	N.S. (p=.0815)
Group trip (incl.business meetings and seminars)	N.S. (p=.2480)	N.S. (p=.3833)	N.S. (p=.8553)
Group trip (incl.spouse or family, colleagues, and their families)	N.S. (p=.2640)	N.S. (p=.2046)	X <sup>2</sup> =15.47 (p=.0169)*
Individual trip (extra week's paid vacation in addition to the usual annual paid vacation; incl. spouse and/or family)	r= -.1792 (p=.0240)*	N.S. (p=.4440)	N.S. (p=.1797)
Household goods	N.S. (p=.0510)	N.S. (p=.1862)	N.S. (p=.5329)
TV	N.S. (p=.1290)	N.S. (p=.9898)	N.S. (p=.8513)
Tape player	r= -.1859 (p=.0280)*	N.S. (p=.9829)	N.S. (p=.8141)
Videocassette recorder	N.S. (p=.1400)	N.S. (p=.9830)	N.S. (p=.5568)
Electronic typewriter	N.S. (p=.1590)	N.S. (p=.8974)	N.S. (p=.8963)
Compact disc player	N.S. (p=.1070)	N.S. (p=.8094)	N.S. (p=.9899)
Calculator	r= -.1665 (p=.0450)*	N.S. (p=.9409)	N.S. (p=.4545)
Personal computer (PC)	N.S. (p=.4460)	N.S. (p=.7409)	N.S. (p=.2937)

\* : Significant at 95% confidence level

\*\* : N.S. -> Not significant

Preferences for ...	Current Pay Level Perception	Regions	Groups
Radio	N.S. (p=.1420)	N.S. (p=.8756)	N.S. (p=.3781)
New model car	N.S. (p=.2430)	N.S. (p=.5451)	N.S. (p=.9545)
Sporting goods	N.S. (p=.0940)	X <sup>2</sup> =32.28 (p=.0203)*	X <sup>2</sup> =13.37 (p=.0375)*
Camera equipment	r= -.1977 (p=.0170)*	N.S. (p=.1954)	N.S. (p=.1827)
Watch	N.S. (p=.4600)	N.S. (p=.3158)	N.S. (p=.4935)
Books	N.S. (p=.1600)	N.S. (p=.7188)	N.S. (p=.0921)
Videotapes	N.S. (p=.1330)	N.S. (p=.2408)	N.S. (p=.6000)
Clothing	N.S. (p=.4360)	N.S. (p=.2885)	N.S. (p=.6285)
Gift certificates of well-known firms (for getting a shirt/tie, etc.)	r= -.2164 (p=.0100)*	N.S. (p=.3171)	N.S. (p=.2632)
Personal use of company car	N.S. (p=.4730)	N.S. (p=.1352)	N.S. (p=.0754)
Accident insurance	N.S. (p=.2010)	N.S. (p=.0997)	N.S. (p=.7219)
Life insurance	N.S. (p=.1080)	N.S. (p=.2993)	N.S. (p=.4275)
Moving expense reimbursement	r= -.1615 (p=.0390)*	X <sup>2</sup> =31.17 (p=.0275)*	N.S. (p=.8181)
Award plaque or certificate	N.S. (p=.1910)	N.S. (p=.3211)	N.S. (p=.3910)
Award trophy	N.S. (p=.3850)	N.S. (p=.7961)	N.S. (p=.2606)

: : Significant at 95% confidence level

\* : N.S. -> Not significant

Preferences for ...	Current Pay Level Perception	Regions	Groups
Company rosette with symbolic value	r= -.1514 (p=.0500)*	N.S. (p=.0692)	N.S. (p=.3614)
Distinguished salesperson award (salesperson of the year award, top performer honors, etc.)	N.S. (p=.3010)	N.S. (p=.0789)	N.S. (p=.3710)
Honorary job titles	N.S. (p=.4140)	X <sup>2</sup> =30.85 (p=.0299)*	N.S. (p=.0663)
Publicity (prominent announcement in the company newspaper, etc.)	N.S. (p=.1390)	N.S. (p=.8728)	N.S. (p=.6495)
Dinner in the winner's honor	N.S. (p=.0550)	N.S. (p=.1509)	N.S. (p=.2695)
Special meetings with top executives	N.S. (p=.4520)	N.S. (p=.1632)	N.S. (p=.3173)
Personal letters of commendation	N.S. (p=.3380)	N.S. (p=.6425)	N.S. (p=.4387)
Telephone calls of commendation	N.S. (p=.1110)	N.S. (p=.3454)	N.S. (p=.3136)

\* : Significant at 95% confidence level

\*\* : N.S. -> Not significant

TABLE APP. - I-6

REGIONS, GROUPS, AND VALENCES FOR REWARDS, SATISFACTION WITH REWARDS, COMPENSATION PLAN BASE PREFERENCE, MOTIVATION - DIRECTLY MEASURED, MOTIVATION OF SALESPERSON, PREFERENCES FOR CRITERIA FOR INCENTIVE AWARDS, CURRENT PAY LEVEL PERCEPTION

<u>Variables</u>	<u>Regions</u>	<u>Groups</u>
Valence for rewards		
10 % increase in pay	N.S.** (p=.4241)	N.S. (p=.6960)
Job security	N.S. (p=.0715)	N.S. (p=.8791)
Recognition	N.S. (p=.7004)	N.S. (p=.7481)
Promotion	N.S. (p=.4258)	N.S. (p=.1576)
Liking & respect	N.S. (p=.7020)	N.S. (p=.7869)
Worthwhile accomplishment	N.S. (p=.2243)	N.S. (p=.7995)
Personal growth	N.S. (p=.7580)	N.S. (p=.4788)
Satisfaction with rewards		
Pay	X <sup>2</sup> =33.21 (p=.0157)*	N.S. (p=.3050)
Job security	N.S. (p=.3645)	N.S. (p=.1011)
Recognition	N.S. (p=.6807)	N.S. (p=.4933)
Promotion	N.S. (p=.7554)	N.S. ‡(p=.2979)
Liking & respect	N.S. (p=.2644)	N.S. (p=.7671)

\* : Significant at 95% confidence level

\*\* : N.S. -> Not significant



Variables	Regions	Groups
Worthwhile accomplishment	N.S. (p=.4321)	N.S. (p=.4632)
Personal growth	X <sup>2</sup> =33.97 (p=.0127)*	N.S. (p=.2414)
Compensation plan base preference	N.S. (p=.8969)	N.S. (p=.1636)
Motivation-directly measured	N.S. (p=.2393)	N.S. (p=.2239)
Motivation of salesperson	N.S. (p=.1984)	N.S. (p=.4030)
Preferences for criteria for incentive awards		
Individual achievement	N.S. (p=.4193)	N.S. (p=.7039)
Only the top performers	X <sup>2</sup> =29.27 (p=.0451)*	N.S. (p=.7464)
Group/regional success	N.S. (p=.3109)	N.S. (p=.7375)
Only supervisor's evaluation	N.S. (p=.3733)	N.S. (p=.5376)
Current pay level perception	N.S. (p=.1525)	N.S. (p=.4020)

\* : Significant at 95% confidence level

\*\* : N.S. -> Not significant

TABLE APP. - I-7

PERCENTAGE OF SALESPERSONS THAT ARE SATISFIED/MOST SATISFIED WITH PAY WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
İZM	94.4
G.ANTEP	90.0
İST2	88.9
İST1	75.8
ANK	66.6
KON	64.3
SAM	53.9

TABLE APP. - I-8

PERCENTAGE OF SALESPERSONS THAT ARE SATISFIED/MOST SATISFIED WITH PERSONAL GROWTH WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
İZM	100.0
ANK	100.0
G.ANTEP	100.0
KON	85.7
İST2	80.7
SAM	76.9
İST1	62.0

TABLE APP. - I-9

PERCENTAGE OF SALESPERSONS THAT PREFER/MOST PREFER SPORTING GOODS AS INCENTIVES WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
SAM	84.6
ANK	73.3
G.ANTEP	60.0
İZM	53.0
İST2	47.8
İST1	31.0
KON	28.6

TABLE APP. - I-10

PERCENTAGE OF SALESPERSONS THAT PREFER/MOST PREFER REIMBURSEMENT OF MOVING EXPENSES BY THE COMPANY AS INCENTIVES WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
İZM	94.4
SAM	92.8
G.ANTEP	90.0
KON	85.8
İST1	82.8
ANK	73.1
İST2	68.0

TABLE APP. - I-11

PERCENTAGE OF SALESPERSONS THAT PREFER/MOST PREFER HONORARY JOB TITLES AS INCENTIVES WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
KON	100.0
G.ANTEP	100.0
İST1	96.5
İZM	94.4
SAM	85.7
ANK	80.0
İST2	72.0

TABLE APP. - I-12

PERCENTAGE OF SALESPERSONS THAT AGREE/STRONGLY AGREE WITH ONLY TOP PERFORMERS TO BE REWARDED AS CRITERIA FOR INCENTIVE AWARDS WITHIN EACH REGION (Descending order)

<u>Region</u>	<u>%</u>
İZM	66.7
İST2	57.7
SAM	50.0
KON	46.2
İST1	39.3
ANK	26.7
G.ANTEP	20.0

TABLE APP. - I-13

PERCENTAGE OF SALESPERSONS THAT PREFER/MOST PREFER GROUP TRIP INCLUDING SPOUSE AND/OR FAMILY, COLLEAGUES, AND THEIR FAMILIES AS INCENTIVE WITHIN EACH GROUP (Descending order)

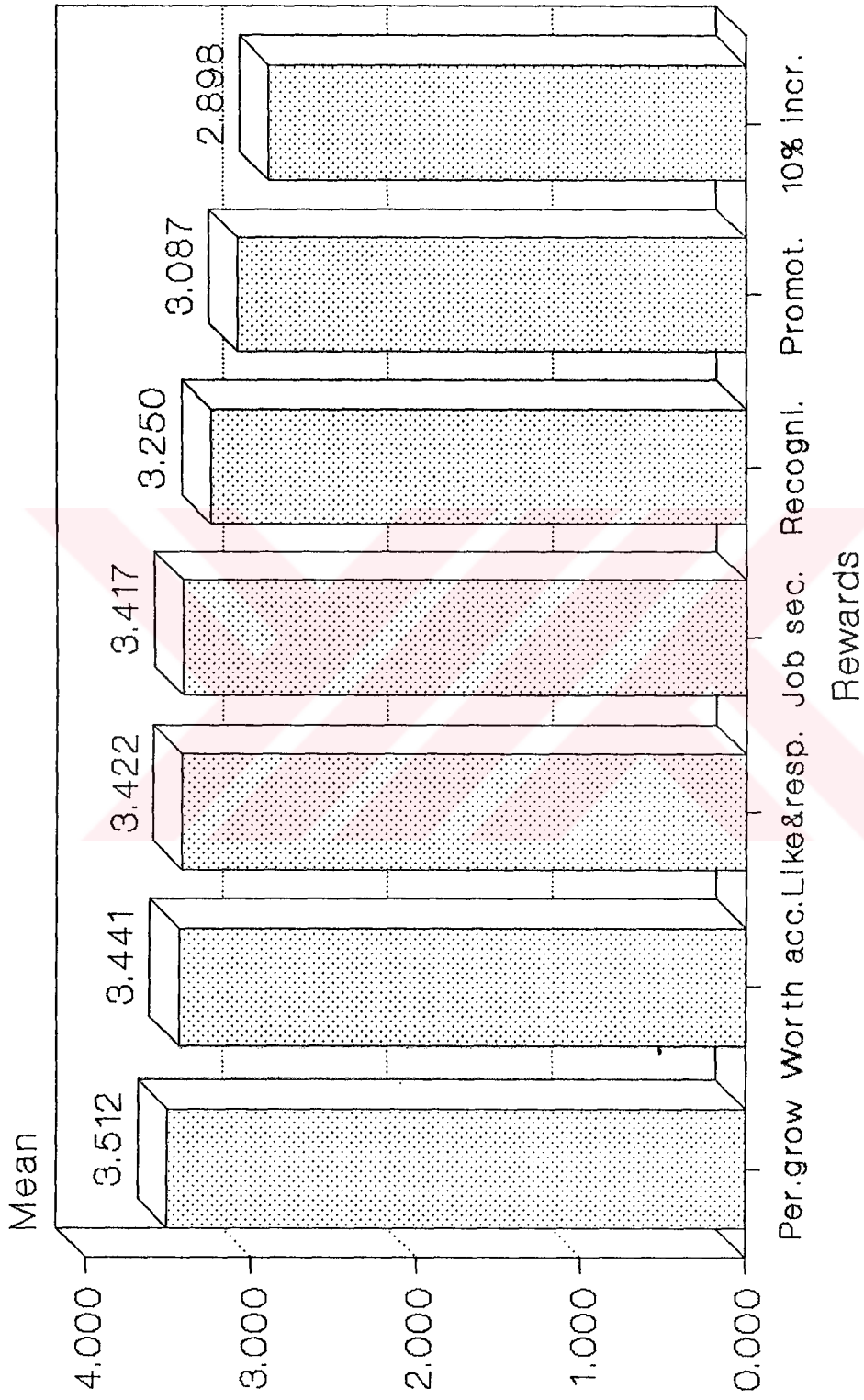
<u>Group</u>	<u>%</u>
Group C	75.4
Group P	68.5
Group I	20.0

TABLE APP. - I-14

PERCENTAGE OF SALESPERSONS THAT PREFER/MOST PREFER SPORTING GOODS AS INCENTIVE WITHIN EACH GROUP (Descending order)

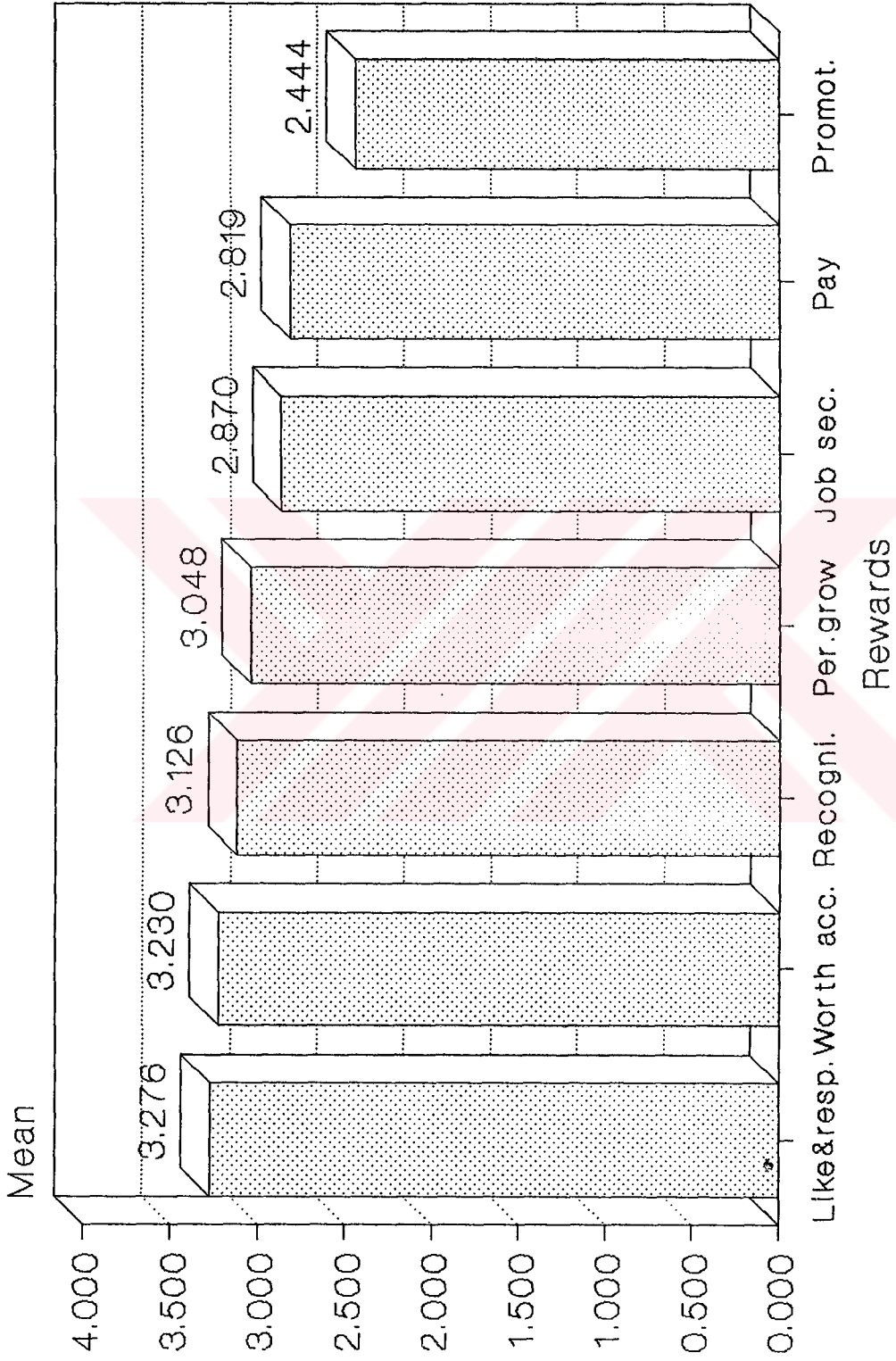
<u>Group</u>	<u>%</u>
Group P	67.3
Group I	55.5
Group C	35.0

**FIGURE APP.-II-1**  
**VALENCE FOR REWARDS**



Scale; 1: Not at all important ... 4: very important

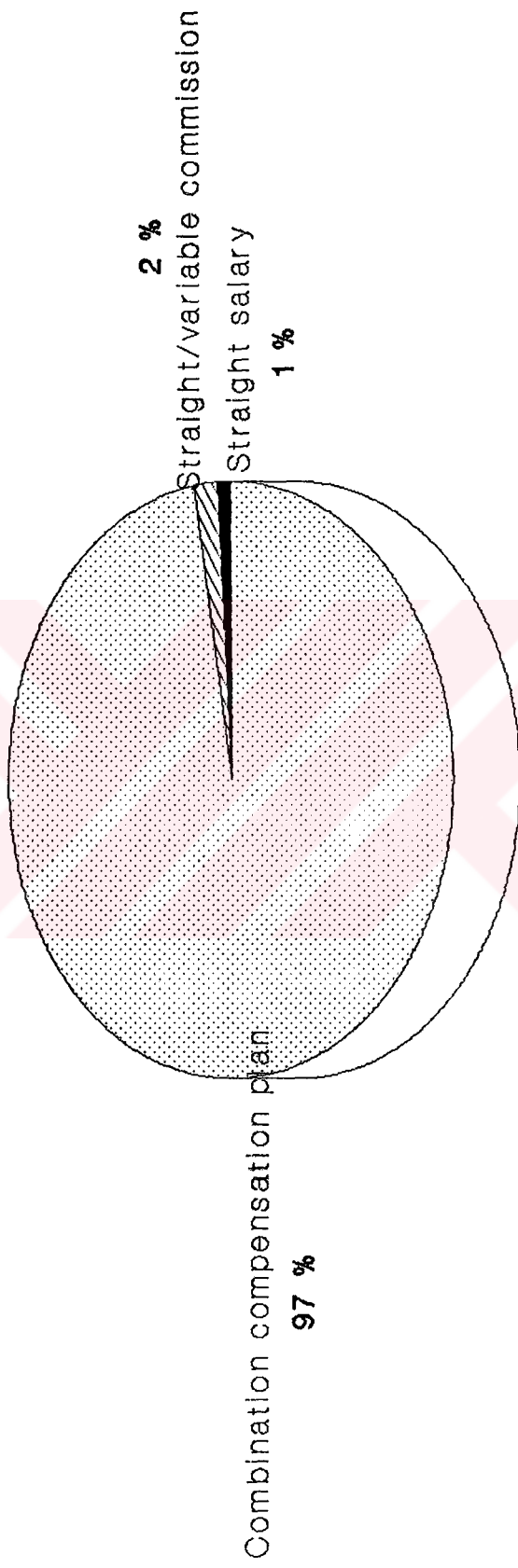
# SATISFACTION WRT SEVEN REWARDS



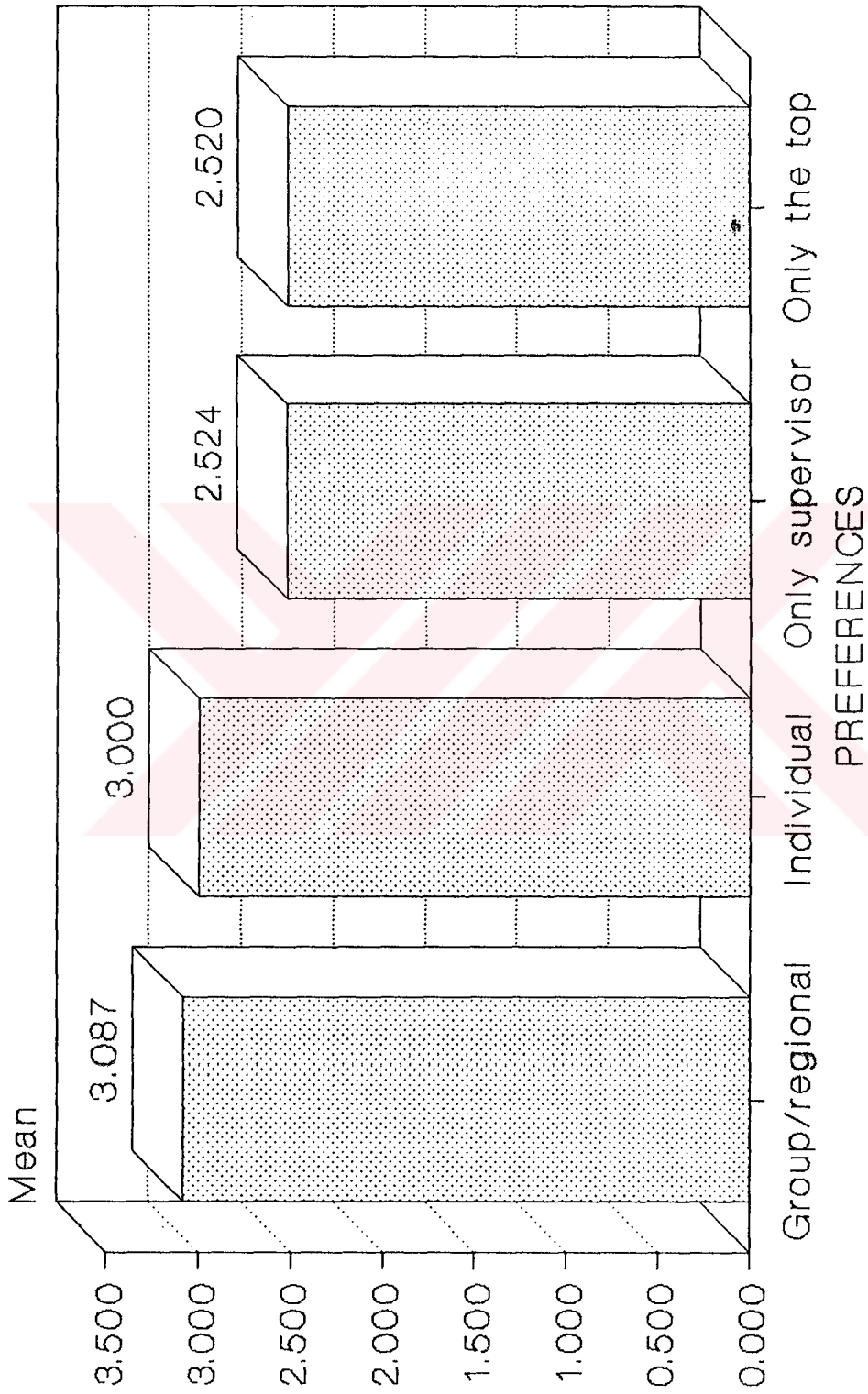
Scale; 1: Very false ... 4: Very true



# COMPENSATION PLAN BASE PREFERENCE

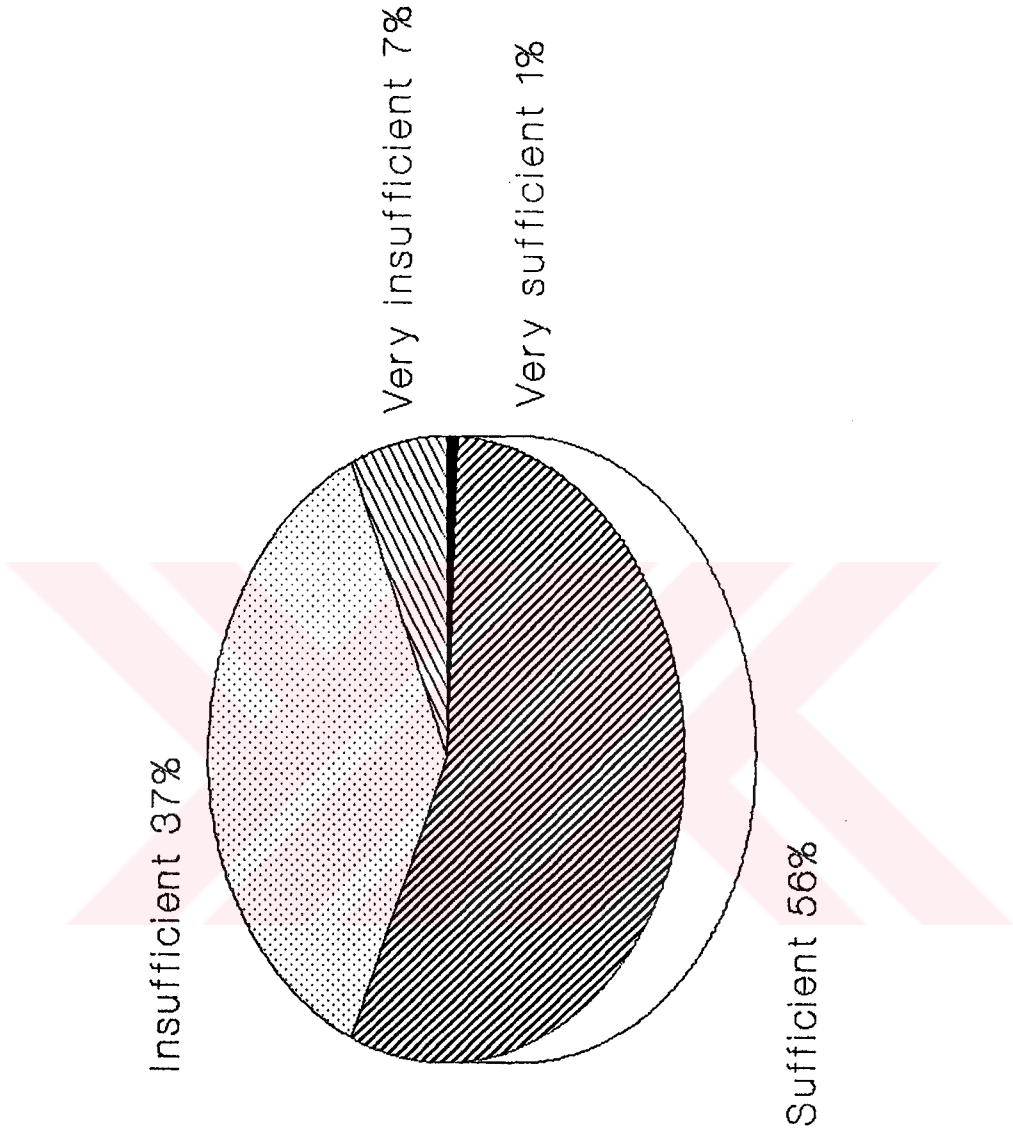


# PREFERENCES FOR CRITERIA FOR INCENTIVE AWARDS



Scale; 1: Strongly disagree ... 4: Strongly agree

# CURRENT PAY LEVEL PERCEPTION



APPENDIX - III. Coding Instruction Sheet

QUESTION	VAR.NO	COLUMN	RANGE	STANDS FOR
	001	1 - 3	001-128	QUESTIONNAIRE NO.
1	002	4	1-4, 9	Magnitude of Expectancy <sup>1</sup> 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	003	5	1-4, 9	Magnitude of Expectancy <sup>2</sup> 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
2	004	6	1-4, 9	Magnitude of Instrumentality wrt Reward (A) 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	005	7	1-4, 9	Magnitude of Instrumentality wrt Reward (B) 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	006	8	1-4, 9	Magnitude of Instrumentality wrt Reward (C) 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	007	9	1-4, 9	Magnitude of Instrumentality wrt Reward (D) 1=Tamamen karşıtım 2=Kısmen karşıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	008	10	1-4, 9	Magnitude of Instrumentality wrt Reward (E) 1=Tamamen karřıtım 2=Kısmen karřıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	009	11	1-4, 9	Magnitude of Instrumentality wrt Reward (F) 1=Tamamen karřıtım 2=Kısmen karřıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
	010	12	1-4, 9	Magnitude of Instrumentality wrt Reward (G) 1=Tamamen karřıtım 2=Kısmen karřıtım 3=Kısmen katılıyorum 4=Tamamen katılıyorum 9=Fikrim yok/missing
3	011	13	1-4, 9	Valence for Reward (A) 1=Hiç önemli deęil 2=Önemli deęil 3=Önemli 4=Çok önemli 9=Missing
	012	14	1-4, 9	Valence for Reward (B) 1=Hiç önemli deęil 2=Önemli deęil 3=Önemli 4=Çok önemli 9=Missing
	013	15	1-4, 9	Valence for Reward (C) 1=Hiç önemli deęil 2=Önemli deęil 3=Önemli 4=Çok önemli 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	014	16	1-4, 9	Valence for Reward (D) 1=Hiç önemli değil 2=Önemli değil 3=Önemli 4=Çok önemli 9=Missing
	015	17	1-4, 9	Valence for Reward (E) 1=Hiç önemli değil 2=Önemli değil 3=Önemli 4=Çok önemli 9=Missing
	016	18	1-4, 9	Valence for Reward (F) 1=Hiç önemli değil 2=Önemli değil 3=Önemli 4=Çok önemli 9=Missing
	017	19	1-4, 9	Valence for Reward (G) 1=Hiç önemli değil 2=Önemli değil 3=Önemli 4=Çok önemli 9=Missing
4	018	20	1-4, 9	Satisfaction wrt Reward (A) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
	019	21	1-4, 9	Satisfaction wrt Reward (B) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing



<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	020	22	1-4, 9	Satisfaction wrt Reward (C) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
	021	23	1-4, 9	Satisfaction wrt Reward (D) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
	022	24	1-4, 9	Satisfaction wrt Reward (E) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
	023	25	1-4, 9	Satisfaction wrt Reward (F) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
	024	26	1-4, 9	Satisfaction wrt Reward (G) 1=Hiç geçerli değil 2=Geçerli değil 3=Geçerli 4=Çok geçerli 9=Missing
5	025	27	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	026	28	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	027	29	1-4, 9	Generalized self-esteem item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing
	028	30	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	029	31	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	030	32	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	031	33	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	032	34	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	033	35	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	034	36	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	035	37	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	036	38	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	037	39	1-4, 9	Generalized self-esteem item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	038	40	1-4, 9	Generalized self-esteem item (-) 1=Her zaman 2=Oldukça sık 3=Bazen 4=Hiçbir zaman 9=Missing
	039	41	1-4, 9	Generalized self-esteem item (+) 1=Her zaman 2=Oldukça sık 3=Bazen 4=Hiçbir zaman 9=Missing
	040	42	1-4, 9	Generalized self-esteem item (+) 1=Her zaman 2=Oldukça sık 3=Bazen 4=Hiçbir zaman 9=Missing
	041	43	1-4, 9	Generalized self-esteem item (+) 1=Her zaman 2=Oldukça sık 3=Bazen 4=Hiçbir zaman 9=Missing
	042	44	1-4, 9	Generalized self-esteem item (+) 1=Her zaman 2=Oldukça sık 3=Bazen 4=Hiçbir zaman 9=Missing
6	043	45	1-4, 9	Specific self-esteem item 1=Çok yetersiz 2=Oldukça yetersiz 3=Oldukça yeterli 4=Çok yeterli 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	044	46	1-4, 9	Specific self-esteem item 1=Çok yetersiz 2=Oldukça yetersiz 3=Oldukça yeterli 4=Çok yeterli 9=Missing
	045	47	1-4, 9	Specific self-esteem item 1=Çok yetersiz 2=Oldukça yetersiz 3=Oldukça yeterli 4=Çok yeterli 9=Missing
	046	48	1-4, 9	Specific self-esteem item 1=Çok yetersiz 2=Oldukça yetersiz 3=Oldukça yeterli 4=Çok yeterli 9=Missing
	047	49	1-4, 9	Specific self-esteem item 1=Çok yetersiz 2=Oldukça yetersiz 3=Oldukça yeterli 4=Çok yeterli 9=Missing
7	048	50	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing
	049	51	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	050	52	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	051	53	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing
	052	54	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	053	55	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	054	56	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing



<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	055	57	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing
	056	58	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	057	59	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing
	058	60	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	059	61	1-4, 9	Internal/External control over one's own life item (-) 1=Çok katılıyorum 2=Katılıyorum 3=Katılmıyorum 4=Hiç katılmıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	060	62	1-4, 9	Internal/External control over one's own life item (+) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
8	061	63	1-3, 9	Compensation plan base preference 1=Direkt maaş sistemi 2=Direkt veya değişken prim sistemi 3=İkisinin karışımı bir sistem (maaş, prim, ve/veya ikramiye) 9=Missing
9	062	64	1-4, 9	Increased pay as a result of improved performance on job dimensions (toplam satışları (TL) arttırmaya - directly related to sales volume) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing
	063	65	1-4, 9	Increased pay as a result of improved performance on job dimensions (bütçemi- satış kotamı geçme - örneğin yüzde 10 ile= directly related to sales volume) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	064	1	1-4, 9	Increased pay as a result of improved performance on job dimensions (yeni doktor vizitlerinin sayısı artırılma ile=indirectly related to sales volume) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing
	065	2	1-4, 9	Increased pay as a result of improved performance on job dimensions (satış masraflarını azaltma=indirectly related to sales volume) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing
	066	3	1-4, 9	Increased pay as a result of improved performance on job dimensions (idari görevleri-raporları vb. daha iyi yerine getirme=indirectly related to sales volume) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing
	067	4	1-4, 9	Increased pay as a result of improved performance on job dimensions (please note) 1=Hiç katkısı olmaz 2=Katkısı olmaz 3=Katkısı olur 4=Çok katkısı olur 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
10	068	5	1-4, 9	Motivation-directly measured item 1=Son 12 ay ile aynı düzeyde 2=Son 12 aydan iyi 3=Son 12 aydan daha iyi 4=Son 12 aydan çok daha iyi 9=Missing
	069	6	1-4, 9	Motivation-directly measured item 1=Son 12 ay ile aynı düzeyde 2=Son 12 aydan iyi 3=Son 12 aydan daha iyi 4=Son 12 aydan çok daha iyi 9=Missing
	070	7	1-4, 9	Motivation-directly measured item 1=Son 12 ay ile aynı düzeyde 2=Son 12 aydan iyi 3=Son 12 aydan daha iyi 4=Son 12 aydan çok daha iyi 9=Missing
11	071	8	1-4, 9	Preferences for incentives (1) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	072	9	1-4, 9	Preferences for incentives (2) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	073	10	1-4, 9	Preferences for incentives (3) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	074	11	1-4, 9	Preferences for incentives (4) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	075	12	1-4, 9	Preferences for incentives (5a) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	076	13	1-4, 9	Preferences for incentives (5b-Televizyon) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	077	14	1-4, 9	Preferences for incentives (5b-Kasetçalar) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	078	15	1-4, 9	Preferences for incentives (5b-Videoteyp) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	079	16	1-4, 9	Preferences for incentives (5b-Elektrikli daktilo) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	080	17	1-4, 9	Preferences for incentives (5b-Compact diskçalar) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	081	18	1-4, 9	Preferences for incentives (5b-Hesap makinesi) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	082	19	1-4, 9	Preferences for incentives (5b-Kişisel bilgisayar-PC) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing



<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	083	20	1-4, 9	Preferences for incentives (5b-Radyo) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	084	21	1-4, 9	Preferences for incentives (5c) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	085	22	1-4, 9	Preferences for incentives (5d) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	086	23	1-4, 9	Preferences for incentives (5e) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	087	24	1-4, 9	Preferences for incentives (5f) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	088	25	1-4, 9	Preferences for incentives (5g) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	089	26	1-4, 9	Preferences for incentives (5h) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	090	27	1-4, 9	Preferences for incentives (5i) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	091	28	1-4, 9	Preferences for incentives (5j) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	092	29	1-4, 9	Preferences for incentives (6) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	093	30	1-4, 9	Preferences for incentives (7) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	094	31	1-4, 9	Preferences for incentives (8) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	095	32	1-4, 9	Preferences for incentives (9) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	096	33	1-4, 9	Preferences for incentives (10) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	097	34	1-4, 9	Preferences for incentives (11) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	098	35	1-4, 9	Preferences for incentives (12) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	099	36	1-4, 9	Preferences for incentives (13) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	100	37	1-4, 9	Preferences for incentives (14) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
	101	38	1-4, 9	Preferences for incentives (15) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	102	39	1-4, 9	Preferences for incentives (16) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	103	40	1-4, 9	Preferences for incentives (17) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	104	41	1-4, 9	Preferences for incentives (18) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	105	42	1-4, 9	Preferences for incentives (19) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing
	106	43	1-4, 9	Preferences for incentives (diğer-please note) 1=Hiç yararlı değil 2=Yararlı değil 3=Yararlı 4=Çok yararlı 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
12	107	44	1-4, 9	Preferences for criteria for incentive awards (Kişisel başarı...) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	108	45	1-4, 9	Preferences for criteria for incentive awards (Sadece en üst düzeyde performans...) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	109	46	1-4, 9	Preferences for criteria for incentive awards (Grup/bölge başarısı...) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	110	47	1-4, 9	Preferences for criteria for incentive awards (Yalnızca müdürünün kişiyi...) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing
	111	48	1-4, 9	Preferences for criteria for incentive awards (Diğer; please note) 1=Hiç katılmıyorum 2=Katılmıyorum 3=Katılıyorum 4=Çok katılıyorum 9=Missing

<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
13	112	49	1-4, 9	Job experience 1= 0- 1 yıl 2= 1- 5 yıl 3= 5-15 yıl 4=15 yıldan fazla 9=Missing
14	113	50	1-3, 9	Amount of prior sales experience 1=Hiç 2= 0- 5 yıl 3= 6-35 yıl 9=Missing
15	114	51	1-4, 9	Current pay level perception 1=Çok yetersiz 2=Yetersiz 3=Yeterli 4=Çok yeterli 9=Missing
16	115	52	1-8, 9	Family size (including self) 1=1, 2=2, 3=3, 4=4, 5=5, 6=6, 7=7, 8=8+ 9=Missing
17	116	53	1-8, 9	Number of children 1=1, 2=2, 3=3, 4=4, 5=5, 6=6, 7=7, 8=8+ 9=Missing/none
18	117	54	1-3, 9	Marital status 1=Evli 2=Bekar 3=Dul/Boşanmış 9=Missing
	118	55	1-5, 9	Number of years married 1= 0- 5 yıl 2= 6-10 yıl 3=11-15 yıl 4=16-20 yıl 5=20+ yıl 9=Missing



<u>QUESTION</u>	<u>VAR.NO</u>	<u>COLUMN</u>	<u>RANGE</u>	<u>STANDS FOR</u>
19	119	56	1-4, 9	Education level 1=İlkokul 2=Ortaokul 3=Lise 4=Üniversite 9=Missing
20	120	57	1-3, 9	Age 1=18-34, 2=25-49, 3=50-65 9=Missing
21	121	58	1-2, 9	Sex 1=Erkek, 2=Kadın 9=Missing
22	122	59	1-7, 9	Region 1=İst1, 2=İst2, 3=İzm 4=Ank, 5=Kon, 6=G.Ant 7=Sam 9=Missing
23	123	60	1-3, 9	Group * 1=C, 2=P, 3=I 9=Missing

\* Labels for rewards A=Increase in pay B=Job security  
C=Recognition D=Promotion  
E=Liking&respect F=Worthwhile accomplish.  
G=Personal growth

\*\* Question 14 "Ne tip işte" is analyzed through content analysis

Appendix- IV. Questionnaire - English

1. Please answer the following questions. Put a check mark(X) as your answer on the scale.

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4	No idea
-Increasing the selling efforts(promotion, informing,displays,visits, etc.)by 10% results in increasing the sales by 10%.	---	---	---	---	---
-Increasing the time spent on selling activities(promotion,informing,displays,visits, etc.) by 10% results in increasing the sales by 10%.	---	---	---	---	---

2. Please indicate the degree you agree that increasing the sales by 10% would lead to the following results for you.

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4	No idea
-There will be 10% increase in pay.	---	---	---	---	---
-There will be an increase in job security.	---	---	---	---	---
-There will be an increase in recognition.	---	---	---	---	---
-There will be a promotion (a higher level job, a better territory, etc.)	---	---	---	---	---
-There will be an increase in liking and respect received from others on the job.	---	---	---	---	---

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4	No idea
-There will be a feeling of worth-while accomplishment on the job.	---	---	---	---	---
-There will be an increase in your opportunities for personal growth.	---	---	---	---	---

3. Please indicate the degree of the importance of the following rewards in terms of the amount of additional satisfaction a sales-person may receive from them.

	Not at all important 1	Not important 2	Impor- tant 3	Very important 4
-10% increase in pay	---	---	---	---
-Job security	---	---	---	---
-Recognition	---	---	---	---
-A promotion (a higher level job, a better territory, etc.)	---	---	---	---
-Liking and respect received from others on the job	---	---	---	---
-Feeling of worth-while accomplishment	---	---	---	---
-Opportunities for personal growth	---	---	---	---

4. Please indicate the degree to which the following statements are true or false for you on the scale.

	Very False 1	False 2	True 3	Very true 4
-I am satisfied with the pay I receive for my work.	---	---	---	---

	Very False 1	False 2	True 3	Very true 4
-I am satisfied with the chances of keeping this job as long as I want.	---	---	---	---
-I am satisfied with the awareness that others have of my performance when I perform well.	---	---	---	---
-I am satisfied with the chances of promotion.	---	---	---	---
-I am satisfied with the respect and affection with which I am treated.	---	---	---	---
-I am satisfied with the feeling of worthwhile accomplishment at work.	---	---	---	---
-I am satisfied with the oppotunities for personal growth.	---	---	---	---

5. Please indicate the best way you feel most of the time for for each of the following statements.

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4
-I seek new challenges.	---	---	---	---
-I feel I am as competent as the average person.	---	---	---	---
-I am likely to postpone uncomfortable tasks.	---	---	---	---
-I tend to be self-confident.	---	---	---	---
-People respect me for my lifestyle.	---	---	---	---

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4
-It is important to pursue intellectual interests to lead a fulfilled life.	---	---	---	---
-If I try hard enough I am able to acquire a general understanding of almost anything I want.	---	---	---	---
-Success, whether it be personal, material, or vocational, cannot be fully achieved if the individual is dissatisfied with him/herself.	---	---	---	---
-Inner peace is an essential element of success.	---	---	---	---
-Even when things are going bad I can remain optimistic about my life in general.	---	---	---	---
-My goals are established and unambiguous.	---	---	---	---
-Right now, in my life I can identify both short and long range goals.	---	---	---	---
-I never lose my hope even when I define a situation as clearly hopeless.	---	---	---	---

	Almost 1	Sometimes 2	Often 3	Always 4
-When things go wrong, I become very discouraged.	---	---	---	---
-I get a good feeling when I accomplish a goal.	---	---	---	---
-I look for new ways to do things that others find impossible.	---	---	---	---

	Almost 1	Sometimes 2	Often 3	Always 4
-When I have a problem--- that creates undue tension, I try to relax and gain a feeling of tranquility so I can reevaluate things.	---	---	---	---
-I take the time alone--- to find the sources of my personal and social conflicts.	---	---	---	---

6. Please indicate where you stand compared to the other salespeople in your company with respect to the following characteristics.

	Quite low 1	Low 2	High 3	Quite high 4
-Your sales performance ---	---	---	---	---
-Your ability to reach quota ---	---	---	---	---
-The quality of your relationships with doctors and pharmacies. ---	---	---	---	---
-Your management of time---	---	---	---	---
-Your knowledge of your --- own products; competitor products; doctors' and pharmacies' needs	---	---	---	---

7. Please indicate the best way you feel most of the time for each of the following statements.

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4
-Many of the unhappy --- things in people's lives are partly due to bad luck.	---	---	---	---
-In the long run people-- get the respect they deserve in this world.	---	---	---	---
-Becoming a success --- is a matter of hard work, luck has little or nothing to do with it.	---	---	---	---



	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4
-No matter how hard you try some people just don't like you.	---	---	---	---
-When I make plans, I am almost certain that I can make them work.	---	---	---	---
-In my case getting what I want has little or nothing to do with luck.	---	---	---	---
-Who gets to be the boss often depends on who was lucky enough to be in the right place first.	---	---	---	---
-Most people don't realize the extent to which their lives are controlled by accidental happenings.	---	---	---	---
-People's misfortunes result from the mistakes they make.	---	---	---	---
-In the long run the bad things that happen to us are balanced by the good ones.	---	---	---	---
-Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.	---	---	---	---
-Many times I feel that I have little influence over the things that happen to me.	---	---	---	---
-What happens to me is my own doing.	---	---	---	---

8. Please indicate which type of compensation plan base you would prefer in a firm.

- Straight salary compensation plan -----
- Straight/variable commission compen. plan -----
- Combination compensation plan (salary, commission, and/or bonus) -----

9. Please indicate the likelihood that increased pay would be the result for you due to good job performance on the following dimensions.

	No chance 1	Low probabi- lity 2	High probabi- lity 3	Certain to occur 4
-Increasing the total sales (TL)	---	---	---	---
-Exceeding my sales quota (e.q. by 10%)	---	---	---	---
-Increasing the number of new doctors visited (e.q. by 10%)	---	---	---	---
-Reducing the selling expenses	---	---	---	---
-Better performing administrative duties	---	---	---	---
-Other(Please note_____)	---	---	---	---

10. Please think about what you did in the last 12 months. In the coming 12 months, do you plan to make a positive change from the last 12 months or stay the same with respect to the following characteristics? Please indicate.

	The same as last 12 months 1	Better than last 12 months 2	Much better than last 12 months 3	Much more better than last 12 months 4
-The ways in which you will approach the doctors, pharmacies, etc. you visit.	---	---	---	---
-How many hours per week you will work	---	---	---	---
-How hard you will work during these hours	---	---	---	---

11. Please indicate the degree of usefulness of the following "incentives" on the scale.

	Not at all useful 1	Not useful 2	Useful 3	Very useful 4
1) Cash (besides salary, commission, and other financial compensation)	---	---	---	---
2) Group trip (including business meetings and seminars)	---	---	---	---
3) Group trip (including spouse or family, colleagues, and their families)	---	---	---	---
4) Individual trip (extra week's paid vacation in addition to the usual annual paid vacation; including spouse and/or family)	---	---	---	---
5) a. Household goods	---	---	---	---
b. Electronic goods				
-TV	---	---	---	---
-Tape player	---	---	---	---
-Video cass. recor.	---	---	---	---
-Electronic typewriter	---	---	---	---
-CD player	---	---	---	---
-Calculator	---	---	---	---
-PC	---	---	---	---
-Radio	---	---	---	---
c. New model car	---	---	---	---
d. Sporting goods	---	---	---	---
e. Camera equipment	---	---	---	---
f. Watch	---	---	---	---
g. Books	---	---	---	---
h. Videotapes	---	---	---	---
i. Clothing	---	---	---	---

	Not at all useful 1	Not useful 2	Useful 3	Very useful 4
j. Gift certificates--- of well-known firms (for getting a shirt, tie, etc.)	---	---	---	---
6) Personal use of company car	---	---	---	---
7) Accident (casualty)--- insurance	---	---	---	---
8) Life insurance	---	---	---	---
9) Moving expense reimbursement	---	---	---	---
10) Award plaque or certificate	---	---	---	---
11) Award trophy	---	---	---	---
12) Company rosette with symbolic value	---	---	---	---
13) Distinguished salesperson award (sales- person of the year award, top performer honors, etc.)	---	---	---	---
14) Honorary job titles	---	---	---	---
15) Publicity (promi- nent announcement in the company newspaper, etc.)	---	---	---	---
16) Dinner in the winner's honor	---	---	---	---
17) Special meetings with top executives	---	---	---	---
18) Personal letters of-- commendation	---	---	---	---
19) Telephone calls of--- commendation	---	---	---	---
20) Other (Please note_____)	---	---	---	---

12. Please indicate the way you feel about the following criteria for "incentive awards".

	Strongly disagree 1	Disagree 2	Agree 3	Strongly agree 4
-Individual achievement can be a satisfactory criteria.	---	---	---	---
-Only the top performers can be rewarded.	---	---	---	---
-Group/regional success can be a satisfactory criteria.	---	---	---	---
-Only supervisor's evaluation can be satisfactory.	---	---	---	---
-Other (Please note _____)	---	---	---	---

13. The number of years you have worked as a salesperson in the current company:

---0-1 year    ---1-5 years    ---5-15 years    ---15 years +

14. The number of years you have worked as a salesperson prior to the current company:

---None    ---0-5 years    ---6-35 years    \_\_\_\_\_ What kind of job?

15. The amount of total income currently available from your work is ..... for living comfortably:

---Very insufficient    ---Insufficient    ---Sufficient    ---Very sufficient

16. Your family size (including self): \_\_\_\_\_

17. How many children do you have?: \_\_\_\_\_

18. Your marital status:

---Married(For how many years?\_\_\_\_)    ---Single    ---Widow/divorced

19. Your education level (with respect to the last one graduated from):

---Elementary ---Middleschool ---Highschool ---University

20. Your age:

---18-34 ---35-49 ---50-65

21. Your sex:

---Male ---Female

22. The region you are currently working in:

---IST1 ---IST2 ---IZM ---ANK ---KON ---G.ANTEP ---SAM

23. The group you are currently working in:

---C ---P ---I

Thank you very much...



Appendix- V. Questionnaire - Turkish

1. Lütfen aşağıdaki görüşlere ne kadar katıldığınızı ilgili yere (X) işareti koyarak belirtiniz.

	Tamamen karşıtım	Kısmen karşıtım	Kısmen katılı- yorum	Tamamen katılı- yorum	Fikrim yok
	1	2	3	4	
-Satış çabalarını (promosyon, bilgilendirme, tanıtımlar, ziyaretler, vb.) yüzde 10 arttırma, satışlarda yüzde 10 artışa sebep olur.	---	---	---	---	---
-Satış faaliyetleri (promosyon, bilgilendirme, tanıtımlar, ziyaretler, vb.) için harcanan zamanı yüzde 10 arttırma, satışlarda yüzde 10 artışa sebep olur.	---	---	---	---	---

2. Satışlarda yüzde 10 artışın, sizin için aşağıdaki sonuçlara yolaçmasına ne kadar katıldığınızı belirtiniz.

	Tamamen karşıtım	Kısmen karşıtım	Kısmen katılı- yorum	Tamamen katılı- yorum	Fikrim yok
	1	2	3	4	
-Ücretinizde yüzde 10 artış olacaktır.	---	---	---	---	---
-İş güvencesi (iş kaybetseniz) açısından bir artış olacaktır.	---	---	---	---	---
-Siz ve başarılarınızın başkalarınca bilinmesi, tanınması açısından bir artış olacaktır.	---	---	---	---	---
-Daha yüksek düzeyde bir pozisyona veya daha iyi bir bölgeye terfi olacaktır.	---	---	---	---	---



	Tamamen karşıtım	Kısmen karşıtım	Kısmen katılı- yorum	Tamamen katılı- yorum	Fikrim yok
	1	2	3	4	
-İş ortamında başka- larının size duyduğu sevgi ve saygıda bir artış olacaktır.	---	---	---	---	---
-İş ortamında kayda değer bir başarı kazanılacaktır.	---	---	---	---	---
-Kişisel gelişme olanaklarınızda bir artış olacaktır.	---	---	---	---	---

3. Bir tıbbi mümessili daha fazla tatmin edebilecek aşağıdaki gelişmelerin sizce önem derecesini belirtiniz.

	Hiç önemli değil	Önemli değil	Önemli	Çok önemli
	1	2	3	4
-Ücrette yüzde 10 artış	---	---	---	---
-İş güvencesi(işi kaybetmeme garantisi)	---	---	---	---
-Kişisel başarıların başkalarınınca bilinmesi, tanınması	---	---	---	---
-Daha yüksek düzeyde bir pozisyona veya daha iyi bir bölgeye terfi	---	---	---	---
-İş ortamında başka- larının kişiye duyduğu sevgi ve saygı	---	---	---	---
-İş ortamında kayda değer bir başarı	---	---	---	---
-Kişisel gelişme olanakları	---	---	---	---

4. Aşağıdaki ifadelerin sizin için geçerlilik derecesini skala üzerinde belirtiniz.

	Hiç geçerli değil 1	Geçerli değil 2	Geçerli 3	Çok geçerli 4
-İşimden aldığım ücretten memnunum.	---	---	---	---
-Bu işi istediğim sürece tutma şansımın olması beni memnun ediyor.	---	---	---	---
-İyi bir performans gösterdiğim zaman baş- kalarının bundan haber- dar olmasından memnunum.	---	---	---	---
-Terfi olanaklarından memnunum.	---	---	---	---
-Başkalarının bana karşı davranışlarındaki saygı ve sevgiden memnunum.	---	---	---	---
-İş ortamında kayda değer bir başarı kazanmaktan memnunum.	---	---	---	---
-Kişisel gelişme olanaklarından memnunum.	---	---	---	---

5. Aşağıdaki ifadelerin her birinde, genellikle ne hissettiğinizi en iyi şekilde belirten cevabı işaretleyiniz.

	Hiç katılımı- yorum 1	Katılımı- yorum 2	Katılı- yorum 3	Çok katılı- yorum 4
-Yeni heyecanlar peşinde koşarım.	---	---	---	---
-Başkalarından daha iyi yaptığım birçok şey vardır.	---	---	---	---
-Beni rahatsız eden görevleri, işleri ertelemeye meyilliyim.	---	---	---	---

Hic katılmı- yorum	Katılmı- yorum	Katılı- yorum	Çok katılı- yorum
1	2	3	4

- Kendine güveni olan biri sayılırım. --- --- --- ---
- İnsanlar bana yaşam tarzım yüzünden saygı duyarlar. --- --- --- ---
- Hayatta entellektüel konularla uğraşmak önemlidir. --- --- --- ---
- Eğer yeteri kadar çabalarsam, istediğim herhangi bir konuda genel bir bilgi edinirim. --- --- --- ---
- Kişisel, maddi, ve mesleki başarı, eğer kişi kendisinden hoşnut değilse tam olarak kazanılamaz. --- --- --- ---
- İç huzuru, başarının önemli bir unsurudur. --- --- --- ---
- Herşey kötü de gitse, genel olarak hayatım hakkında iyimserliğimi sürdürebilirim. --- --- --- ---
- Hedeflerim açıkça belirlenmiştir ve kesindir. --- --- --- ---
- Şu an için hayatımın kısa ve uzun vadeli hedeflerini ayırtedebilirim. --- --- --- ---
- Bir olayın sonucunun olumsuz olacağını hissetsem de umudumu kaybetmem. --- --- --- ---

Hiç bir zaman	Bazen	Oldukça sık	Her zaman
1	2	3	4

-İşler ters gittiğinde moralim bozulur, cesaretim kırılır. --- --- --- ---

-Bir hedefe ulaştığım zaman kendimi iyi hissederim. --- --- --- ---

-Başkalarının yapamadığı işleri başarmak için yeni yollar ararım. --- --- --- ---

-Stres yaratan bir problemim olduğu zaman gevşemeye ve herşeyi yeniden değerlendirmek için sakinleşmeye çalışırım. --- --- --- ---

-Kişisel ve sosyal problemlerimin nedenlerini bulmak için kendime vakit ayırırım. --- --- --- ---

6.Firmanızdaki diğer satış elemanları ile kendinizi karşılaştırdığınızda kendinizi ne derece yeterli buluyorsunuz?

Çok yetersiz	Oldukça yetersiz	Oldukça yeterli	Çok yeterli
1	2	3	4

-Satış performansınız --- --- --- ---

-Bütçeyi realize etme kapasiteniz --- --- --- ---

-Doktor ve eczacılarla ilişkilerinizin yeterli olması --- --- --- ---

-Zamanı verimli kullanmanız --- --- --- ---

-Kendi firmanızın;rakip firmaların ürünleri;doktor ve eczacıların ihtiyaçları hakkında bilginiz --- --- --- ---

7. Aşağıdaki ifadelerin her birinde, genellikle ne hissettiğinizi en iyi şekilde belirten cevabı işaretleyiniz.

	Hiç katılmı- yorum 1	Katılmı- yorum 2	Katılı- yorum 3	Çok katılı- yorum 4
-İnsanların hayatlarındaki kötü olayların pek çoğu, kısmen şanssızlık yüzündendir.	---	---	---	---
-Uzun vadede insanlar bu dünyada hak ettikleri saygıyı görürler.	---	---	---	---
-Başarılı olmak, çok çalışma meselesidir; şansın bununla ilgisi yoktur.	---	---	---	---
-Ne kadar uğraşırsanız uğraşın bazı insanlar gene de sizi sevmez.	---	---	---	---
-Planlar yaptığım zaman bunları gerçekleştireceğimden her zaman eminimdir.	---	---	---	---
-Benim durumumda istediğimi elde etmenin, şansla ilgisi yoktur.	---	---	---	---
-Yönetici olanlar çoğu zaman, doğru yerde ilk bulunan insanlardır.	---	---	---	---
-Pekçok insan tesadüfi olayların hayatlarını ne derece kontrol ettiğini anlamamaktadır.	---	---	---	---
-İnsanların başarı- sızlıkları yaptıkları hatalardan kaynaklanır.	---	---	---	---
-İnsanlara olan kötü şeyler, uzun vadede iyi olaylar ile dengelenir.	---	---	---	---
-Pekçok başarısızlık, yeteneksizliğin, cahilliğin, tembelliğin veya tümünün sonucudur.	---	---	---	---

Hiç katılı- yorum	Katılmı- yorum	Katılı- yorum	Çok katılı- yorum
1	2	3	4

- Çoğu zaman başıma gelen olaylarda çok az etkim olduğu hissine kapılıyorum. --- --- --- ---
- Başıma ne geliyorsa kendi yaptıklarım yüzündendir. --- --- --- ---

8.Lütfen bir firmada sizin tercih ettiğiniz ücret politikasını belirtiniz.

- Direkt maaş sistemi -----
- Direkt veya değişken prim sistemi -----
- İkisinin karışımı bir sistem(maaş,prim, ve/veya ikramiye) -----

9.Aşağıda iyi bir iş performansını oluşturan bazı özellikler vardır.Bunların,size göre,ücretinizde artışa katkısı ne olur?

Hiç katkısı olmaz	Katkısı olmaz	Katkısı olur	Çok katkısı olur
1	2	3	4

- Toplam satışları (TL) arttırma --- --- --- ---
- Bütçemi(satış kotamı)geçme (örneğin yüzde 10 ile) --- --- --- ---
- Yeni doktor vizitlerinin sayısını arttırma(örneğin yüzde 10 ile) --- --- --- ---
- Satış masraflarını azaltma --- --- --- ---
- İdari görevleri (raporlar,vb.) daha iyi yerine getirme --- --- --- ---
- Diğer(Lütfen belirtiniz \_\_\_\_\_) --- --- --- ---

10.Lütfen son 12 ayda yaptıklarınızı düşününüz.Önünüzdeki 12 ayda,aşağıdaki özelliklerle ilgili olarak geçmiş 12 aydan farklı bir ilerleme mi,yoksa aynı düzeyde kalmayı mı planlıyorsunuz?Lütfen belirtiniz.

	Son 12 ay ile aynı düzeyde 1	Son 12 aydan iyi 2	Son 12 aydan daha iyi 3	Son 12 aydan çok daha iyi 4
-Ziyaret ettiğiniz doktorlara,eczanelere, vb. yaklaşım metodlarınız açısından	---	---	---	---
-Hafta boyunca çalışacağınız saatlerin sayısı açısından	---	---	---	---
-Bu saatler boyunca ne kadar çaba sarfedeceğiniz açısından	---	---	---	---

11.Aşağıda belirtilen,"daha iyi performansı teşvik edici ödüller"in yararlılık derecesini işaretleyiniz.

	Hiç yararlı değil 1	Yararlı değil 2	Yararlı 3	Çok yararlı 4
1)Para(maaş,prim, veya maddi yardımlar dışında)	---	---	---	---
2)Toplu gezi(iş toplantılarını, seminerleri içeren)	---	---	---	---
3)Toplu gezi(eşin veya ailenin,iş arkadaşları ve ailelerinin katıldığı)	---	---	---	---
4)Kişisel gezi (yıllık normal izin yanı sıra fazladan firma tarafından masrafları ödenen eşin veya ailenin katılabildiği gezi)	---	---	---	---



	Hiç yararlı değil 1	Yararlı değil 2	Yararlı 3	Çok yararlı 4
5)a.Ev eşyalarının (mobilya,vb.) hediye olarak verilmesi	---	---	---	---
b.Elektronik eşyaların hediye olarak verilmesi				
-Televizyon	---	---	---	---
-Kasetçalar	---	---	---	---
-Videoteyp	---	---	---	---
-Elektrikli daktilo	---	---	---	---
-Kompakt diskçalar	---	---	---	---
-Hesap makinası	---	---	---	---
-Kişisel bilgisayar (PC)	---	---	---	---
-Radyo	---	---	---	---
c.Yeni model ara- banın hediye olarak verilmesi	---	---	---	---
d.Spor malzemele- rinin hediye olarak verilmesi	---	---	---	---
e.Fotoğraf malze- melerinin hediye olarak verilmesi	---	---	---	---
f.Saatın hediye olarak verilmesi	---	---	---	---
g.Kitapların hediye olarak verilmesi	---	---	---	---
h.Videokasetlerin hediye olarak verilmesi	---	---	---	---
i.Giyeceğin hediye olarak verilmesi	---	---	---	---
j.Bilinen firma- ların hediye çeklerinin (bir gömlek/kravat almak için,vb.) verilmesi	---	---	---	---
6)Firma arabasının kişisel kullanımı	---	---	---	---
7)Kaza sigortasının yapılması	---	---	---	---

	Hiç yararlı değil 1	Yararlı değil 2	Yararlı 3	Çok yararlı 4
8)Hayat sigortasının yapılması	---	---	---	---
9)Taşınma masraflarının firma tarafından ödenmesi	---	---	---	---
10)Ödül plakettinin veya sertifikasının verilmesi	---	---	---	---
11)Ödül kupasının verilmesi	---	---	---	---
12)Sembolik değer taşıyan firma rozettinin verilmesi	---	---	---	---
13)Başarılı tıbbi mümessil ödülünün(yılın tıbbi mümessili ödülü,en üst düzeyde performans gösterenler ödülü,vb.)verilmesi	---	---	---	---
14)Onur verici ünvanların verilmesi	---	---	---	---
15)Başkalarının haberdar edilmesi (firma bülteninde önemli bir haber olarak,vb.)	---	---	---	---
16)Başarılı olanın onuruna bir yemek verilmesi	---	---	---	---
17)Üst düzey yöneticilerle özel toplantıların yapılması	---	---	---	---
18)Övgü dolu kişisel takdir mektupları	---	---	---	---
19)Övgü dolu,takdir edici telefon görüşmeleri	---	---	---	---
20)Diğer(Lütfen belirtiniz_____)	---	---	---	---

12."Teşvik edici ödüller"in verilmesi ile ilgili aşağıdaki değerlendirme seçeneklerine katılma derecenizi belirtiniz.

	Hiç katılmı- yorum 1	Katılmı- yorum 2	Katılı- yorum 3	Çok katılı- yorum 4
-Kişisel başarı yeterli bir kriter olabilir.	---	---	---	---
-Sadece en üst düzeyde performans gösterenler ödüllendirilebilir.	---	---	---	---
-Grup/bölge başarısı yeterli bir kriter olabilir.	---	---	---	---
-Yalnızca müdürün kişiyi değerlendirmesi yeterli olabilir.	---	---	---	---
-Diğer(Lütfen belirtiniz_____)	---	---	---	---

13.Bu firmada tıbbi mümessil olarak çalıştığınız yıl sayısı:

---0-1 yıl    ---1-5 yıl    ---5-15 yıl    ---15 yıldan fazla

14.Satış elemanı olarak bu firmadan önce çalıştığınız yıl sayısı:

---Hiç    ---0-5 yıl    ---6-35 yıl    \_\_\_\_\_Ne tip işte?

15.İşinizden elde ettiğiniz gelir,rahat yaşamanız için:

---Çok yetersiz    ---Yetersiz    ---Yeterli    ---Çok yeterli

16.Hane halkı sayısı(siz dahil):\_\_\_\_\_

17.Kaç çocuğunuz var?:\_\_\_\_\_

18.Medeni durumunuz:

---Evli(Kaç yıllık?\_\_\_\_) ---Bekar ---Dul/boşanmış

19.Eğitim durumunuz(mezun olduğunuz son eğitim düzeyi itibariyle):

---İlkokul ---Ortaokul ---Lise ---Üniversite

20.Yaşınız:

---18-34 ---35-49 ---50-65

21.Cinsiyetiniz:

---Erkek ---Kadın

22.Çalıştığınız bölge:

---İST1 ---İST2 ---İZM ---ANK ---KON ---G.ANTEP ---ŞAM

23.Çalıştığınız grup:

---C ---P ---I

Teşekkür ederiz...

Appendix-VI. Interview form - English

"THE MOTIVATION OF SALESPEOPLE, PERSONAL CHARACTERISTICS AFFECTING MOTIVATION, AND PREFERENCES FOR INCENTIVES" MASTER THESIS - INTERVIEW QUESTIONS

Please answer the following questions.

1) Please give a job description of salespeople, detailmen, account executives, sales agents, credit marketing agents, etc. operating for your bank (or company).

2) Do you have any projects or attempts about "motivating" these employees?

3) Do you measure the degree of satisfaction these employees have on various job dimensions such as pay, company policies, etc.?

4) Do you measure the motivation levels of these employees?

5)Do you use personality tests during selection, training, or later stages to determine their fit as a salesperson?

6)How are these employees compensated in your firm? Please describe the total compensation package applied to these employees.

7)Do you give incentives to these employees? Under which conditions or according to which criteria are these incentives given?

NAME OF PERSON INTERVIEWED :  
NAME OF BANK/COMPANY :  
POSITION OF PERSON INTERVIEWED :  
DATE OF INTERVIEW :

Thank you very much...

Appendix-VII. Interview form - Turkish

"SATIŞ ELEMANLARININ MOTİVASYONU, MOTİVASYONU ETKİLEYEN KİŞİSEL DEĞİŞKENLER VE TEŞVİK EDİCİ ÖDÜLLERLE İLGİLİ TERCİHLER" KONULU TEZ ÇALIŞMASI- MÜLAKAT SORU FORMU

Lütfen aşağıdaki soruları cevaplayınız.

1)Bankanızda(veya firmanızda) çalışan müşteri temsilcilerinin,kredi pazarlama elemanlarının,satış elemanlarının,propagandistlerin,vb. görevleri nelerdir?

2)Bu elemanların "motive edilmeleri" ile ilgili çalışmalarınız var mı?

3)Bu elemanların işlerinin her yönüyle tatmin olma derecelerini ölçüyor musunuz?(Örneğin,ücret,firma politikaları,vb. gibi yönlerle ilgili tatmin)

4)Bu elemanların motivasyon seviyelerini ölçmeye çalıştınız mı?



5)Bu elemanlara işe alım,eğitim veya daha sonraki safhalarda kişilik testleri uygulayıp işe yatkınlıklarını belirliyor musunuz?

6)Bu elemanlar firmanızda nasıl ücretlendiriliyor?Bu elemanlara bütünüyle uygulanan ücret sistemi ni tanımlar mısınız?

7)Bu elemanları teşvik etmek için verilen fazladan ödüller var mıdır?Bu ödüller hangi durumlarda veya hangi kriterlere bağlı olarak verilmektedir?

GÖRÜŞÜLEN KİŞİNİN AD/SOYADI:  
FİRMANIN/BANKANIN ADI :  
GÖRÜŞÜLEN KİŞİNİN POZİSYONU:  
GÖRÜŞME TARİHİ :

Teşekkür ederiz...

**T. C.**  
Yükseköğretim Kurulu  
Dokümantasyon Merkezi