

# Impact of Supervisory Behaviours on Sales force Performance: The Case of Micro Finance Banks

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## Abstract

This study examined the effect of supervisory behavioural dimensions on sales force performance with emphasis on the Micro Finance banks in Nigeria. Survey data were collected from 120 sales persons serving as marketers with Micro Finance banks in both Akwa Ibom and Cross River State. One hypothesis was formulated and tested using regression and analysis of variance. Findings indicate that all the supervisory behavioural dimensions were statistically significant and positively related with sales force performance. Implications were drawn for future research and managerial attention.

**Keywords:** Supervisory Behaviour, Sales force Performance

## 1. Introduction

The Micro Finance bank particularly in Nigeria is facing critical evolution. On the one hand, interest in this industry has never been encouraging especially with respect to scholarly search. In managerial circles for example, little effort is shown in the area of sales force performance in this industry. However, a growing amount of discourse is negative and typical of this industry; hence, everyone seems to be sceptical about its future. But while previous academic studies have examined managerial experiences of large and medium scale businesses with supervisory attitude, there is no comparable study of supervisory behaviour on the performance of sales people in the context of Micro Finance Banks.

Media reports on the role of supervisors and managers on enhancing work performance of sales people are mixed and full of vivid and engaging debates which do not provide a clear understanding of the effect of supervisory behaviour on the performance of sales people.

The supervisor by exerting a direct influence on their subordinates play a crucial role in either motivating or demotivating their subordinates and therefore, their relationship should always be an issue of greater concern to both scholars and managers. There has been a vast amount of research on the boss – subordinate relationship (see for example; Koller et.al; 1999; Bass, 1997; Dubinsky et.al 1999; Bass and Avolio, 1993; Oliver and Anderson, 1994; Castelberry and Tanner, 1986 and Yamamarino et.al 1997), but none of these studies were particularly emphatic about the micro finance banks. More still, a number of scholars have also recorded amazing revelations about the impact of supervisory behaviours on the performance of sales employees. Again none of these studies were specific about the small scale business (see; Walker, Churchill and Ford, 1977; Decarto. et.al 1999; Henry, 1975, and Baldanl et.al 2001).

Our concern in this study is that the effects of supervisory behaviour on sales force performance though undertaken to some extent is a void in small scale business literature which this study attempts to fill. It is against this background that this study attempts to empirically examine the relationship between supervisory behaviours and sales force performance within the context of Micro Finance Banks. It is believed that management of small scale businesses should understand how certain supervisory characteristics would hinder or enhance job performance among sales employees.

Based on this, this study attempts to provide answers to the following research questions:

- (a) What are the different behavioural dimensions of supervisors?
- (b) What is the effect of these behavioural dimensions on sales force performance?

Hypothesis: One null hypothesis was formulated to guide the study and stated as:

Ho: Behavioural Dimensions by supervisors do not significantly affect sale force performance

## 2.0 Literature Review

Supervisor – subordinate relationship has been gaining increasing attention from both researchers and managers as a distinct area of concern for corporate productivity and therefore can be used to enhance organizational

performance. The importance of employee centred relationship cannot be dismissed because happy employees are assumed to always be productive (Bass, Avolio, Jung and Banson; 2003; Cherodbury, 2006; Puttins, 2001; Konz Abt and Plat, 2002). Boss – subordinate relationship holds significant importance in corporate performance because without satisfied employees, there may be no business.

However, the inability of some businesses to retain their highly valued sales employees highlights the factors that result in employee turnover, affecting the organization's ability to increase future growth of the business. Thus, while satisfactory relationship retains talented sales driven employees, dissatisfaction arising from poor boss – subordinate relationship drives sales people away from the business and it is a key factor in employees switching behaviour. Therefore, boss – subordinate relationship has been found and regarded as a fundamental determinant of work performance (Tyagi, 1985; Chowdubury, 2000; 2004; Greene, 1976 and Robbins, 2003).

In the micro finance banks, a key element of success is the nature of the relationship between the supervisor and the sales employees. Previous research has identified many supervisory behavioural factors that determine employee job satisfaction and hence performance and that there are differences in how employees perceive supervisory behaviours across organizations that cannot be generalized. In Nigeria for example; contingent approving behaviour, upward influencing behaviours, achievement oriented behaviours, arbitrary and punitive behaviours, are the key supervisory behaviours which significantly affect switching behaviour and work performance of employees (Ibok, 2009; and Akpan 2010). A survey conducted on sales employees in micro-finance banks indicated that bank marketers place more emphasis on supervisory attitude like autonomy, praise, participatory leadership, recognition, reward and lesser control as factors that motivate their work behaviour (Adedeyi, 2006; Shola, 2004 and Ishmabad, 2003). Also, Alfred and Adams, (2000) found that the performance of sales employees on relationship dimensions were an important driver in retail banking sector.

The supervisor's ability to relate freely with his or her employees has been observed to have a significant impact on the level of cooperation. Therefore, management has to identify and improve upon supervisory qualities that can increase employee value and job satisfaction. Therefore employee satisfaction with a supervisor is a necessary pre-requisite for building long term boss-subordinate relationship and likely to increase commitment. (Bloemer, 2001).

Building employee loyalty and commitment is not a choice any longer in business It is infact the only way of building a sustainable business venture in a competitive environment. Boven and Taylor, (2002) examined and found that there is an increasing attention being focused on how to improve boss-subordinate relationship. Fornell (2007) found that high Boss-subordinate relationship will result in increased loyalty and commitment for the firm and that employee will be less prone to overtures from competition.

Similarly, Ekpri (2007) examined the casual construct between supervisory role and employee loyalty and found that there is a positive association between supervisory role and subordinate's loyalty. Accordingly, Aaron and Zik (2008) observed that improved relationship between the supervisor and the sales people leads to greater intent to work for the growth of the organization. According to Toner (2006), a high level of boss-subordinate relationship will decrease the need to switch jobs, thereby enhancing job performance. Similarly, in a more recent research by Tambul and Chrika (2009), strong emphasis is placed on the significant importance of supervisory role in the organization and the association between supervisory behaviour and employee job performance. Thus, some scholars have come to the conclusion that boss-subordinate relationship quality is an important predictor of job performance. That is, employees seem to be more loyal to their supervisors, if the supervisor is viewed as generating satisfaction among his or her subordinates. Furthermore, Castlebury (2004) explained that a high proportion of employees who quit their jobs appear to have had problems with their supervisors. Consequently, poor relationship between supervisors and subordinates leads to low commitment, low job satisfaction and high switching behaviours (Lewis, 2003; Ikpang, 2005, Enoch and Swine, 2007; Gentle and Bass, 2008). This implies that employee satisfaction and loyalty are highly related and that dissatisfaction with a boss fosters high switching intentions. No doubt therefore that several studies have provided examples of supervisory behaviours that can ultimately enhance or drive employee performance (Meyer, 1968; House et.al, 1971). Following these researches – supervisory attitude is classified under:

- (i) Employee centred and
- (ii) Production centred behaviours

Accordingly, Kohli (1985) identified and re – classified these into four different types of supervisory behaviour, which he described as:

- (a) Contingent approving behaviour
- (b) Upward influencing behaviour
- (c) Achievement oriented behaviour and

(d) Arbitrary and punitive behaviour

Contingent approving behaviour consists of a supervisor giving recognition to his or her subordinates for work performed outstandingly, praising when need arises and criticising when performance seems to be bad, including approval for best efforts exhibited by employees. Accordingly, Kohli (1985) found a significant strong relationship between job satisfaction among employees and contingent approving behaviour.

As far as organizations are concerned, they want their employees to be committed to their jobs. Thus, in upward influencing behaviours – supervisors attempt to maintain a good rapport between them and their subordinates with the hope that they will act in a way that is favourable to the organization (Fulk and Wendler, 1982).

The patterns of prior research indicate that attitudes and social influences impact a person's propensity to behave in certain ways. Thus, achievement oriented behaviour consist of setting challenging goals for employees, expecting high performance as well as demonstrating confidence that employees will meet these goals.

In the case of arbitrary and punitive supervisory behaviour, it is thought that supervisors are all autocratic and by so doing, they attempt to ensure conformity to work method and schedules through arbitrary and punitive measures.

Accordingly, Chowdbury (2007) classified the above supervisory attitude into two; namely:

- Authoritarian and
- Positive achievement motivation behaviour.

Under authoritarian behaviour, the supervisor exercises autoerotic authority and ensure conformity to work standard, whereas, in positive achievement motivation behaviour -supervisors attempt creating a positive work environment to ensure reinforcement of appropriate and acceptable behaviours by employees.

In order to ensure employee loyalty, commitment, and restrict switching behaviour, micro finance banks must be able to anticipate the needs of their sales force because a salesperson's interest in maintaining a loyal and committed relationship is dependent on the supervisor's ability to match the needs and wants of their employees with an acceptable supervisory behaviour (Kunz 2002; Chowdbury, 2006).

### 3.0 Methodology

A structured questionnaire was used for this study. The questionnaire consists of two sections, namely: section A and B. Section A sought to gather data on respondent's biodata. Options were provided for each question and respondents were asked to tick or fill in as it applies. Section B dealt with the subject matter of the research. We listed four different supervisory attributes as identified by Kohli (1985). The respondents were asked to what extent do the following supervisory attitudes important in influencing their sales performance. The four attributes were measured on a five point likert – type scale ranging from 1 rated as not important at all to 5 rated as very important.

The instrument received face validity as the final version of the instrument emerged after corrections were effected following comments from other researchers. The emerging instrument was then pretested on 10 bank sales people in Akwa Ibom State. Using their responses, the instrument was subjected to reliability test using the Cronbach's Alpha. The result of the Cronbach's Alpha reliability statistics ranged between 0.732 or 73 percent to 0.740 or 74 percent, which is considered sufficiently high for any study.

The sample respondents were drawn purposively from 40 micro finance banks from within Akwa Ibom and Cross River States. The two states were chosen because of the convenience they provided to the researchers. The respondents were targeted on convenient basis through non probability sampling. The number of respondents contacted was 120. For data collection 3 respondents were selected from each micro finance bank. The response rate was 100% because the data collections were made in the presence of the researchers. Such a response rate was considered sufficient for statistical reliability and generalizability and most satisfactorily especially when compared with earlier studies on boss-subordinate issues. The relatively high response rate was attributed to the self-administered approach undertaken by the researchers in distributing copies of the questionnaire. However, descriptive and influential statistics were used in processing the primary data through the use of SPSS and tested at 0.05 level of significance.

### 4.0 Results and Discussion of Findings

The demographic characteristic of respondents shows that 64% of the respondents' were female and 36% were male. The data further reveals that 72% of the respondents were in the age group of 20 – 30, while in 31-40 age range were 14% respondents, in age 41-50 only 9% respondents and only 5% respondent were above 51 years. With respect to marital status, 76% of the respondents were unmarried and 24% of the respondents to the study

were married. This indicates that bank marketers are mostly unmarried people.

The results of the hypothesis test were obtained after fitting the multiple linear regressions as presented in table 1.

Insert Table 1

The result of the regression analysis reveals that 58.6% of the performance by sales employees is affected by the various supervisory behavioural dimensions in the organization. This means that the dependent variable (salesforce performance) is affected by 58.6% by independent variables (that is; supervisor contingent behaviour, supervisor upward influencing behaviour, supervisor achievement oriented behaviour and supervisor arbitrary and punitive behaviour. These results suggest that these behavioural dimensions are responsible for enhancing or limiting sales force performance. The overall model was also significant and tested with ANOVA, the result of the ANOVA test is presented in table 2.

Insert Table 2

From the above analysis, it is evident that the relationship is significant. All the predictors are related to sales force performance and that the relationship between them is significant as compared to alpha value of 0.05. The coefficients of all the independent variables included in the model along with their respective P. Values are presented in table 3.

Insert Table 3

Judging from the table above, it is quite clear that every factor is significantly related to sales force performance; under the standardized coefficients it is evident that contingent approving and achievement oriented behaviours are the two major and most important predictors of sales force performance in micro finance banks. With a standardized coefficient of 0.296 in order of importance, the third important variable is upward influencing behaviour with a standardized coefficient of 0.243. The least important variable is arbitrary and punitive supervisory behaviour with a standardized coefficient of 0.272.

The results of the hypothesis test revealed that supervisor's behavioural dimensions significantly affect sales force performance. The results of this study is a confirmation of previous studies by Bass (1997); Bass and Avolio, (1993), Bardard, et.al (1999), Puttins, (2001), and Robbins, (2003), whose respective studies indicates that supervisory roles play significant impact in influencing employee's behaviour. Besides, Chowdbury (2004) also confirmed that two behavioural qualities of a supervisor – authoritarian and positive achievement motivation behaviour do have a positive impact on sales behaviour of employees. It showed that the supervisory attributes did attract and induce employee's favourable attitude towards the firm and work behaviour

#### *4.1 Managerial Implications:*

Every sales employee has their own personal characteristics especially in working relationship with a supervisor. With the growing number of job mobility among sales employees, it is important to determine the employee's perception towards their supervisory behaviours. From the findings, it could be noticed that employees respond differently to the various supervisory behavioural dimensions. Meaning that the more positive or favourable an employee attitude towards a supervisor, the more increasing possibility he or she will make to increasing sales performance. The implication of this findings is that this research would enable micro finance bank managers to be aware of the perceptions of their sales employees towards their supervisors and thus helping them to Utilize the right and the most effective work enchancement technique to motivate their sales workers. It can help micro finance banks to carefully plan their inter-personal relationship strategies by giving preference to the most effective attribute. In addition, the current study made supervisors more aware of their influence behaviour because it present better understanding and information where they respond differently due to different types of leadership skills. Finally, this study is also useful to other scholars who would find this material useful as a reference and may provide some guides for future research in the same area. The results of this study provide some significant guidance to micro finance bank managers in relation to crafting strategies specifically aimed at enhancing the work behaviour of their sales employees.

The results of this study is a clear indication that time is ripe for micro finance bank management to rethink of their role and acknowledge that it does no longer make sense to continue to design a single human relationship skill for all. They have to treat every sales employee as a distinct segment as the workforce is heterogeneous.

#### *4.2 Limitations:*

This study is confronted with a number of limitations, which could serve as the basis and direction for future research. First, the sample size of this study was drawn from Akwa Ibom and Cross River State. Since there are many states in Nigeria, the use of two states undermines the claim that the study covers Nigeria entirely because

the sample size did not include respondents from other 34 states that make up Nigeria. Second, the previous studies have been based on research results pertaining to manufacturing sector because those studies were not service oriented, since service industry is the key consideration of this study, it is logical to have more service firms in the sample size for a deeper insight and reliable result. Thirdly, this study should have also used a focused group interview of selected micro finance bank supervisors in order to further enrich the empirical value and precision of its findings. This is however recommended for future researchers in this area.

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Table 1: multiple regression model showing supervisory behavioural dimensions against sales force performance.

Model summary					
Model	R	R-square	Adjusted Square	R	Std. Error of the Estimate.
1	.784*	.615	.586	.784*	.25717
Predictors: (constant), contingent approving behaviour, upward influencing behaviour, achievement oriented behaviour and arbitrary / punitive behaviour					

Table 2: Analysis of variance of the relationship between supervisory behavioural dimensions and sales force performance.

ANOVA					
Model	Sum of Squares	Df	Mean Square	F.	Sig.
Regression	9.728	7	1.390	21.012	.000
Residual	6.085	92	.066		
Total	15.813	99			
(a) Dependent variable: salesforce performance					
(b) Predictors: Contingent approving behaviour, upward influencing behaviour, achievement oriented, arbitrary and punitive behaviours					

Table 3: Regression Coefficient

Coefficient					
Model	Unstandardized Coefficients		standardized Coefficients	T	Sig.
(Constant)	B	Std Error	Beta		
Contingent Approving Behaviour	1.138	.252		4.520	.000
Achievement Oriented Behaviour	.210	0.76	.296	2.748	.007
Upward influencing behaviour	.229	.083	.296	2.748	.007
Arbitrary and punitive behaviour	.188	.075	.243	2.494	.014
(Constant)	.197	.088	.272	-2.226	.028
(a) Dependent variable: sales force performance					

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