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The relation between the salespeoples' satisfaction with the organization and their intention to voluntary leave the company.
Research note.

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The motive behind the project

The sales personnel's satisfaction with the organization and their intention to leave the company.

The sales personnel play an important, although usually much underestimated, role in the working of a modern business. As indicated by the results of much research and by practitioners' experience, the satisfaction of the sales staff has a great, direct or indirect, influence on the effectiveness of the sales personnel (Brown, Peterson 1993, Babakus, Cravens, Johnston, Moncrief 1996, Darmon 2005), as well as on their other behavior, such as their intention to leave the company (Futrell, Parasuraman 1984, Johnston, Futrell, Parasuraman, Sager 1998, Ladik, Marshall, Lask, Moncrief 2001).

The loyalty of the sales personnel, expressed by the "intention to leave the company" is an important determinant of the current sales effectiveness as well as the company's long-term market position (Darmon 2005).

Identification of determinants that shape the sales personnel satisfaction and correlation of satisfaction with intention to leave the company has a great impact both on the theory as well as the practice of management. Satisfied salespeople seem to be more loyal towards the organizations which employ them, a sentiment that is reflected mainly by relatively low rates of the declared intention to leave the company and a significantly lower level of voluntary fluctuation among this group of employees (Roach 1979, Parasuraman, Futrell 1983, Johnston, Varadarajan, Futrell, Sager 1987, McEvoy, Cascio 1987, Roland R., Stewart, Miller, Pielack 1996, Russ, McNeilly 1995, Ladik, Marshall, Lask, Moncrief 2001, Hom, Kunicki 2001, McCulloch 2003).

Following Churchill, the Authors assume that a salesperson's satisfaction with the organization is a component of seven autonomous variables and comprises respectively satisfaction with: (1) the nature of duties performed, (2) the salary, (3) the relationship with the immediate superior, (4) the atmosphere prevailing among the sales team, (5) the customers, (6) the career prospects, (7) the company policy (Churchill, Ford, Walker, Johnston, Tanner 2000).

The organizational variables which are a source of a salesperson's satisfaction (dissatisfaction) can, therefore, vary from the remuneration system, the atmosphere prevailing in the company, through the company's policies towards the sales force and the clients, to the salesperson's relationship with the immediate superior, especially the manner

in which targets are determined and communicated, and in which sales regions are allocated to particular members of the sales staff (Lucas, Parasuraman, Davis, Enis 1987, Tett, Meyer 1993, Williamson 1993, Chonko 1996, Darmon 2005, Adidam 2006).

In Poland the relation between the sales personnel's satisfaction and their behavior has not hitherto been subject of research. This phenomenon has never before been analyzed in a broad organizational context, especially in relation to such a numerous and such a specific group of professionals as salespeople. This project is therefore the first attempt to fill the gap between the attainments of management studies worldwide and the knowledge and practice of managing sales forces in our country.

The objectives of the project

In this project, the Authors have set themselves the following objectives:

1. To identify determinants of satisfaction which best define a salesperson's general satisfaction with the organization.
2. To identify determinants of satisfaction which best define a salesperson's general dissatisfaction with the organization.
3. To assess the declared intention to leave the company, taking into account the time factor.
4. To identify the variables with the highest impact on the intention to voluntarily turnover the company.

Methodology

Study of literature

The first phase of the research project prepared by the Authors comprised an in-depth study of the literature, including an analysis of over 30 most representative articles and research reports taken from specialized periodicals dedicated to sales force management, to the sociology of organizations and management of human resources published between 1974 and 2008.

The primary concern of the aforementioned analysis was to identify variables which most strongly influence the level of satisfaction of the sales personnel. It served to customize and later to verify the research tool in the form of a standardized questionnaire.

At the same time, following from analysis of key reference papers, Authors assessed the relations between a salesperson's satisfaction (dissatisfaction) and their

declared intention to voluntarily leave the company as described in publications. It has allowed to formulate relevant research objectives.

Description of the surveyed population of sales people

The survey was carried out on a sample of 544 employees of a sales department of one of the leading Polish mobile telephony companies. At the time of the survey, the company employed 640 staff in 244 branch offices, 85% of whom took part in the research project. In the research sample a slight majority of women (57%) over men (47%) was observed. The sales personnel of the company in question consists mostly of very young (under the age of 26 – 67% of employees) or young (26 to 35 years old – 32% of employees) people with a relatively little experience both in the company and in sales. Most of the salespeople surveyed had a high level of education (59% held a bachelor or master degree, or a diploma from a technical university). Data obtained from questionnaires shows that as many as 64% of the salespeople surveyed are currently continuing their studies. In other words, nearly two thirds of all respondents were students at various types of universities.

Research tools and variables measured

The analysis of relations between company satisfaction and intention to leave the company is a part of broader research project to “scan” the entire sales organization of the company in question. Empirical research has served to build a profile of the salespeople which referred to such organizational variables as *the level of sales effectiveness, satisfaction with the organization, declared loyalty towards the company, devotion to one’s profession and opinion about the scale of fluctuation in the sales staff*. Furthermore, the respondents’ opinion on *the reasons for which the sales personnel leaves the company and the main consequences of fluctuation among salespeople and sales managers* was also registered.

The survey of the salespeople was based on a standardized questionnaire, containing 93 close-ended questions, including demographic questions. Each questionnaire was accompanied by a brief cover letter and each question was preceded by a short and clear instruction.

Answers to demographic questions which contained variables describing individual respondents, such as gender, age, education level, professional experience, and number of customers served, were calibrated using either dichotomous or multiple-choice nominal

scales. To other questions a special six-point, balanced, verbal, forced Likert scale was applied.

The question pertaining to the respondent's effectiveness was a separate research category. This variable was defined as the degree (percentage) in which their assigned target, i.e. their quarterly sales quota, was achieved. In this case an interval scale was applied, with the number of intervals and interval width defined basing on empirical data from the surveyed company.

All the variables described above were of a declarative nature, i.e. the measurement was based solely on the opinions of the surveyed respondents, no other methods or sources were used to further verify them.

A special standardized average was used for comparison, which allowed to relate measures of different variants of answers. At the same time it should be stressed that this average is an abstract value, serving only as a reference point.

The survey was conducted between December 15, 2008 and March 31, 2009. It took the form of an electronic questionnaire accessible via a webpage of Sales Force Management Center. In order to access the questionnaire respondents logged onto the webpage and then entered an individually generated code and a password. The computer programme operating the questionnaire "forced" the respondents to give an answer, hence the test results do not include the category "no answer."

Methodological limitations and organizational conditioning of the research project

The project is limited by a number of factors related to the methodology and to the organization. The survey was conducted on the sales staff from one company, a fact which visibly affects their "representativeness". The "sales personnel population" which was surveyed is composed mainly of young, highly educated people, who, in some cases, are continuing their studies. Thus the sales personnel of the surveyed company differed significantly from the employees of a sales department from a "typical" Polish company. Finally, the survey was carried out during a 14-week period, during which a radical change occurred in the economic situation and social climate throughout the country. These changes were bound to affect the respondents' intention to leave the company.

Percentage distribution and analysis of answers given to selected questions

The sales personnel's satisfaction with the organization

This module is composed of 28 close-ended questions, scaled with a six-point, forced Likert scale. The index of average satisfaction with the organization, calculated basing on the answers, equals 0.715 on a scale from 0.1 to 1.

Table 1. Sales staff job satisfaction index (SSJSI).¹

No.	SSJSI components	Satisfaction Index *
1	Sales people perceive the atmosphere in the company as good	0.890
2	Sales people are satisfied with relationship with co-workers	0.870
3	Sales people hold their superior in high esteem	0.830
4	Sales people like their current job	0.820
5	Sales people find working with clients a pleasure	0.810
6	Sales people like their superior	0.810
7	Sales people are satisfied with their relationships with their superior	0.800
8	Sales people acquired useful skills while working for the company	0.800
9	Sales people are satisfied with their job	0.790
10	Sales people find the goals and tasks assigned to them clear	0.790
11	Sales people believe the company treats clients fairly	0.780
12	Sales people find the goals and tasks assigned to them well-defined	0.780
13	Sales people can rely on the superior's help in case of problems	0.770
14	Sales people receive support from their superior at work	0.760
15	Sales people find the goals and tasks assigned to them attainable	0.750
16	Sales people believe that tasks are distributed fairly among the sales personnel	0.730
17	Sales people believe that information about changes in the offer arrives too late	0.710
18	Sales people believe that they are treated fairly by the company	0.710
19	Sales people believe that the company provides security and stability to the workers	0.690
20	Sales people believe that their salary is fair compared to the salary of co-workers	0.670
21	Sales people believe that only competence and skills count when it comes to promotions	0.620
22	Sales people believe that the work offers opportunities for development and making a	0.620

¹ *standardised average*

	career	
23	Sales people believe that the company offers attractive training	0.590
24	Sales people believe that contacts with the company are occasional – there is lack of emotional relation with the company	0.560
25	Sales people believe that the salary is adequate to the salesperson's efforts	0.550
26	Sales people believe that salaries in the company are attractive when compared to others in this line of business	0.550
27	Sales people believe that changes in the product offering and price list are too frequent	0.510
28	Sales people believe that basic salary is satisfactory	0.470
	Sales Staff Job Satisfaction Index	0.715

Source: Analysis of data delivered by Sales Force Management Center 2009

Detailed correlation analysis of the elements of the job satisfaction index has allowed the Authors to identify organizational variables that influence a salesperson's general satisfaction with the organization as well as to identify the variables without any impact on a salesperson's satisfaction.

Table 1. Determinants of a salesperson's general satisfaction with the organization. 2

0.78	Sales people believe that they like their current job
0.56	Sales people find working with clients a pleasure
0.56	Sales people believe that the work offers opportunities for development and making a career
0.55	Sales people enjoy working in the sales department
0.51	Sales people believe that they will work in the same organisation in 12 months' time
0.49	Sales people believe that they are treated well by the company
0.47	Sales people believe that they will work in the same organization in 6 months' time
0.46	Sales people declare that the organization they work for deserves their loyalty
0.46	Sales people believe that their job is prestigious
0.45	Sales people declare that they are willing to recommend the organization to their family members as well as friends

² Pearson correlation line coefficient higher than 0,4

0.45	Sales people declare that in the future they would like to continue their professional career in the sales department
0.44	Sales people believe that the organization delivers its employees safety and stability
0.44	Sales people believe that they acquired a lot of useful skills while working for the organization
0.41	Sales people declare that they receive support from their superiors
0.40	Sales people declare that their salary is attractive in comparison to other organizations in the same business
0.40	Sales people declare that they are satisfied with the base salary level
0.40	Sales people declare that in case of any problems at work, they can rely on their superiors
0.40	Sales people believe that they can manage to keep the job in the organisation in the next 12 months

Source: Analysis of data delivered by Sales Force Management Center 2009

About 20 variables defining sales personnel's satisfaction have been identified in the survey. The most important were: atmosphere in the company, satisfaction with the relation with the clients and career opportunities.

There were fewer reasons for dissatisfaction from the side of the organisation. The most important were: lack of career opportunities, monotonous character of work and lack of general job satisfaction.

Table 3. Determinants of a salesperson's general lack of satisfaction with the organization³

-0.50	Lack of development and promotion opportunities
-0.46	Fact that many members of the team declare a will to leave the company
-0.45	Perception of job as monotonous
-0.39	Perception of the salary as too low

Source: Analysis of data delivered by Sales Force Management Center 2009

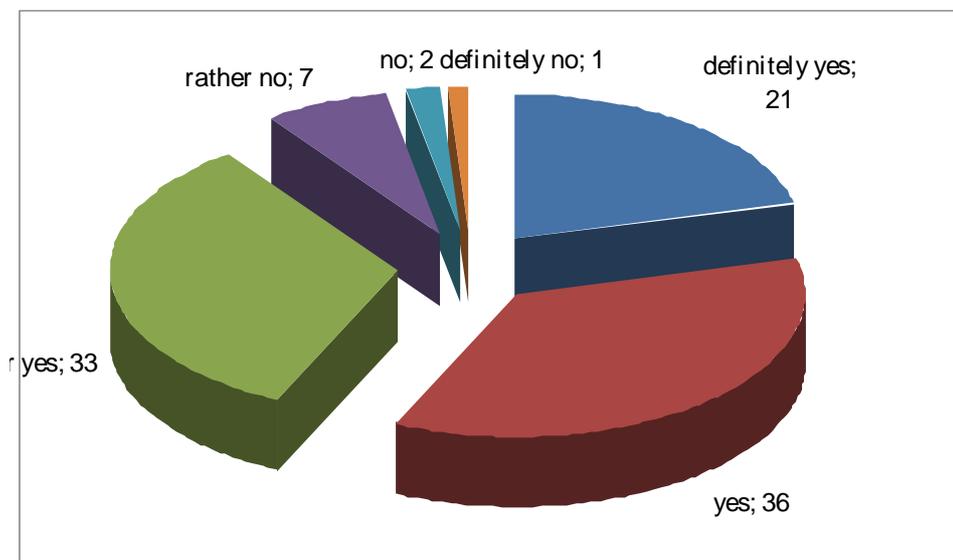
³ *Pearson correlation line coefficient higher than 0.4*

The impact of many variables which seemed to be important prior to the survey has not been empirically proven. There was no correlation between stress and declared satisfaction of the sales people. Also the % level of achieved budget had no impact on the level of sales people satisfaction. It is extremely interesting that the fact whether a sales person has received the bonus or not has also had no impact on their satisfaction.

Intention to leave the Company

The module of “a salesperson’s declared loyalty” includes 7 close-ended questions. They were all constructed in the same manner, basing on a six-point, forced Likert scale. In this report only two questions were analysed – both used to measure the sales personnel’s declared intention to leave the company.

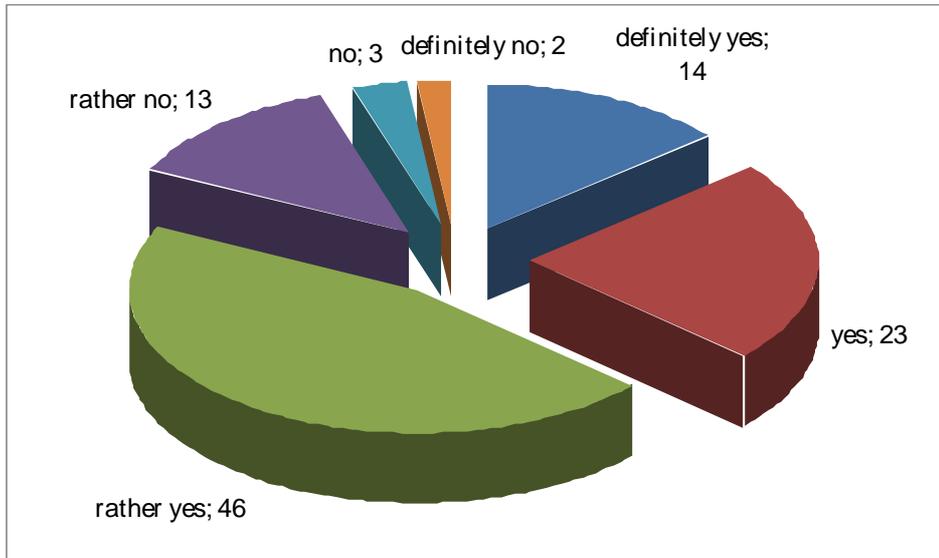
Chart 1. % answer to the question: „I am certain that in 6 months’ time I shall be working for the same company”.



Source: Analysis of data delivered by Sales Force Management. Center 2009

58% of the respondents believe they will be working for the same company in 6 months’ time, therefore the index of “intention to voluntarily leave the company” has a very low value. At the same time, there were no clear declarations of the intention to leave the company.

Chart 2. % answer to the question: "I am certain that in 12 months' time I shall be working for the same company."



Source: Analysis of data delivered by Sales Force Management Center 2009

While analyzing the intention of respondents to voluntarily leave the company, one can observe significant decline of sales people intending to stay in the company in the coming 12 months.

Identification of the variables with the highest impact on the intention to voluntarily leave the company.

correlation analysis has allowed the Authors to identify variables which strongly influence the intention to leave the organization⁴:

Table 4. Variables strongly influencing the intention of sales people to leave the organization

0,51	Recommendation of the company to friends and members of the family
0,47	Satisfaction with the current job
0,46	Company deserves my loyalty
-0,42	Declaration of leaving the company by many members of the team
0,40	Opportunities for personal development and career

Source: Analysis of data delivered by Sales Force Management. Center 2009

⁴ One can see below original questions used in the survey

Conclusions

- 1) The sales staff of the surveyed company are characterised by a relatively high level of satisfaction with the organisation. The Sales Staff Job Satisfaction Index (SSJSI) derived from analysis of 28 independent and heavily varied factors is equal to 0.715 on a scale from 0 to 1.
- 2) The five components which weigh in the Sales Staff Job Satisfaction Index most heavily are: “Good atmosphere in the company, satisfaction with relationship with co-workers and with the immediate superior, satisfaction with the job and satisfaction with relationship with clients”.
- 3) The components with the least relative weight in the Sales Staff Job Satisfaction Index refer mostly to the sales persons’ opinion about the sales staff remuneration system which is currently being operated in the studied company.
- 4) A detailed analysis of the relations between the influence of the various elements of satisfaction on the overall level of sales staff satisfaction confirms the significance of non-material elements as earlier identified (Table 2).
- 5) The elements which in the opinion of respondents influence the lack of satisfaction the most are: the sales persons conviction about “lack of perspectives for development and promotion” and their opinion that the “work is monotonous”.
- 6) As expected, the rate of declaration by the sales staff of their willingness to voluntarily leave the company was very low (in a 6-month time perspective) or low (in a 12-month time perspective).
- 7) The distribution of factors which directly influence the intention to voluntarily leave the organisation declared by the sales staff once more confirms the relatively high level of satisfaction of the sales staff with the company and the high level of declared loyalty towards the company, despite the observed lack of satisfaction of the sales staff with their salary and their conviction that their work is stressful and monotonous.
- 8) The research limitations signalled earlier and the specific profile of respondents limit the possibility to further generalise the observed relations. At the same time, they indicate an urgent need to undertake intense research efforts on a more representative group of respondents – diversification of the subject and of the surveyed line of business.

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