

# Determinants of Sales Force Loyalty and Turnover Intention: How to Avoid an Undesirable Consequence of Their Desirable Attitude and Behavior

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## Abstract

The objective of our research is to examine the relative significance of reference groups on salespersons' performance, as compared with institutional and personal factors. Previous arguments concerning salespersons' intentions, behavior, and performance seem to have been developed in isolation, each focusing on its original key determinant(s). Our challenge, then, is a synthesis of existing determinants of desirable sales output with our original focus on salespersons' reference groups. Our exploratory qualitative research implies that there is no universal stimulus that directs salespeople in a desirable direction. In seemingly arbitrary ways, they value certain compensation levels, lifestyles, or sales behavior, while they interact with others to set their own codes of conduct. In other words, institutional factors may be effective to draw effort from some salespersons, but not from others.

We have completed a questionnaire survey of Japanese salespersons and a two-step analysis. The first step is a regression analysis to examine whether the reference group factors are comparable and compatible with institutional and personal factors. The second step is a semantic equation modeling to identify "undesirable" relationships between "desirable" consequences after integrating various dependent variables into four components through an exploratory factor analysis. Our results indicate that the existence of role models in one's workplace increases satisfaction and self-fulfillment activities without raising perceived performance that lowers loyalty.

Keywords: Salesperson, sales management, employee satisfaction, loyalty, turnover intention, service delivery, reference groups.

When an organization avoids employee turnover, it benefits by reducing training costs and enriching its employees' knowledge of the organization and its brand. Therefore, it is crucial to foster employee satisfaction and loyalty (Heskett et al., 2008). Especially with regard to employees in the retail and service environments, one should prevent opportunistic behavior by developing employee loyalty, so as not to harm the firm's brand image. Thus, a marketer, as a principal, has to manage and control

salespersons' behavior.

For this reason, some academicians and researchers in personal selling and sales management have identified salespersons' turnover intention as an important dependent variable. Independent variables include (1) institutional or organizational factors, such as formalization and delegation; and (2) individual and personal attributes of the salespeople themselves. These variables are thought to affect employee satisfaction, service delivery, extra-role performance, and so forth. A marketer cannot neglect any of these factors, as frontline employees and salespersons play a critical role in creating value and increasing customer retention. These are the very "desirable" consequences from which an organization benefits. One of the two major purposes of this research is to synthesize the previous fragmentary arguments that employ their own key determinant variable(s) to achieve such desirable consequences.

Another purpose of this research is to test the relative influence of the salespersons' reference groups against other key determinants of their loyalty and turnover intention. These reference groups include colleagues, friends, acquaintances, and family. To introduce our reasoning, we briefly review and discuss compensation practices.

## Background

Compensation is critical to motivate salespersons and retain promising ones. An organization lets them know what kinds of effort and behavior are favorable by creating its own reward system, and thereby attempts to control the level and quality of their service delivery.

Nonetheless, it is difficult to create an appropriate reward system. Moreover, it is hard to define appropriateness. Output-based compensation draws competitive efforts from salespersons, but it reduces intra-organizational cooperation, as it facilitates opportunistic behavior among salespeople. It neglects aspects of efficient sales practice, such as information sharing, specialization in certain tasks, expertise succession, and so on. Some may argue that since no one can identify any specific expertise or skill relevant to sales activity, then "good" salesperson must be distinguished from ordinary or bad ones by observing how much he or she has sold.

Citing doubts about this formula, others claim that compensation should be based on the effort spent by salespeople and/or the difficulty of the tasks in which they are engaged (Matsuo, 2009). This position depends on two premises: (1) the entire process of closing sales is divisible into tasks; and (2) each salesperson deals with different tasks and all accept the compensation policy—whether eagerly or reluctantly—in order to reach consensus. It is unrealistic and time-consuming to specify and evaluate all tasks, and to set salary amounts commensurate to each, especially in an environment of uncertainty. One expects there to be motivated salespersons who feel dissatisfied with free riders dealing with other

tasks.

In this way, any type of compensation formula cannot be the sole solution. For example, some welcome output-based compensation, but others do not. It is useless to compare these compensation practices on their ability to control sales behavior at this moment.

Instead, we direct our attention to the role models and reference groups of salespeople. We have done focus interviews with practitioners since 2003 to find out that colleagues, friends, family members, and acquaintances that affect employee satisfaction and service quality. The expertise and abilities of salespeople are also defined arbitrarily, and their reference groups hold the key to that definition.

Through our research, we have found a clue in the fact that salespeople evaluate their own expertise and skills, and also estimate appropriate salary and compensation, by watching the people around them. This statement echoes Merton's (1949) findings; at the same time, though, we insist that plural standards can exist in a single retail setting. Here are some examples from our interview reports.

In an environment where output-based compensation is used, "good" salespeople strive for achievement through rivalry, while others observe their competition with detachment. For these latter, the "good" ones are not to be emulated. Instead, they refer to former co-workers who had spun off to jobs in different business settings. In another case, a sovereign manager identifies "good" salespersons as those who are always obedient. Contrarily, many others insist that "good" ones quit their jobs, saying "no" to a tyrannical manager. Many salespeople start thinking about turnover, independent from the manager and his or her "stupid" servants. This is especially true for persons who are motivated to be "good" throughout their worklives. As they continue working for the organization, they begin worrying about the need to become "stupid" in order to be promoted. This situation shows how difficult it is to define "good" efforts and "good" tasks. Judgment requires situation-specific consideration.

At this point, let us confirm two propositions: (1) output-, effort-, and task-based compensation can all be valued in arbitrary ways, so it is useless to judge the best among them for now; and (2) salespersons nevertheless depend on their reference groups to evaluate their organization's practice and to set their codes of conduct. We assume that this arbitrariness of value and evaluation stem from their reference groups, not from organizational policies or the innate attributes of individuals. Reference groups are an index of the minimum efforts required. That is why we focus on the reference groups as a critical factor controlling and predicting the quality of the salespeople's service delivery.

This study, as an exploratory research, aims to examine the possibility that those reference groups play a significant role in improving salesperson performance, in comparison with the other determinant variables explored in previous research.

## Conceptual Framework

Reference groups may help salespersons value certain practices and behaviors. The current study aims to provide an empirical support for this hypothesis. Our research question is simplified and depicted in Figure 1. To compare the effects of (1) institutional or organizational factors, (2) individual or personal factors, and (3) reference group factors with one another, we adopt some contributions from earlier studies.

We employed twelve dependent variables. All of these are desirable consequences and favorable salesperson intentions and behaviors. They include satisfaction (Hackman & Oldham, 1975); adaptive selling (Robinson et al., 2002; Jaramillo & Grisaffe, 2009); service delivery with extreme customer care (Bettencourt et al., 2005); perceived performance and selling skills; performance for customers, colleagues, and new employees (Netemeyer & Maxham III, 2007); and turnover intention (desirable when low; Dooley et al., 1987). We collected satisfaction scores in more detail than the reference (Mulki et al., 2008). For example, salary-satisfaction and task-satisfaction may yield different results.

Determinants of those variables may be grouped into three broad categories, as follows: (1) institutional/organizational factors consisting of autonomy, role clarity, role conflict (Rizzo et al., 1970; Noble, 2008), and fairness of reward (Arndt et al., 2006); (2) individual/personal factors, such as intrinsic motivation (Oliver & Anderson, 1994), poly-chronic orientation (Hunter & Goebel, 2008), and trait competitiveness (Brown et al., 1998); and (3) the effect of reference groups, as a characteristic of our study, which includes the opportunity to talk with colleagues, role model image in the organization, size, and the chance to talk with family (especially family members of a similar age). We employed an item from a corresponding examination of salespersons' relationship-building to measure role model image (Menguc et al., 2007). We will examine the relative importance of these variables by comparing

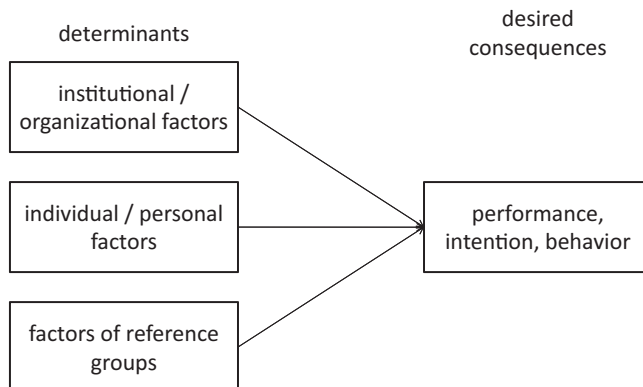


Figure 1: Research Model - Simplified

each beta value and the scores of changing R square. Satisfaction is also adopted as a factor affecting the other dependent variables.

Prior research does not necessarily aim to analyze all these variables simultaneously. Rather, the studies direct their attention to specific relationships between a few variables. We seek to integrate and synthesize their contributions. There have been similar efforts toward a synthesis of various determinants and various consequences in the argument for creating service profit chains (Heskett et al., 2008). That argument also lacks quantitative support.

## Method

To obtain empirical and quantitative support for our argument on reference groups and to achieve a synthesis, we have done a focused research on salespersons working at Japanese department stores. Japanese department stores assort rather luxurious goods. They do not sell only goods. Service quality is critical to keep customer satisfaction at a higher level to deserve the amounts they paid. It is, therefore, worth investigating salespersons working there, since an objective of this research is to find implications for improving service delivery.

For this study, we used a questionnaire survey as a pre-test, with about 20 salespersons and managers, from late 2009 to early 2010. Then, during our 2010 focus interviews to improve the survey, those people who shared our research question gave us permission to send revised questionnaires to their salespeople working at the retail department stores.

We have received the cooperation of a few apparel manufacturers and one of the leading department store chains in Japan. All respondents were expected to answer, and our research targets were the strategically most important employees of our research collaborators. For instance, one apparel manufacturer identified the best employees at its retail stores that drove annual sales to 200 million yen (approximately 1.8 million euros). From a practical standpoint, such indispensable persons should of course be included in the study. The question of how an organization motivates and benefits from skilled salespersons is of academic interest as well. The sample, then, consists of remarkable salespersons and their community members. The survey was conducted from November 2010 to January 2011. We received 113 usable answers after eliminating 13 incomplete responses.

Our sampling policy is distinctive for the following reason. As mentioned above, our sample consists of salespersons employed by manufacturers (71 answers including incomplete ones) and by a department store chain (55 answers). We intentionally include samples that show contrast with other samples: full-time workers and part-time workers, male and female, well-compensated or not, convenience goods and luxury brands, west and east parts of Japan, and so on. Each side of the pairs is

expected to make up approximately one half of the samples. In total, the vast majority of people working in the service sector is engaged in selling activities, and there are a tremendous variety of people. Around 100 salesperson samples did not provide us any with implications or insights when we chose our samples arbitrarily. So we chose samples that displayed vivid contrasts with each other. When it turned out that these vivid contrasts had no significant influence on the findings, we could then assume our findings to be applicable to salespersons more generally. These considerations mark our sampling policy as distinct.

Our analysis follows a two-step procedure. The first step is to compare the effects of reference groups with those of institutional and individual factors through regression. This examination is as fragmentary as previous research since we run individual regression analysis for each dependent variable. The second step is a synthesis. We integrate twelve dependent variables and six items of satisfaction into several components through exploratory factor analysis. Then, we use semantic equation modeling to identify how these components relate with each other and how they are affected by various determinant variables.

## Findings

### 1. Fragmental Models

The first step of our analysis is fragmental. Descriptive statistics of our research items are cited in Table 1. All items except the size of reference groups are measured by Likert seven-point scales.

Firstly we have conducted linear regression analyses for employee satisfaction (using an average of the six items) and twelve dependent variables. Analysis began with model 1, employing institutional factors as determinant variables. We then added individual factors to model 1 to examine changing R square as model 2. We systematically added other determinants in order to compare their effects. Employee satisfaction is used as a determinant variable of the other dependent variables. As we depend on two sources of data, we include a dummy variable to examine if department store chain employees perform differently. Levels of the variance inflation factors for determinant variables are low enough to avoid a multicollinearity problem (Burns & Bush, 2000).

We picked up nine results in Table 2, to find that the salespersons' reference groups play significant roles in some cases (shaded in the table). Their roles are comparable and compatible with other key determinant variables found to be valued in prior literature. Institutional or organizational factors and individual or personal factors also have significant influence on some desirable consequences. On the contrary, satisfaction does not bring desirable salesperson behavior. It only relates with loyalty. We can also imagine that those who have no intention to improve their performance tend to be satisfied.

Table 1: Descriptive Statistics of Scale Items

Scale Items		Mean	SD	adopted from
<b>Independent Variables</b>				
<b>Institutional / Organizational Factors</b>				
autonomy	I exercise autonomy in my job.	4.91	1.26	
role clarity	I receive clear explanations of what has to be done.	4.69	1.34	Rizzo et al., 1970; Noble 2008
role conflict	I do things in jobs that are apt to be accepted by one person and not accepted by others.	4.29	1.57	Rizzo et al., 1970; Noble 2008
fairness of reward	The rewards I receive from my organization are fair.	4.39	1.63	Arndt et al. 2006 (arranged)
<b>Individual / Personal Factors</b>				
intrinsic motivation	Becoming successful in sales is something that I want to do for me.	5.28	1.34	Oliver & Anderson 1994; Noble 2008
poly-chronic orientation	I am capable of juggling several activities at the same time.	4.82	1.31	Arndt et al. 2006 (arranged)
trait competitiveness	I enjoy working in situations involving competition with others.	4.09	1.96	Brown et al. 1998
<b>Reference Groups</b>				
opportunity to talk with co-workers	I can find someone to talk about my job in my organization.	5.60	1.36	
role models	I can predict my future career path in this organization by observing other people.	4.39	1.48	Menguc et al. 2007
size *	How many people around you have time to talk about your job?	6.66	4.97	
talk with family (of a similar age)	I often talk with my family at closer age about my job.	3.50	1.86	
<b>Independent / Dependent Variables</b>				
<b>Satisfaction (6 items)</b>				
salary	I am satisfied with my salary.	3.70	1.47	
task	I am satisfied with my tasks.	4.88	1.15	
challenge	I am satisfied with the challenge to complete the job.	5.19	1.29	
growth	I am satisfied with the opportunities for change and growth	4.84	1.34	
work environment	I am satisfied with the work environment.	4.95	1.36	
self satisfaction	I am satisfied with myself as a salesperson.	4.89	1.21	
<b>Dependent Variables</b>				
<b>Self Fulfillment</b>				
service delivery	I provide an extreme care for our customers.	4.81	0.97	Bettencourt et al. 2005 (arranged)
extra-role performance	I often go above and beyond the "call of duty" when serving customers.	4.91	1.14	Netemeyer & Maxham III 2007 (arranged)
help to colleagues	I willingly help others with work-related problems.	5.43	1.00	Netemeyer & Maxham III 2007 (arranged)
help to new employees	I help new employees even though it is not required	4.81	1.15	Netemeyer & Maxham III 2007 (arranged)
<b>Perceived Performance</b>				
adaptive selling	I tend to use a wide variety of selling approaches.	5.75	1.04	Robinson et al., 2002; Jaramillo & Grisaffe 2009
perceived performance	I rate myself higher than the average salespeople.	4.84	1.21	
perceived skill	My selling skill has been improved through my experience in the present organization.	4.62	1.37	
<b>loyalty</b>				
loyalty	I feel loyal to the present organization.	5.01	1.31	Heskett et al. 2007
ownership	I feel delighted as if it were my own success, when the organization earns success.	5.16	1.44	Heskett et al. 2007
referral	I recommend goods and services of the organization to my friends and acquaintances.	5.26	1.37	Heskett et al. 2007
turnover intention	I intend to work for the present organization for a long time. (Reversed)	3.46	1.59	Dooley, et al. 1987 (arranged)

\* except this, all items are measured by Likert 7-point scales.

Table 2: Estimated Effects: Regression

model	independent variables	dependent variables								
		satisfaction	service delivery	extra-role performance	help to colleagues	adaptive selling	perceived performance	perceived skill	loyalty	turnover intention
MODEL 1 institutional / organizational factors	autonomy	0.179 **	-0.021	0.068	0.160 *	0.124	0.171 *	0.159 *	0.045	-0.055
	role clarity	0.055	0.228 **	0.254 ***	0.157 *	-0.046	0.071	-0.053	0.078	-0.062
	role conflict	-0.015	-0.084	-0.054	-0.135 *	-0.042	-0.101	-0.015	0.172 **	-0.172 **
	fairness of reward	0.232 **	0.065	-0.052	0.057	-0.192 *	-0.163 *	-0.096	0.051	-0.115
MODEL 2 individual / personal factors	intrinsic motivation	0.384 ***	0.298 ***	0.329 ***	0.352 ***	0.070	0.136	0.208 **	0.255 **	-0.330 ***
	poly-chronic orientation	-0.123	0.158	0.039	0.034	0.112	0.312 ***	0.233 **	-0.063	0.109
	trait competitiveness	0.158 *	0.014	0.103	-0.023	-0.006	0.047	0.053	-0.069	-0.067
MODEL 3 reference groups	talk with co-worker	0.011	-0.020	0.009	0.018	0.092	-0.026	0.204 **	0.069	0.011
	role models	0.093	0.177 *	0.208 **	0.062	0.074	0.283 ***	0.119	0.207 **	-0.171 **
	size	0.157 *	-0.010	0.118	0.308 ***	0.057	-0.088	-0.025	0.069	0.089
	talk with family	-0.062	-0.014	-0.063	-0.098	0.013	-0.149 *	0.012	0.094	-0.268 ***
MODEL 4	department store dummy	0.073	-0.040	-0.055	-0.178 **	-0.289 ***	-0.078	-0.169 *	0.084	-0.055
MODEL 5	satisfaction	N/A	0.024	0.061	0.003	0.143	-0.059	0.068	0.216 **	-0.124
MODEL 5	F	5.087 ***	2.857 ***	4.570 ***	5.850 ***	2.225 **	4.937 ***	4.038 ***	3.982 ***	5.150 ***
MODEL 5	adjusted R <sup>2</sup>	0.294	0.170	0.282	0.348	0.120	0.303	0.252	0.247	0.314
R <sup>2</sup>	MODEL 1	0.185 ***	0.116 ***	0.150 ***	0.146 ***	0.055	0.154 ***	0.090 **	0.133 ***	0.150 ***
Δ R <sup>2</sup>	MODEL 1 → 2	0.138 ***	0.117 ***	0.146 ***	0.143 ***	0.063 *	0.134 ***	0.176 ***	0.075 **	0.119 ***
Δ R <sup>2</sup>	MODEL 2 → 3	0.038	0.027	0.061 **	0.105 ***	0.020	0.083 ***	0.044	0.084 ***	0.106 ***
Δ R <sup>2</sup>	MODEL 3 → 4	0.005	0.001	0.002	0.027 **	0.066 ***	0.006	0.023 *	0.008	0.004
Δ R <sup>2</sup>	MODEL 4 → 5	N/A	0.000	0.002	0.000	0.013	0.002	0.003	0.030 **	0.010

All co-efficients are standardized.

\*\*\* p&lt;.01 \*\* p&lt;.05 \* p&lt;.10



Satisfaction is not affected by their employers. People hired by the chain show almost no difference from another data source, except that they tend to be inactive in adaptive selling. Intrinsic motivation has positive impacts on many dependent variables, but overall, various determinants hold the key to various consequences under various logics. Thus, our argument is still fragmentary.

## 2. A Synthesis

Next, we conducted an exploratory factor analysis to integrate and group dependent variables into components. We employed maximum likelihood estimation with varimax rotation. We tried promax rotation as well, and discovered that salary satisfaction and turnover intention are each independent. We then chose the model with fewer components for interpretation. More importantly, it would be tautological to conclude that there are certain interrelationships between components, when those components had been identified through a factor analysis with promax rotation that assumes *a priori* the existence of correlations between components. Thus varimax rotation is an appropriate option for our synthesis trial.

Table 3 shows the result of a factor analysis. Five items of satisfaction correlate with factor 1, which we name *satisfaction*. Factor loadings of extra-role performance, service delivery, and self-satisfaction are high with factor 2, named *self-fulfillment*, because these actions and consequences are not always

Table 3: Factor Loadings of Dependent Variables

items	factor 1	factor 2	factor 3	factor 4
satisfaction (challenge)	<b>0.796</b>	0.183	0.266	0.280
satisfaction (task)	<b>0.708</b>	0.089	0.300	0.184
satisfaction (growth)	<b>0.586</b>	0.241	0.326	0.188
satisfaction (environment)	<b>0.448</b>	0.195	-0.033	0.064
satisfaction (salary)	<b>0.385</b>	0.041	-0.132	0.141
extra-role performance	0.207	<b>0.839</b>	0.201	0.027
service delivery	0.041	<b>0.645</b>	0.268	0.243
help to colleagues	0.258	<b>0.523</b>	0.180	0.080
satisfaction (self)	0.405	<b>0.463</b>	0.280	0.252
help to new employees	0.133	<b>0.340</b>	0.283	-0.033
perceived skill	0.098	0.184	<b>0.773</b>	0.051
perceived performance	-0.047	0.207	<b>0.653</b>	-0.048
adaptive selling	0.107	0.134	<b>0.550</b>	0.014
loyalty	0.167	0.118	0.128	<b>0.928</b>
ownership	0.274	0.376	-0.237	<b>0.664</b>
referral	0.156	-0.041	0.037	<b>0.451</b>
turnover intention (reversed)	0.311	0.231	-0.082	<b>0.347</b>
cumulative proportion (%)	13.934	26.685	38.419	49.793

KMO=.804

Maximum likelihood estimation with varimax rotation.

mandatory. Factor 3 is named *perceived performance*, i.e. salespersons' self evaluation. Factor 4 refers to loyalty. This component consists of loyalty, ownership, referral, and the reversed score of turnover intention.

We then created a hypothetical model, as presented in Figure 2. Since our first step in analysis showed us that satisfaction does not lead to any desired consequences but instead to loyalty, our model follows this finding. Variables of satisfaction, self-fulfillment, perceived performance, and loyalty are reliable, as judged by Cronbach alpha (satisfaction: alpha = .761; self-fulfillment: alpha = .795; perceived performance: alpha = .738; loyalty: alpha = .717). Standardized coefficients of determinant variables are listed in Table 4. Because reference group size and trait competitiveness turned out to have no significant influence on dependent variables (as indicated under analysis 1 in the table), we did an additional analysis excluding these variables (analysis 2).

Our results indicate that there is an “undesirable” scenario involving “desirable” consequences. In terms of the relationship between the four components of dependent variables, satisfaction and self-fulfillment increase loyalty, whereas perceived performance decreases it.

With regard to the determinant variables, three findings appear important. (1) Intrinsic motivation seems to have a positive impact on desirable consequences just as was confirmed in the first step of our

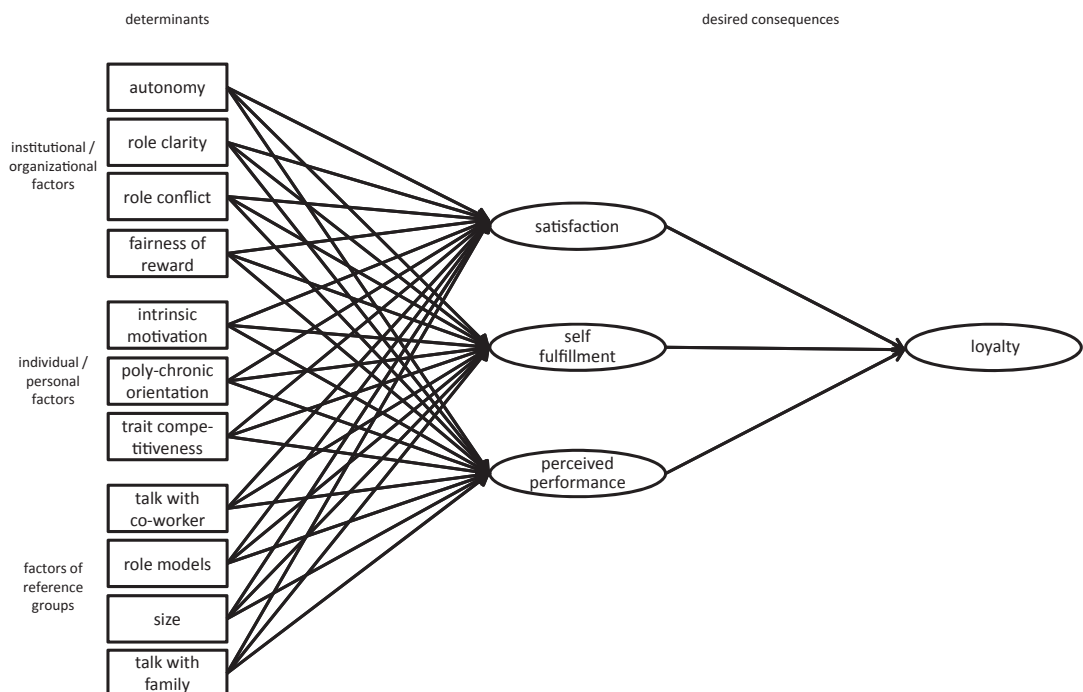


Figure 2: Research Model: A Synthesis

Table 4: Estimated Effects: Semantic Equation Modeling

independent variables		dependent variables	analysis 1	analysis 2	
institutional / organizational factors	autonomy	->	0.209 ***	0.215 ***	
	role clarity	->	0.175 **	0.157 *	
	role conflict	->	0.039	0.034	
	fairness of reward	->	0.095	0.062	
individual / personal factors	intrinsic motivation	->	0.477 ***	0.477 ***	
	poly-chronic orientation	->	-0.166 **	-0.122	
	trait competitiveness	->	0.120	N/A	
reference groups	talk with co-worker	->	-0.027	-0.007	
	role models	->	0.120	0.151 *	
	size	->	0.126	N/A	
	talk with family	->	-0.012	0.003	
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institutional / organizational factors	autonomy	->	0.150 *	0.135 *	
	role clarity	->	0.323 ***	0.299 ***	
	role conflict	->	-0.081	-0.116	
	fairness of reward	->	-0.051	-0.054	
individual / personal factors	intrinsic motivation	->	0.541 ***	0.526 ***	
	poly-chronic orientation	->	0.052	0.103	
	trait competitiveness	->	0.125	N/A	
reference groups	talk with co-worker	->	0.126	0.142 *	
	role models	->	0.245 ***	0.289 ***	
	size	->	0.100	N/A	
	talk with family	->	-0.085	-0.079	
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institutional / organizational factors	autonomy	->	0.257 ***	0.285 ***	
	role clarity	->	0.081	0.075	
	role conflict	->	-0.167 *	-0.125	
	fairness of reward	->	-0.302 ***	-0.324 ***	
individual / personal factors	intrinsic motivation	->	0.230 **	0.243 **	
	poly-chronic orientation	->	0.297 ***	0.321 ***	
	trait competitiveness	->	0.147	N/A	
reference groups	talk with co-worker	->	0.126	0.115	
	role models	->	0.060	0.054	
	size	->	-0.056	N/A	
	talk with family	->	-0.174 *	-0.173 *	
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satisfaction		->	loyalty	0.365 ***	0.413 ***
self-fulfillment		->	loyalty	0.754 ***	0.703 ***
perceived performance		->	loyalty	-0.696 ***	-0.672 ***
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	chi square		367.815	331.838	
	d.f.		296	254	
	p		0.003	0.001	
	CFI		0.928	0.919	
	RMSEA		0.047	0.052	

All coefficients are standardized.

\*\*\* p&lt;.01 \*\* p&lt;.05 \* p&lt;.10

analysis, but it increases the perceived performance that leads to lower loyalty. So we have identified an “undesirable” relationship between “desirable” consequences of key determinant variables employed in previous studies. (2) Fairness of reward prevents a salesperson from overestimating his or her skill and performance, but it has no significant impact on the other desirable consequences. (3) Role models in one’s workplace increase satisfaction and self-fulfillment activities; they have no impact on perceived performance. Hence, role models do not bring undesirable consequences for an organization.

### Discussion and Conclusion

Our results show that the influence of salespersons’ reference groups is comparable and compatible with other key determinant variables of desirable consequences and selling activities. It is interesting that the existence of role models in one’s workplace increases satisfaction and self-fulfillment activities, such as helping colleagues and customers beyond the call of duty.

We have found an ironic insight as well: the higher one evaluates his or her own performance, the more likely it is that he or she quits. That is why intrinsic motivation may carry undesirable consequences for an organization.

Poly-chronic orientation makes salespersons’ evaluations higher. Those who are capable of juggling several tasks at the same time may feel bored with unchallenging work (as poly-chronic orientation leads to lower satisfaction). Ironically, such salespersons tend to be too confident in themselves to feel loyal to their organization, especially when they are well-motivated.

On the other hand, fairness of reward discourages them from overestimating their performance, and a role model contributes to leveraging satisfaction and self-fulfillment activities without any impact on perceived performance. The chance to talk with family even decreases it. While not immediately apparent, the reference groups play a certain role in controlling one’s self estimation. An organization has options to manage their salespersons’ over-estimation of their performance, to avoid, that is, “undesirable” consequence of their “desirable” attitude and behavior.

To summarize, our findings are contrary to those of previous research that identifies the logic behind eliciting desirable consequences from fragmental arguments. However, once we try to synthesize earlier studies to understand the interrelationships between these desirable consequences, we find undesirable relationships between them. We believe this is a remarkable theoretical contribution.

In addition, our contribution is not limited simply to personal selling practices. Indeed, our findings are applicable to sales organizations without personal customer contact, like online stores. Furthermore, our findings will be useful especially when it is difficult to measure each employee’s contribution

objectively. When each person has their own code of conduct and criteria of evaluation, his or her reference groups may play a significant role in improving performance.

Again, fairness of reward controls salespersons' estimation of their performance. An organization may control this institutional factor to avoid an undesirable consequence. Now, how can we define fairness? Fairness is indeed a concern of a community of people, not a concern of a person in isolation. People judge if they are treated fairly by watching and comparing the treatment of other people around them. This scope itself is a matter of their reference groups. Reference groups, here again, hold the key.

### Limitations and Future Direction

Our study omits organizational behavior. In part, we have seen the cooperative work of salespersons with their colleagues and customers, but organizational selling practices and strategies are out of scope. This study also lacks mention of the customer's standpoint. All items are evaluated subjectively by the salespeople themselves, so we need objective measures and customer evaluations to validate our argument.

The research was conducted specifically in the Japanese cultural setting. Nonetheless, many key determinants have positive impacts on desirable consequences. Thus, previous research, conducted mainly in the United States, is very valuable in a different cultural setting, providing us with practical and universal implications. Of course, further international testing is required. Sample size and bias stemming from our intentional sampling strategy require further examination as well.

We mentioned the applicability of this study to situations in which it is difficult or impossible to measure employee contributions objectively. Both qualitative and quantitative supports for our discussion are needed.

To overcome the limitations mentioned above, variables such as organizational selling, or horizontal and vertical information flow should be added to our argument. For example, the traditional constructs of customer orientation, strategy type, and selling capability (Morgan et al., 2009) seem to be compatible with our research. Since a well-prepared sales management system fosters cooperative work among salespeople (and with managers, too), it is impossible to ignore their impact on improving employee satisfaction and motivation, and further effects on customer retention. Antecedent items must also be explored.

We hope our findings contribute to theoretical and academic argument as well. These variables (all institutional, individual, and reference group factors) affect the employees' trust of their organization. Employees are agents, and that trust may dictate the bargaining power or contracting behavior of those agents. We foresee future research, in consideration of the work of Atuahene-Gima & Li (2002) or Fang

et al. (2008), to explain and predict the logic of gaining and exploiting power in personal and organizational interactions.

### Managerial Implications

Any organization is eager to retain skilled salespeople. But salespersons, when they perceive and evaluate themselves as skilled, tend to have less loyalty to an organization. They may search for other places to further improve themselves. How can we avoid and solve this problem?

In comparison with the variables employed in previous research, the reference group factor is relatively more controllable, since it would be very costly to control institutional factors, and because personal attributes are innate and not easily changed by an organization. To achieve the desirable path of fairness, an organization should carefully watch the scope of its salespersons. Additionally, it is remarkable that the existence of role models tends to bring desirable results to an organization. Results indicate that salespersons cannot be introspective without comparing themselves to others. As such, our findings have practical significance.

For an organization to retain a promising salesperson, it may be effective to identify those people that he or she sees, admires, and asks for advice. Internal advertisement, providing information about role models, may also work well. An attractive career path can be posted there, too, although that attractiveness is not solely defined by an organization or managers, but also by the salespersons themselves and their reference groups.

Our managerial implications are cautionary. Managers may make mistakes when choosing whom to promote as a role model. The model may be better chosen from among people already on the salespersons' own rosters, not from a manager's arbitrary list. A career path becomes useless when the skilled ones find more attractive paths outside the organization. Also, reference group size has almost no impact on desirable consequences. Socialization must work well to enable salespeople to find role models on the right path, but the mere increase in number of acquaintances is not beneficial for an organization.

An organization benefits from skilled salespersons and their service delivery by creating a fair reward system. In so doing, it must monitor reference groups. This study embodies a clear difference from those evaluating the kinds of policy, compensation practice, etc. that are effective in controlling and predicting desirable salesperson behavior. Those arguments tend to be situation-specific. This study proposes the question of what salespeople value. We cannot judge the appropriateness of any policy in drawing out desirable efforts from salespersons without considering their reference groups.

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## 販売員のロイヤルティと離職意志の決定要因： 「望ましい結果」のもつ「望ましくない帰結」を回避するために

福 富 言

### 要旨

この研究は、不安定な雇用状況が特徴である販売職に就く人々を対象に、彼・彼女たちの所属組織に対するロイヤルティや離職の意志を決定づける要因を探るものである。組織的な要因や個人特性の要因とともに、組織内外の準拠集団に関する人間関係要因に注目し、主にアパレル産業においてフロントラインの業務に従事する 113 サンプルを用いて定量的な分析をおこなった。

本研究によって明らかにされたことは、第 1 に、準拠集団のもつ影響力は、既存研究で用いられてきた組織的要因や個人特性要因と比肩しうること。第 2 に、組織的要因や個人特性の変数は、販売員のサービス水準や従業員満足を高める「望ましい結果」をもたらす一方で、自身の技能を高く知覚させ、むしろロイヤルティを下げ、離職意志を高めるような「望ましくない帰結」をもたらすことである。最後に、こうした「望ましくない帰結」を回避するための鍵を握るのも準拠集団であることを検証した。

キーワード：販売員、販売管理、従業員満足、ロイヤルティ、離職意志、サービス水準、準拠集団

