

Supervisory Behaviour and Salesforce Performance: An Empirical Investigation

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Abstract

This study x-raysthe performance of the sales force in selected brewing firms in Nigeria. With emphasis on how a sales person's performance is influenced by the supervisors' behaviour. It also attempt to identify of the effective motivational tools for successful sales performance in brewing firms in Nigeria. Data for the study were obtained from primary and secondary sources. 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 analysis for the study indicates that the sales force performance in selected brewing firms in Nigeria is directly related to supervisors' behaviour. As a result of the finding among others it is recommended that supervision should be used both as a means of continuous training and as a device to ensure that the brewing firm policies are being carried out properly.

1.0 INTRODUCTION

Selling is one of the oldest professions in the world. The people who do the selling go by many names: *salespeople, sales representatives, account executives, sales consultants, sales engineers, agents, district managers, and account development reps* to name just a few (Kotler and Armstrong, 2006: 487). The original and oldest form of direct marketing is the field sales call. Today, most industrial companies rely heavily on a professional sales force to locate prospects, develop them into customers and grow the business; or they hire manufacturers' representatives and agents to carry out the direct selling task. In addition, many consumer companies use a direct – selling force: insurance agents, stockbrokers, and distributors work for direct-sales organizations (Kotler and Keller, 2006: 616).

Today, most salespeople are well-educated, well-trained professionals who work to build and maintain long-term customer relationships. They listen to their customers, assess customer needs, and organize the company's effort to solve customer problems. According to Anderson (1996: 17 – 32), USA firms spend over a trillion dollar annually on sales force and sales force materials – more than they spend on any other promotional method. Nearly 12 percent of the total workforce work full-time in sales occupations. Sales forces are found in non-profit as well as for-profit organizations. Hospitals and museums, for example, use fund-raisers to contact donors and solicit donations.

The costs of sales force supervision are increasingly becoming a burden to brewing firms, and management does not want to spend more than necessary anymore. There is the likelihood of a sales person who is under-supervised, developing poor attitude to work. More important, without proper supervision to improve performance, such a salesperson may eventually be fired or quit (Ukpakure, 2001: 36). Some sales managers in brewing firms still doubt that direct supervision stimulates salespeople to perform better. Instead, they reported that, there is a limit to how much a salesperson can be prodded without becoming resentful and unproductive.

As many large companies in Nigeria employing hundreds, if not thousands, of sales reps are on the increase, the need for supervisors whose sole assignment would be to supervise the field-selling activities of the reps is becoming inevitable. The findings of the study is pre-empted to become a base of determining the .amount and nature of supervision to be given to the sales force as part of the company's strategic marketing plan, especially for brewing industry. This will guide brewing supervisors to know that when salespeople are not performing up to standards, the challenge would not be to fire them, but to help them become productive employees. Of course, these reps have received extensive training, and correcting the problem would be less expensive than replacing them. To minimize of the possible discrimination legal suits, the findings of the study would be able to guide managers to make sure that they have done everything within reason to help failing employee before firing them.

The broad objective of this study therefore to investigate the influence of supervision on the performance of sales force in brewing firms in Nigeria. The specific objective was to analyse how a salesperson's performance is influenced by the supervisory behaviour in brewing firms in Nigeria. To achieve the purpose of the research, the study was guided by this question: To what extent does a relationship exist between a salesperson's performance and the supervisory behaviour in brewing firms in Nigeria? This study was predicated on this proposition that supervisory behaviour does not significantly relate to sales force performance in brewing firms in Nigeria. The study is divided into five sections. Section one is the introduction. Section two review related literature, section three is the methodology. Section four presents the data, results and implications. Section five presents summary of findings, conclusion and recommendations.

2.0 Review of Related Literature

While leadership, among others includes manager's overall approach to motivation, *supervision* involves day-to-day operation and control of the sales force. More strictly, it refers only to direct working relationships between salespeople and superiors. The sales manager who checks with the salespeople each morning to see what their plans are for the day is directly supervising their activities. Many other managerial actions that constitute indirect supervision includes such activities as such accounts or appraising sales performance (Stanton and Spiro, 1995: 343 – 345).

Many large companies employing sales reps often hire field supervisors whose sole assignment is to supervise the reps' field-selling activities. More often, however, this supervisory function is performed by district or regional sales managers as one of their many responsibilities (Rich, 1998: 53 – 64). The amount and nature of the supervision given the sales force is part of the company's strategic marketing plan. Many firms particularly smaller ones, decide to hire experienced proven performers and then turn them loose with little supervision. Other firms hire inexperienced reps and then supervise them closely (Corcoran, Laura, Daniel and Barret, 1995: 42 – 54). An important factor in this strategic decision is how any one sale to the firm's welfare. If each sale is vitally important to the firm, each rep will be closely supervised. If a sale leads or even a territory is not that important to total corporate well-being, then management is not likely to spend much money supervising. The supervision decision is a portion of the overall strategic decision as to how important the sales force is in accomplishing the firm's goals (Challagalla and Tasaddug, 1996: 47 – 60).

Goutam (2000: 161 – 172) notes that supervising a sales force is difficult because sales people often work independently and where they cannot be continually observed. And yet supervision serves both as a means of continuing training and as a device to ensure that company policies are being carried out. Stathakopoulos (1996: 1 – 12) remarked that an issue that management must resolve is how closely to supervise. If too close, it can create a role conflict for the salesperson. One of the attractions of selling is the freedom it affords sales people to develop creative solutions to customer's problems. Close supervision can stifle that sense of independence. Conversely, Rich (1998: 53 – 63) observes that too little supervision can contribute to role ambiguity. Salespeople who are not closely supervised may lack an understanding of the expectations of their supervisors and companies. They may not know, for example, how much time should be spent servicing existing accounts and how much time to spend developing new business. Dubinsky, Yammarino and Jolson (1994: 225 – 238) suggested that the most effective supervisory method is personal observation in the field. Typically, a least half of a sales manager's time should be spent traveling with salespeople. Other supervisory tools are reports, correspondence, and sales meetings.

Brown and Peterson (1994: 70 – 80) noted that new salespeople need more than a territory, compensation, and training – they need *Supervision*. Through supervision, the company directs and motivates the sales force to do a better job. Kotler and Armstrong (2006: 497 – 499) observed that companies vary in how closely they supervise their salespeople. According to them, many help their salespeople in identifying customer targets and setting call norms. Some may also specify how much time the sales force should spend prospecting for new accounts and set other time management priorities. One tool is the *annual call plan* that shows which customers and prospects to call on in which months and which activities to carry out. Activities include taking part in trade shows, attending sales meetings, and carrying out marketing research. Another tool is *time-and-duty analysis*. In addition to time spent selling, the salesperson spends time traveling, waiting, eating, taking breaks, and doing administrative chores.

Figure 2.6 illustrates how salespeople spend their time. On average, actual face-to-face selling time accounts for less than 30 percent of total working time. If selling time could be raised from 30 percent to 40 percent, this would be a 33 percent increase in the time spent selling (Churchill, Ford and Walker, 1981: 419 – 423). Companies always are looking for ways to save time – using phones instead of traveling, simplifying record – keeping forms, finding better call and routing plans, and supplying more and better customer information.

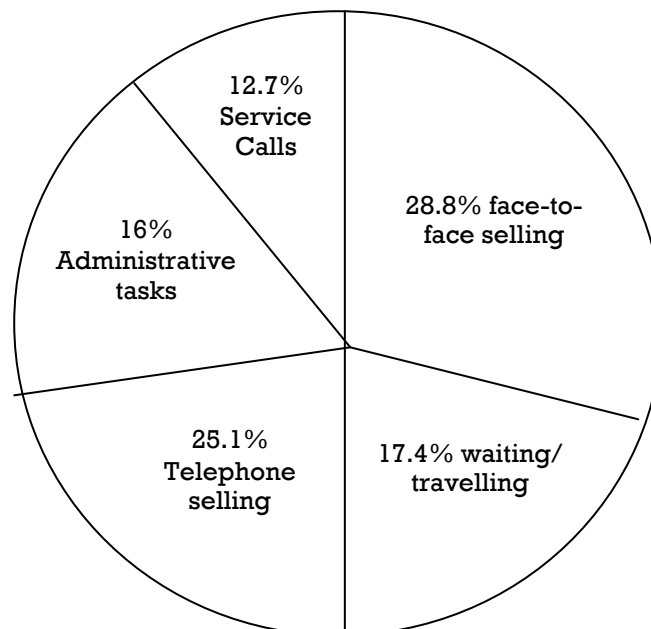


Figure 1: *How salespeople spend their time*
Source: Churchill, G. A.; Ford, N. M. and Walker, O. C. (1981: 392), *Sales Force Management*, Illinois: Richard D. Irwin, Inc.

3.0 Methodology

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”, where the headquarters of many large corporations in the country are located.

Nigerian Breweries and Guinness Nigeria PLC were chosen for this study because of the spread of their network all over the country. Moreover, they comprise two of the largest capitalized companies on 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 publications 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 researchers 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 was 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, a city in Nigeria. The sales force disposition of these two companies in Lagos was one hundred and fifty four, also as confirmed by (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. $n = \frac{N}{1 + (Ne^2)}$

$$n = \frac{154}{1 + (154 \times .0025)} = 111$$

A pre-test survey was conducted before the main inquiry. The trial survey was a miniature of the main survey in which all the operations intended to be used in the main inquiry were 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 small, expert knowledge was used to obtain a sample from the sales executives of the two breweries in Ikeja sales territory, Lagos. This pilot survey provided the investigators the good ground to train the assistants that were used for the main survey. It also provided the investigators the opportunity to come out with the final version of the questionnaire. The pilot survey enabled the investigators 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 researchers ensured that the computed copies of questionnaire were properly edited, coded before feeding them into the computer. The analysis of variance (ANOVA) was used to test the hypotheses.

4.0 Data Analysis, Result and Implications

Analysis of variance (ANOVA) was used to test the hypothesis.

Decision Rule is as follows: If significant value ≤ 0.05 , reject H_0 and accept the alternative or otherwise. From the collated data, table 2 shows the result of its analysis.

Table 2: ANOVA Table for Testing of Hypothesis

| Critical Factor for Sales Force Performance | | Sum of Squares | df | Mean Square | F | Sig. (p-value) |
|--|----------------|----------------|------------|-------------|--------|----------------|
| You tend to perform better in your sales job when properly supervised. | Between Groups | 89.64 | 1 | 89.64 | 884.83 | .00 |
| You tend to perform better in your sales job when properly supervised. | Within Groups | 21.48 | 212 | .11 | | |
| Total | | 111.12 | 213 | | | |

Source: Field Survey

In order to test hypothesis, on whether supervisory behaviour plays a significant role in the sales force performance in brewing firm in Nigeria, the null hypothesis derived from the hypothesis which states that supervisory behaviour does not significantly relate to 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 results as already indicated are shown in table 2. From the table, it can be seen that an F value of 884.83 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 supervisory behaviour does significantly relate to sales force performance in brewing firms in Nigeria. And as a critical factor, sales managers must know how to use it to improve sales performance. This evidence confirms that the supervisory behaviour does significantly relate to sales force performance in brewing firms in Nigeria, especially when personal contacts, sales reports, telecommunications, sales meetings, printed aids and other indirect supervisory aids are provided by sales management practices.

The supervisor must make sure that the reps: understand what they are expected to, know how to do it, and have the competence to do it. In brewing firms, the field supervisor should be on-the-job sales training executive. The evidence suggests that the most effective sales training should take place over a period of time and is best done in the field while sales reps are actually facing day-to-day challenges. It also suggests that good supervision can do much to develop an inexperienced recruit into a productive sales rep. additionally; sales reps may need technical help or assistance in certain selling situations. The study confirms that supervision should be used as an enforcement tool to ensure that the company policies are being followed. In this role, the supervisor should work in much the same capacity as a foreman in the plant – he or she makes sure that reps are doing their jobs properly. Jobs that call for little selling ability and consist mainly of repetitive non-selling duties require close supervision to ensure that the tasks are actually carried out.

The evidence shows that sales managers agree that direct supervision stimulates salespeople to do better work. However, there is a limit to how much a sales rep can be prodded without becoming resentful. Just knowing that management is aware of one's efforts can be beneficial. Conversely, performance seems to suffer when sales reps know that management has no means of knowing what they are really doing. It is important to most sales reps to know that someone in the brewing firm cares about and recognizes the work they do. If the supervisor is adept, just the fact that he or she is in personal contacts should have a good effect on morale.

Results from the study imply that there are dangers in either over – or under supervising the sales force. Supervision costs are significant and management does not want to spend more than necessary. Over supervising hampers the performance of sales representatives. While some supervision can improve morale, too much has the opposite effect. Able, independent sales reps resent managers who hold them on too tight a rein. This is because many people go into selling to escape such direct control (Ubeku, 2007: 17). The evidence implies that the dangers of under supervision are much the same as those of over supervision. Morale can suffer, and costs can rise. A sales rep that is not getting the attention or supervision needed to do the job properly is likely to develop a poor attitude. More important, performance is related to supervisory behaviour, and without proper supervision to improve performance, such rep may eventually be fired or quit. The findings from the survey suggest some tools and techniques to be used in supervising the sales force. These include personal contact, sales reports, telecommunications, sales meetings, printed aids, and indirect supervisory aids provided by sales management practices.

Typically, the supervisor should constantly visits sales reps on the job and tries to help them with whatever problems are evident. The supervisor's objectives and activities when traveling with a rep should vary. They should include: assisting in selling difficult customers, settling grievances, training, and evaluating. It is important to remember that when the sales manager or supervisor accompanies the sales rep on a sales call, the sales rep should still take the lead in directing the conversation and in moving from one agenda item to another. This further suggests that when supervisors ride with their reps in order to train and evaluate them, there should be a variety of things they could and should observe.

Supervisors should keep the following questions in mind: Is the sales person prepared for the call? Does the sales person understand the customers business and specific needs? Does the sales person treat customers respectfully and honestly? Does the sales person know the competition? Is the sales person skillful at gaining commitment? The supervisors should make notes on their observations of the reps, indicating their strengths and weaknesses. These should then be discussed with the rep as soon as possible after the call.

Furthermore, sales reports should provide record for monitoring and evaluating sales reps' activity. These reports should include the number of calls made, number of orders taken, kilometres traveled, days worked, new prospects called on, and new accounts sold. As a supervisory tool, the sales report should be a silent enforcer of company policy. Reps who know they would account for all their activities will feel more secure and comfortable if they stay within company policy. Frequently, reps should be required to submit a sales call, which would report their Itinerary for the upcoming period. This should force the reps to organize their activities. These reports should show how the salespeople are routing themselves and calling on the various classes of cultures in the right ratio, and developing appropriate objectives for their calls.

More so, the sales managers in the brewing firms in Nigeria, should supplement their personal contact with salespeople with telecommunications – the telephone, text and fax messages, voice mail, electronic mail, and computer based support systems. They should use computerized support systems to assist the sales force in performing its many responsibilities. They should provide each of their salespeople with a portable, laptop computer which would be used to assist the rep in the following areas: better customer and industry information, selling assistance, sales support, reporting responsibilities, and communication. These computers should be programmed to quote prices, write contracts, track orders, and provide product and marketing information. These systems should provide a way to minimize the time spent on report writing.

Yet at the same time, should improve the accuracy of the marketing information which is collected. Davies (2007: 25) has reported that companies with computerized support systems report significant improvements in sales force productivity and management effectiveness. Ohiwerei (2007: 3) notes that Heineken Brouwerijen BV reported that its revenue per rep has increased by 30percent since its sales force began relying on computerized support systems. These then, suggest that sales manuals, bulletins, and other company house organs be used in supervising the sales force. A good sales manual should tell the sales reps what to do in various circumstances. Some questions should be answered just as effectively in a publication as they could by personal contact. Sales meetings should be used to provide supervision also. During the sales meetings, new procedures, policies, and programs should be used to explain to the sales reps.

Other managerial tools, such as compensation plans, territories, quotas, expenses accounts, and sales analysis procedures which travel with the reps everywhere, every minute of the day, and on every call they make can also be used to supervise the sales people in the brewing firms in Nigeria.

Managerial Implications: Sales reports should not only be used as a supervisory tool, but they should also be used to provide much of the data for the marketing information system. As a result, these reports should also contain in-depth information on customer problems and needs as well as on competitive activity. Therefore, sales managers must ensure that salespeople place a priority on this activity – that they provide timely and accurate information. This reporting activity should be evaluated and rewarded as one of the salesperson's primary responsibilities. Again, when salespeople are not performing up to standards, the challenge should not be to fire them, but rather to help them become productive employees. Often, these reps have received extensive training and correcting the problem would be less expensive than replacing them. Also, because of possible discrimination suits, it is prudent for managers to make sure that they have done everything within reason to help failing employees before firing them.

Although many managers find it difficult to criticize their subordinates, it is often possible to correct a problem just by giving immediate feedback about the problem behaviour. This constructive feedback should take place as soon as the manager notices the performance problem. Managers should be very specific about what the problem is. The following steps should be followed in providing effective feedback: state the problem; get the salesperson's agreement on the problem; listen to the sales person's assessment of the problem; consider extenuating circumstances; design an action plan for improvement; and get the sales person's agreement on the action plan. If the rep's performance does not improve as a result of immediate feedback, the problem should be reviewed in a formal performance appraisal and a plan for improvement should be agreed upon by the manager and the rep. The Manager must make it very clear that poor performance is not acceptable. Each step should be documented with written memos detailing what took place. If the problem continues, a counseling session is recommended to review all the previous attempts to encourage improvement. The rep should be given a specified time period to show improvement. Then, if necessary, and with all of the appropriate documentation, the manager must terminate or demote the sales person.

5.0 Summary of Findings, Conclusion and Recommendations

Guided by the objective of this study, a number of findings have been made which are summarized as follows: Sales people in brewing firms in Nigeria often lack understanding of the expectation of their managers due to inadequate supervisory techniques. Supervisory behaviour is a critical factor that can be used to direct sales force performance in brewing firms in Nigeria. Personal contact, sales reports and sales meetings are supervisory techniques that can influence sales force productivity.

Based on the findings of this study, the conclusion is drawn as follows: Proper supervisory behaviour is a critical factor that the sales managers of the brewing firms in Nigeria can use to stimulate the sales force performance. Supervision involves day-to-day operation and control of the sales force. More strictly, it refers only to direct working relations between sales people and superiors. The sales managers should check with the sales people regularly to see what their plans are for the specified periods. Brewing firms should hire field supervisors to supervise the reps' field-selling activities. Also, this supervisory function should be performed by the sales managers as one of their many responsibilities. The amount and nature of the supervision given the sales force should be part of the company's strategic marketing plan. The supervisor must make sure that the reps: understand what they are expected to do, know how to do it, and have the competence to do it. Supervision should often be used as an enforcement tool to ensure that company policies are being followed. Direct supervision should be used to stimulate sales people to do better work.

Based on the research findings and conclusion; supervision should serve both as a means of continuous training and as a device to ensure that the brewing firm policies are being carried out. The most effective supervisory method should be personal observation on the field. Typically, at least half of a sales manager's time should be spent traveling with the sales people, knowing how much time should be spent servicing existing accounts and developing new businesses. It is also important to know that sales people who are not closely supervised may lack an understanding of the expectations of their supervisors and companies. Other supervisory tools recommended are reports, correspondence, and sales meetings.

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