

SALESFORCE PERFORMANCE: THE NEED TO GO BEYOND THE STRAIGHT SALARY REWARD

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Abstract

This study investigated the performance of the sales force in the selected brewing firms in Nigeria. The investigation concentrated on the identification of the effective motivational tools for successful sales performance in brewing firms in Nigeria. Secondary and primary sources were used to gather information for this study. The survey research design was used. Personal interview and questionnaire instruments were used to source the primary data SPSS for windows was used to analyse the data collected from the survey. Analysis of variance (ANOVA) was used to test the hypotheses. The data analysed indicate that the sales force performance in selected brewing firms in Nigeria is only moderately effective as they do not often meet their target. The plausible explanation for this problem is unsatisfactory motivation program of the salespeople in the brewing firms in Nigeria. As a result of the finding, it is recommended that management should not only offer financial incentives, but also non-financial awards to encourage sales force morale.

Introduction

Understanding why people do the things they do on the job is not an easy task for the manager. Predicting their responses to management's latest productivity programme is harder yet. Fortunately, enough is known about motivation to give the thoughtful manager practical and effective techniques for increasing people's effort and performance (Decarlo, Teas and McElroy, 1997: 1 – 17). The one thing all leadership theories agree on is that effective leaders energise, direct, and sustain subordinates' efforts; that is, they are capable of motivating people to do their best. Performance depends on personal ability and on the opportunities afforded by the organization for employees to use their talents. A highly motivated employee in a boring, repetitive job is

likely to get frustrated and either leave the firm or become a malcontent (Ford, Walker and Churchill, 1985: 123 – 138).

Motivation may be defined as psychological forces that determine the direction of a person's behaviour in an organization, a person's level of effort and a person's level of persistence in the face of obstacles (Ingram and Bellenger, 1983: 198 – 205). Motivation refers to forces that energise, direct, and sustain a person's effort. All behaviour, except involuntary reflexes like eye blinks (which have little to do with management), is motivated. A highly motivated person will work hard toward achieving performance goals. With adequate ability and understanding of the job, such a person will be highly productive (Johnson and Keysuk, 1994: 68 – 81).

To motivate employees, managers need to set challenging goals, reinforce desired behaviours, satisfy employees' needs, design jobs that are interesting and offer opportunities for incumbents to use their talents, provide performance – contingent rewards that people value, and be fair (Sager, Junsub and Futrell 1988: 1 – 22). There are several well-known theories that focus on different aspects of motivation. Together they help explain what makes people work harder and what managers can do to facilitate and stimulate high performance.

To be effective motivators, managers must know what behaviours they want to motivate people to exhibit. Although productive people appear to do a seemingly limitless number of things, most of the important activities can be grouped into five general categories (Teas and McElroy 1986: 75 – 86) as follows: The company must motivate the salespeople to (i) join the organization; (ii) remain in the organization; (iii) come to work regularly. Of course, they also want salespeople to (iv) perform – that is, once salespeople are at work, they should work hard to achieve high output (productivity) and high quality. Finally, managers want salespeople to (v) exhibit good citizenship. Good citizens of the organization are committed, satisfied salespeople who perform above and beyond the call of duty by doing extra things that can help the company. The importance of citizenship behaviours may be less obvious than productivity, but these behaviours help the organization function smoothly. They also make managers' lives easier (Weitz, Harish and Suja, 1986: 174 – 191).

Motivation is so central to management because it explains *Why* people behave the way they do in organization – why salespeople at work provide such excellent customer service and enjoy doing so. Motivation also explains why a waiter is polite or rude and why a kindergarten teacher really tries to get children to enjoy learning or just goes through the motions. It explains why some managers themselves truly put their organizations' best interests first whereas others are more concerned with maximizing their salaries, and why – more generally – some salespeople put forth twice as much effort as others (Delvecchio, 1998: 31 – 48).

Tyagi (1985: 76 – 86) noted that motivation can come from intrinsic or extrinsic sources. *Intrinsically motivation behaviour* is behaviour that is performed for its own sake; the source of motivation is actually performing the behaviour and motivation comes from doing the work itself. Many managers are intrinsically motivated; they derive a sense of accomplishment and achievement from helping their organizations to achieve their goals and gain competitive advantages. *Extrinsically Motivated behaviour*

is behaviour that is performed to acquire material or social rewards or to avoid punishment; the source of motivation is the consequences of the behaviour, not the behaviour itself (Kelly, 1989: 32 – 34). A car salesperson who is motivated by receiving a commission on all cars sold, a lawyer who is motivated by the high salary and status that go along with the job, and a factory worker who is motivated by the opportunity to earn a secure income are all extrinsically motivated. Their motivation comes from the consequences they receive as a result of their work behaviour (Cron, Dubinsky and Michael, 1988: 78 – 92). Salespeople can be intrinsically motivated, extrinsically motivated, or both intrinsically and extrinsically motivated. A top salesperson who derives a sense of accomplishment and achievement from managing a large customer account and strives to reach year-end targets to obtain a hefty bonus is both intrinsically and extrinsically motivated (Peterson, 1993: 78 – 82). Salespeople, especially outside sales force, require a high degree of motivation. Think of how a sales job is different from most other jobs. Salespeople often work independently, without supervision and guidance from management. Outside salespeople work most of the time away from the support and comfort of home – office surrounding (Cron; Jackofsky and Slocum, 1993: 1 – 13).

Consequently, management faces a challenge in motivating salespeople. According to Sager; Junsun and Futrell (1998: 4 – 10) one key is to determine what motivates the sales reps – is it a need for status, control, accomplishment, or something else? Another key is to design a motivational programme that as much as possible will reach the reps individually. Darmon (1974: 418 – 426) suggested that sales executives can draw from a wide assortment of specific motivational tools. Financial incentives – compensation plans, expense accounts, fringe benefits – usually are sure-fire motivators, but not always. Non-financial awards – job enrichment, praise from management, recognition and honour awards (Pin, Trophy, Certificate) – may be the ticket to stimulate some reps. Sales meetings and sales contents are often – used alternatives. Today, many firms – Aritech (fire and security alarms), Cox Cable Communications (TV), and Xerox, for example – provide cruises, resort trips, and other travel incentives as rewards to top-performing sales reps (Shiple and Jobber, 1991: 154 – 170).

Financial rewards are still by far the most widely used tool for motivating salespeople. Consequently, designing and administering an effective *sales compensation plan* is a big part of a sales manager's job. Financial rewards may be direct momentary payments (salary, commission) or indirect monetary compensation (paid vacations, pensions, insurance plans). Haring and Meyers (1953: 155 – 159) remarked that establishing a compensation system calls for decisions concerning the level of compensation as well as the method of compensation. The level refers to the total income that a salesperson earns over a period of time. Level is influenced by the type of person required and the competitive rate of pay for similar positions. The method is the system or plan by which the salesperson will reach the intended level.

Smyth (1968: 109 – 117) noted that the three widely used methods of compensating a sales force are straight salary, straight commission and a combination plan. A *salary* is a fixed payment for a period of time during which the salesperson is working. A salary – only plan (called a straight salary) provides security and stability of

earning for a sales rep. This plan gives management control over a rep's efforts, and the reps are likely to cater for the customers best interests. The main drawback of a straight salary is that it does not offer adequate incentive for sales people to increase their sales volume. Also, a straight salary is a fixed cost, unrelated to sales volume or gross margin. Ryans and Weignberg (1981: 75 – 92) emphasized that straight – salary plans typically are used when: (i) compensating new salespeople or missionary salespeople (ii) opening new territories, and (iii) selling a technical product with a lengthy period of negotiation.

A *commission* is a payment tied to a specific unit of accomplishment. Thus, a rep may be paid 5 percent of every dollar of sales or 8 percent on each dollar of gross margin. Sandis (2000: 35 – 42) remarked that a straight – commission plan (commission only) tends to have just the opposite merits and limitations of a straight salary. A straight commission provides considerable incentive for salespeople, and it is a variable cost related directly to a rep's sales volume or gross margin. On the other had, it is difficult to control straight – commission people. And it is specifically difficulty to get them to perform tasks for which no commission is paid. Piercy, Low and Cravens (2004: 255 – 267) suggested that straight – commission plans may work well when: (i) great incentives is needed to get the sales; (ii) very little non-selling work is required, such as setting up displays in retail stores; (iii) the company is financially weak and must relate its compensation expenses directly to sales or gross margins; and (iv) the company is unable to supervise the sales force when they are outside the company's offices.

According to Locke (1968: 157 – 189), the ideal *combination compensation plan* has the best features of both the straight – salary and the straight – commission plans, with as few of their drawbacks as possible. To reach this ideal, a combination plan must be tailored to a particular firm, product, market, and type of selling. Kotler and Keller (2006: 623 – 624) agreed that the majority of sales representatives require these encouragement and special incentives because they work alone, their hours are irregular, and they are often away from home. They confront aggressive, competing sales reps; they have an inferior status relative to the buyer; they often do not have the authority to do what is necessary to win an account; and they sometimes loose large orders they have worked hard to obtain. And most marketers believe that the higher the salesperson's motivation, the greater the effort and the resulting performance, rewards, and satisfaction and thus further motivation. Figure 2.7 shows sales force motivation. Tyagi (1985b: 290 – 309) called *salary plus commission/bonus*, a hybrid system that provides some incentive to sell with an element of security.

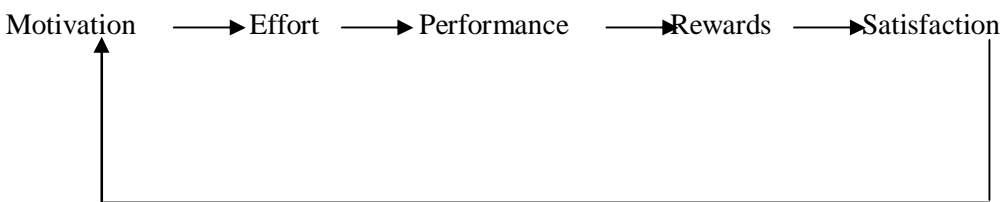


Figure 1: Sales force Motivation

Source: Jobber, D. and Lancaster, G. (2006: 407), *Selling and Sales Management*, Harlow: Pearson Education Ltd.

According to Luthans and Stajkovic (1999: 49 – 59) usually, salary makes up about 70 percent of income. This system is attractive to ambitious salespeople who wish to combine a base level of income with the opportunity to earn more by greater effort and ability. For those reasons, it is the most commonly used method of payment. Bonuses are usually paid on the achievement of some task, such as achieving a sales target or opening a certain number of new accounts.

Research Problem

The sales force serve as a critical link between a company and its customers. They represent the company to customers. They find and develop new customers and communicate information about the company's products and services. They sell products by approaching customers, presenting their products, attending objections, negotiating prices and terms, and closing sales. In addition, salespeople provide customer service and carry out market research and intelligence work. At the same time, salespeople represent customers to the company, acting inside the firm as "champions" of customers' interest and managing the buyer-seller relationship. Salespeople relay customer concerns about company products and actions back inside to those who can handle them. They learn about customer needs and work with other marketing and non-marketing people to develop greater customer value. The old view was that salespeople should worry about sales and the company should worry about profit. However, the current view holds that salespeople should be concerned with more than just producing sales – they should work with others in the company to produce customer satisfaction and company profit (Kotler and Armstrong, 2006: 488).

Salespeople experience a wonderful sense of exhilaration when they make a sale. But they most frequently deal with the frustration and rejection of not making the sale. Even very good reps don't make every sale. They often do not have the authority to do what is necessary to win an account, and they sometimes lose large orders they have worked hard to obtain. They have an inferior status relative to the buyer. While many customers are gracious, courteous, and thoughtful in their dealing with sales people, some are rude, demanding and even threatening. Salespeople confront aggressive, competing sales reps. This is especially true of field selling: Reps usually work alone, their hours are irregular, and they are often away from home. They spend a large amount of time by themselves calling on customers and traveling between accounts. This means that most of the time, they are away from any kind of support from their peers or leaders, and they often feel isolated and detached from their companies. Consequently, they usually complain and demand more motivation than is needed for other jobs to reach the performance level management has desired. Unfortunately, in an alternative, many either quit or are fired after a short while. This is another hidden cost when the quit rates and discharge rates are substantial in firms where the average of the sales force is relatively young.

The findings of the study will contribute immensely to the understanding of the reason people act as they do. Of course, sales managers are always interested in the effort salespeople to expend on various activities or tasks associated with the sales job. Through the findings of the study, management of brewing firms in Nigeria, should be able to determine the most effective combination of methods to motivate their salespeople to achieve desired level of performance. Again, companies often hire only experienced, proven salespeople who already have the necessary skills. But when companies hire inexperienced people, the findings of this study should be able to provide the necessary training techniques, and motivations to perform their jobs effectively. Finding an effective combination of motivators will be easier if a sales manager understands some of the behavioural factors that affect sales force motivation. The study will contribute much to the understanding of the behavioural factors that will relate to the individual's need and to the conditional links between performance and rewards, and between effort and performance.

Research Objective

The broad objective of this study was to investigate the influence of motivation in the performance of sales force in brewing firms in Nigeria. The specific objective was to determine the effective motivation tools for successful sales performance in brewing firms in Nigeria. To achieve the purpose of the research, the study was guided by this question: How can a salesperson be motivated to reach the performance level desired of him by management in brewing firms in Nigeria? This study was predicated on the proposition that good motivational program does not significantly influence successful sales performance in brewing firms in Nigeria.

Research Method

The central focus of the study was on the performance of the sales force in the selected brewing firms in Nigeria. The research aimed at understanding how sales force performance could be influenced. What factors are critical to the performance of the sales force? Specifically, the study was limited to the influence of recruiting and selecting, training and developing, supervising, motivating, and evaluating of a sales force performance in selected brewing firms in Nigeria. However, taking cognizance of the time factor, availability of funds, precision required, and other constraints involved, the study is restricted to Nigeria Breweries Plc and Guinness Nigerian Plc sales force performance in Lagos City of Nigeria. In brewing industry, Lagos is often being referred to as “mini Nigeria”, which hosts the headquarters of large corporations in the country.

The choice of these two giants was because Nigerian Breweries and Guinness Nigeria are two of the most nationally well-know concerns in Nigeria. They are also the two largest capitalized companies in the Nigerian stock exchange. With 6.2% of the total market capitalization of the stock exchange, Nigeria Breweries leads the list of 188 companies and Guinness Nigerian follows closed behind (Ukpaukure, 2001: 36). Their products, especially star beer and Guinness extra stout, are staple products in the Nigerian market. Both Companies often boast of their significant contributions to the economy, in particular through the taxes they pay into government covers.

After considering the problem and objectives of the study, descriptive design was chosen, because it would provide answers to questions, such as who, what, where, when, why and how as they are related to the sales force performance in selected brewing firms in Nigeria. Typically, answers to these questions are found in secondary data or by conducting surveys. Therefore, two major sources were employed in the quest to gather information for the study. They were both secondary and primary sources. Published and unpublished data were used. Published data were sourced from various publication of the federal, state and local government; various publications of foreign governments, international bodies and their subsidiary organizations; technical and trade journals; books, magazines and newspapers; reports and publications of various associations, breweries sales and stock exchanges; reports prepared by research scholars and universities; and public records and statistics, historical documents and other sources of published information. Unpublished data were found in diaries, letters, unpublished biographies and autobiographies, trade associations and labour bureaus.

Structured questionnaire was used to source the primary data. The researcher followed a sequence of logical steps to develop a good questionnaire that would accomplish the research objective. Questions were formulated to obtain the needed information, and a small sample of four post graduate students were used to test the questionnaire for omissions and ambiguity.

The population of the study was made up of the sales force of Nigeria Breweries Plc and Guinness Nigerian Plc in Lagos City of Nigeria. The sales force disposition of these two firms in Lagos was one hundred and fifty four (Ikime, 2007: 142-146).

Table 1 Sales Force Population in Lagos

Brewing Firm		Sales Force Size
1.	Nigerian Breweries Plc	96
2.	Guinness Nigeria Plc	58
Total		154

Source: Ikime, O. (2007: 146), *History of Nigerian Breweries Plc*, London: Mta Reproduction Ltd.

The sample size of the study was determined, using the Yamani (1964: 280) formula. n

$$= \frac{N}{1 + (Ne^2)} \quad n = \frac{154}{1 + (154 \times .0025)} = 111$$

A pre-test survey was conducted before the main inquiry. The pre-test was a miniature of the main survey in which all the operations that was intended to be used in the main inquiry was tested to see how they would work and what modifications were needed to make them even work better.

Fifteen respondents were used for this test-run, and because the sample size was very small, expert knowledge was used to obtain a sample from the sales executives of the two breweries in Ikeja, sales territory, Lagos. This pre-test provided the investigator the good ground to train the assistants that were used for the main survey. It also

provided the investigator the opportunity to come out with the final version of the questionnaire. The pilot survey enabled the investigator to estimate the cost component of the main survey. SPSS for windows was used to analyse the data collected from the survey. It made the analysis very easy. However, the researcher ensured that the questionnaire were properly edited, coded before feeding them into the computer. The analysis of variance (ANOVA) was used to test the hypotheses.

Data Analysis and Discussion

Decision Rule: If significant value ≤ 0.05 , reject H_0 and accept the alternative.

Table 2: ANOVA Table for Testing Hypothesis

Critical Factor for Sales Force Performance		Sum of Squares	df	Mean Square	F	Si8
A good company motivation program can facilitate your sales effectiveness	Between Groups	101.67	1	101.67	1237.22	.00
A good company motivation program can facilitate your sales effectiveness	Within Groups	17.43	212	.09		
Total		119.09	213			

Source: Field Survey

In order to test the hypothesis, on whether a good company motivation program plays a significant role in facilitating sales force effectiveness in brewing firms in Nigeria, the null hypothesis which states that good motivational program does not significantly influence successful sales force performance in brewing firms in Nigeria was tested, using one-way analysis of variance technique. With the aid of computer the data on this item was analysed. The result is shown in table 2. From the table, it can be seen that an F value of 1237.22 with a corresponding P value of 0.00 was obtained. Judging from the decision rule of $P \leq 0.05$, the null hypothesis is rejected and the alternative accepted. This shows that good motivational program does significantly influence successful sales force performance in brewing firms in Nigeria. Therefore, good company motivational program is a critical factor for sales force performance in brewing firms in Nigeria. This means that sales people want to feel good about their performance in their company. Therefore companies should encourage and nurture this natural drive. Once the management has successfully raised the motivation levels of the salespeople, it is important that they stay raised. Therefore, varying working conditions, improving management systems, and placing a big value on the sales force should all be top priorities of the management. The study suggest that good motivational program does significantly influence sales force performance in brewing firms in Nigeria, especially when compensation plan that offer a base salary, some proportion of incentive pay and other non-financial rewards are included in the remuneration package. It suggests that a company’s compensation and incentive programs, along with its selection policies, training programs, and supervision, can be used by managers to

influence and direct a sales person's behaviour in the field. Therefore, the major purpose of any sales compensation program should be to influence the sales force to do what management wants, how they want it done, and within the desired time. Before a firm's managers can design a compensation and incentive package to accomplish this, however, they should have a clear idea of what they want the sales person to do.

The compensation plans which offer a base salary plus some proportion of incentive pay could be the most popular. They could have many of the advantages, but avoid most of the limitations of both straight salary and straight commission plans. The base salary provides the salesperson with a stable income and give management some capability to reward sales people for performing customer servicing and administrative tasks that are not directly related to short-term sales. At the same time, the incentive portion of such compensation plans provides direct rewards to motivate the sales person to expand effort to improve his or her sales volume or profitability. Combination plans combine a base salary with commissions, bonuses, or both. When salary plus commission is used, the commissions are tied to sales volume or profitability, just as with a straight commission plan. The only difference is that the commissions are smaller in a combination plan than when the salesperson is compensated solely by commission. A bonus is a payment made at the discretion of management for achieving or surpassing some set level of performance. Whereas commissions are typically paid for each sale that is made, a bonus is typically not paid until the sales person surpasses some level of total sales or other aspect of performance when the sales person reaches the minimum level of performance required to earn. A bonus, however, the size of the bonus might be determined by the degree to which he or she exceeds that minimum. Thus, bonuses are usually additional incentives to motivates sales people to reach high levels of performance, rather than as part of the basic compensation plan. Attaining quota is often the minimum requirement for a sales person to earn a bonus. Quota can be based on sales volume, profitability of sales, or other account servicing activities. Therefore, bonuses can be offered as a reward for attaining or surpassing a predetermined level of performance on any performance dimensions for which quotas are set. Indeed, some complex bonus plans use a point system to tie the bonus to the accomplishment of two or more performance objectives. Whether base salary is combined with commission payments or bonuses, managers must answer several other questions in designing effective combination compensation plans. These include: the appropriate size of the incentive relative to the base salary; whether there should be a ceiling on incentive earnings; when the sales person should be credited with a sales; and how often the sales person should receive incentive payments.

A salary is a fixed sum of money paid at regular intervals. The amount paid to the sales person is a function of the amount of time worked rather than any specific performance. Two sets of conditions favoured the use of a straight salary compensation plan. These are: when management wishes to motivates sales people to achieve objectives other than short-run sales volume; and when the individual sales persons impact on sales volume is difficult to measure in a reasonable time. The primary advantage of a straight salary is that management can require sales people to spend their time on activities that may not result in immediate sales. Therefore, a salary plan or a

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plan offering a large proportion of fixed salary is appropriate when the sales person is expected to perform many account servicing or other non-selling activities. These may include market research, customer problem analysis, stocking, or sales promotion. Straight salary plans are also common in industries where a great deal of engineering and design services are required as part of the selling functions, such as in the aerospace and other high-technology industries. In brewing firms in Nigeria, straight salary compensation plans could be desirable when it is difficult for management to measure the individual sales person's actual impact on sales volume or other aspects of performance. Thus, brewing firms should pay salaries to their sales force when: their sales people are engaged in missionary selling; other part of the marketing program, such as advertising or dealer promotions, are the primary determinants of sales success, as in some other consumer packaged goods business; the selling process is complex and involves a team or multilevel selling effort. Straight salary plans have the advantage of providing sales people with a steady, guaranteed income. Thus, salary compensation plans are often used when the sales person's ability to generate immediate sales is uncertain, as is the case of new recruits in a field training program or when a firm is introducing a new product line or opening new territories. Money is a powerful motivator. Most sales people prefer pay raises and cash incentives to any other type of motivational program. These types of rewards are the easiest to administer as well. As a result, many companies use lump sum cash awards for their salespeople (Davis, 2007: 25).

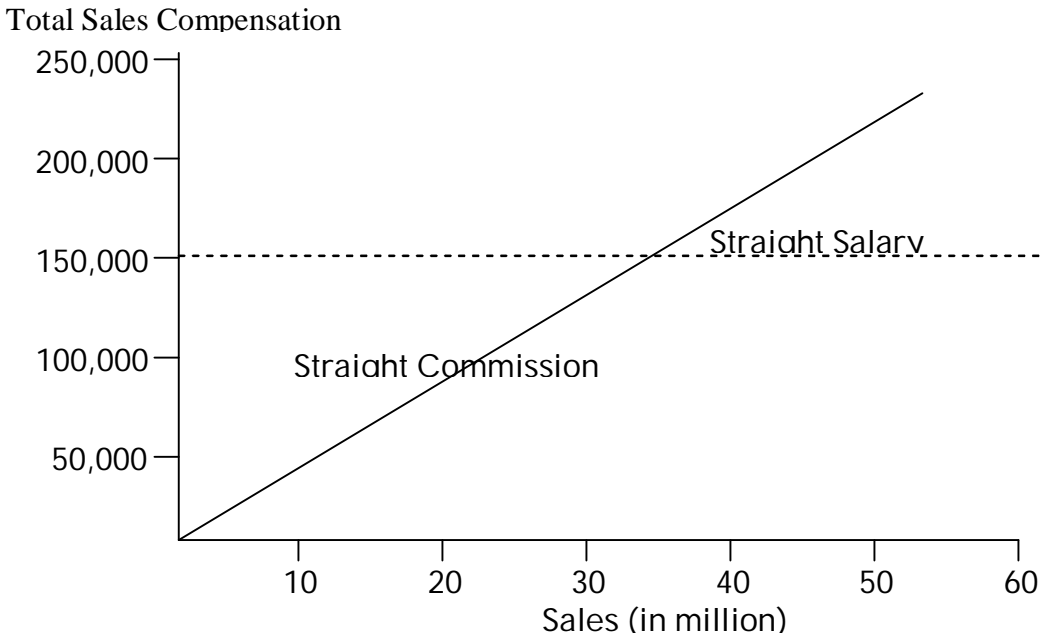


Figure 2: *Relative Costs of Salary and Commission Compensation Plans*
Source: Churchill, G. A.; Ford, N. M. and Walker, O. C. (1981: 392), *Sales Force Management*, Illinois: Richard D. Irwin, Inc.

Salary plans are easy for management to compute and administer. They also give management more flexibility. It is easy to reassign sales people to new territories or product lines because they do not worry about how such changes will affect their sales volumes. Also, since salaries are fixed costs, the compensation cost per unit sold is lower at relatively high level of sales volume, as shown in figure 2. The major limitation of straight salary compensation is that financial rewards are not tied directly to any specific aspect of job performance. Management should attempt to give bigger salary increases each year to the good performers than to the poor ones. However, the amount of those increases and the way performance is evaluated should be subject to the whims of the sales manager who makes the decision. Consequently, the sales person would be likely to have lower and less accurate instrumentality perceptions about how much more money he or she is likely to receive as the result of a given increase in sales volume, profitability, or the like. In other words, salaries do not provide any direct financial incentive for improving sales-related aspects of performance. Consequently, salary plans should appeal more to security – oriented rather than achievement – oriented sales people in brewing firm in Nigeria. But, what of straight commission? A commission should be payment for achieving a given level of performance. Sales people should be paid for results. Usually, commission payments should be based on Naira or unit sales volume. However, it is becoming more popular for firms to base commission on the profitability of sales to motivate the sales force to expand effort on the most profitable brands or customers. The most common way of accomplishing this is to offer salespeople variable commissions, where relatively high commissions are paid for sales of the most profitable products or sales to the most profitable accounts. Likewise, lower rates are paid for sales of less profitable products or to less profitable customers. However, this study reveals that this kind of commission plan is not used by brewing firms in Nigeria.

Direct motivation should be the key advantage of a commission compensation plan. The study further reveals that there is a direct link between sales performance and the financial compensation the sales person earns. Consequently, sales people are strongly motivated to improve their sales productivity in order to increase their compensation, at least until they reach such high pay (through promotions) that further increases become less attractive. Commission plans should also have a built-in element of fairness (if sales territories are properly defined with equal potential) because good performers should automatically be rewarded, whereas poor performers should be discouraged from continuing their low productivity. Commission plans should have some advantages from an administrative viewpoint. Commissions are usually easy to compute and administer. Also, compensation costs vary directly with sales volume. This is an advantage for brewing firms that are short on working capital because they do not need to worry about paying high wages to the sales force unless it generates high sales revenues

On the other hand, straight commission compensation plans have some important limitations that have caused many firms to abandon them. From the finding of this survey, perhaps the most critical weakness is that management has very little control over the sales force. When all their financial rewards are tied directly to sales volume, it is difficult to motivate sales people to engage in account management activities that do not lead directly to short-term sales. Consequently, sales people on commission are likely to “milk” existing customers rather than work to develop new accounts. They may overstock their customers and neglect service after the sale. Again, they have little motivation to engage in market analysis and other administrative duties that take time away from actual selling activities. Straight commission plans in the brewing firms also have a disadvantage for many sales people. Such plans make a sales person’s earnings unstable and hard to predict. When business conditions are poor, turnover rates in the sales force are likely to be high because sales people find it hard to live on the low earnings produced by poor sales. To combat the inherent instability of commission plans, this survey suggest that brewing firms should provide their sales people with a drawing account. Money should be advanced to sales people in months when commissions are low to ensure that they will always take home a specified minimum amount of pay each month. The amount of the sales person’s “draw” in poor months is subsequently deducted from his or her earned commission when sales improve. This would give these sales people some secure salary and it allows management more control over their activities. A problem arises, however, when a sales person fails to earn enough commissions to repay his or her “draw”. Then the person may quit or be fired, and the brewing firm would absorb the loss.

Managerial Implications: Management must understand that motivation – the desire to expend effort – is not the only requirement for successful sales performance. Sales people must have the ability to perform as well as the motivation to do so. The ability to perform sales tasks can be acquired or learned through training and experience. Some brewing firms may hire only experienced, proven sales people who already have the necessary skills. But when they hire inexperienced people, management should provide the training for them to gain the necessary skills. Also, it is not enough for the sales force to be motivated; they should also know how to do what is expected of them. Recruiting and selection procedures are also important. If brewing firms in Nigeria should hire inexperienced people, they must be careful to select those with aptitude for learning sales skills. On the other hand, when they hire experienced people, they should be certain that those selected have the desired set of skills. It is also important in both cases to select people whose needs are consistent with the demands or rewards of the sales job in brewing firms. The motivational program must be integrated with the entire sales management program. A good motivational program will not compensate for poor recruiting, selection, and training. Motivational policies must be a part of a well – planned and executed sales management program.

Conclusion

It is concluded that sales reps in brewing firms in Nigeria usually work alone, their hours are irregular, they are often away from home, often feel isolated and detached from their companies, constantly complain of poor living and working condition, and sometimes quit for other industries. Effective motivation program is essential for the success of sales people in brewing firms in Nigeria. Base salary, attractive commission and other non-financial rewards can be used to stimulate the sales force performance.

Recommendations

1. Effective motivation program is essential for the success of sales people in brewing firms in Nigeria. The motivational program must be integrated with the entire sales management program. Though a good motivational program will not compensate for poor recruiting, selection, and training, motivational policies should be a part of a well-planned and executed sales management program.
2. For any motivational program to be successful, the sales reps must understand all aspects of their jobs. The reps should have a detailed job description and a careful explanation of what is expected of them. They also need to understand how their accomplishments will be evaluated. The key is to establish specific performance objectives which have been agreed upon and can be measured by both the manager and the rep. Given a set of performance objectives, management should determine the most effective combination of methods to motivate their sales people to achieve their objectives. Sales people must understand exactly what they must do to get a particular reward. If the rewards are pretty much the same regardless of how good or bad that performance is, then these rewards will not be effective motivator.
3. Sales people, especially outside sales forces in brewing firms require a high degree of motivation. Management should not only offer financial incentives – compensation plans, expense account, fringe benefits – to motivate them, but also non-financial awards – job enrichment, praise from management, recognition and honour awards (pin, trophy, certificate) should be the ticket to stimulate some reps. Sales meetings and sales contest should also be used as alternatives.

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