

MARK205 RESEARCH PROPOSAL

***NEW SALES MANAGER POSSIBLE DILEMMA: INCLUSIVE TITLE OF AMERICA,
WEST MICHIGAN (CASE STUDY)***

BY LUKE BOGOVIC

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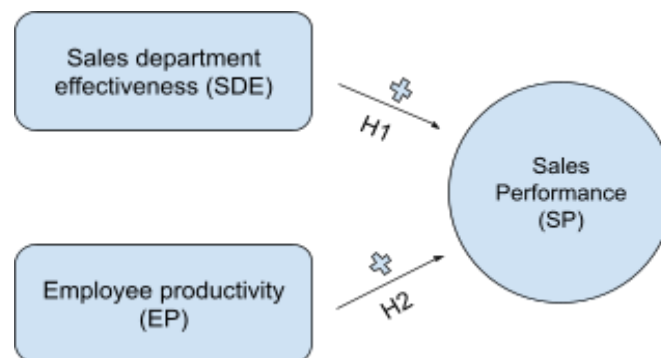
1. Introduction:

Declining sales performance in ITA West Michigan (Trybus 2012) is the focus problem to be examined in this report. Upon our research we have come to the conclusion that in relation to ITA West Michigan, scholarly articles suggest sales department effectiveness (SDE) (Baldauf & Cravens 2002) & employee productivity (EP) (Harris et al. 2014) are vital key components required to increase sales performance for ITA West Michigan in their current situation.

Declining sales performance, particularly at ITA West Michigan, displays the inability and decline of closing leads by the sales representatives. This performance decline can be attributed to numerous factors. A notable component of this includes the use of an out-dated management style that lacks essential sales processes (Trybus 2012). The lack of adaptation to newer and ever-changing customers, competition and markets (Trybus 2012) can also be associated with reasons behind declining sales performance.

The purpose and research objective for this report is to identify how sales performance can be increased for ITA West Michigan. The research questions to examine this objective are, how does sales department effectiveness influence sales performance for ITA West Michigan? & can an increase in employee productivity positively influence sales performance for ITA West Michigan?

2. Conceptual Model & Hypotheses



Analytical model (Figure 1)

This analytical conceptual model (figure 1), specifies that sales department effectiveness (SDE) and employee productivity (EP) are positive factors which influence sales performance (SP). SDE is the behavioural and outcome based performance from the sales department and the measure of effectiveness their efforts achieve (Baldauf & Cravens 2002); and EP is the level of productivity and work attempted/completed from employees within a timely manner in order to achieve the organisational goal and customer's needs (Harris et al. 2014).

Therefore, the hypotheses proposed by this research report are, *H1: Sales department effectiveness has a positive relationship to sales performance (Baldauf & Cravens 2002); & H2: Employee productivity has a positive relationship to sales performance (Harris et al. 2014).*

3. Literature Review

Sales Performance (SP)

Sales performance (SP) is always the absolute goal for all organisations (Edwards 2022). SP relates to any revenue and profit and can be achieved through dedication, creativity and innovation (Edwards 2022). Achieving top quality performance is very important to an organisation (Harris et al. 2014); and SP can be attained by firm and employee abilities such as adaptive selling, learning and goal orientation, technical competence and motivation (Edwards 2022). SP is the driving force that allows organisations to continue operating, as obtaining a high level of performance related to sales is the objective for a business operation (Edwards 2022).

Factors that have the ability to decrease SP are attitude, salesperson behaviour, motivation, ability and employee performance and lack of sales technology (Edwards 2022). Factors that drive SP can be employee selling knowledge, level of adaptiveness, role ambiguity, cognitive ability and employee engagement (Verbeke et al. 2011). SP can influence how a business is seen by society and also how an employee is seen by the firm; as research shows that SP is positively thought about upon evaluations of a sales employee (Harris et al. 2014). Declining SP is the overall problem relating to this case study.

Sales Department Effectiveness (SDE)

Sales department effectiveness (SDE) is an indispensable factor for SP (Baldauf & Cravens 2002). SDE positively relates to SP because it is a predictor to sales organisational effectiveness (Baldauf & Cravens 2002). This in turn leads to SP, as studies show that an increase in effectiveness of organisation will lead to an increase in SP through gained revenue and profit from the increased employee engagement (Verbeke et al. 2011). Effectiveness within the sales department, consisting of behavioural and outcome aspects like attitude and skill, is proven to produce positive results and increase SP, through completed sales or attainment of new customers (Baldauf & Cravens 2002).

Based upon academic studies, factors that constitute SDE are implementation of technical knowledge, adaptive selling and planned sales procedures (Baldauf & Cravens 2002).

Implementation of technical knowledge consists of the ability to communicate the meanings and functions of services or products to customers; and the ability to utilise technology to achieve desired sales oriented goals (Baldauf & Cravens 2002), such as equipment related to ITA's title software and hardware. Adaptive selling consists of the sales employee's ability to manipulate their skills and environments to achieve the desired needs of the customer, resulting in more confirmed sales. Planned sales procedures consist of employees in the sales department having clear plans in place regarding customer contact, sales strategies, or customer preferences to ensure that information is saved for the future and that operations are efficient (Baldauf & Cravens 2002).

H1: Sales department effectiveness (SDE) has a positive relationship to sales performance (SP) (Baldauf & Cravens 2002).

Employee Productivity (EP)

Employee productivity (EP) is an essential factor for positively influencing SP within a business (Harris et al. 2014). EP positively relates to SP because productivity of a firm's employees is directly correlated with the outputs and performance of sales (Harris et al. 2014). Meaning that if a workforce is unproductive, then a negative result within SP can occur (Harris et al. 2014). Contrastingly, if motivation within employees is increased from internal or external factors, then

productivity will increase, leading to a rise in SP due to harder working employees who are more motivated in achieving the customer's needs (Harris et al. 2014).

EP can be explained by reaching the organisational goal and customer's needs in a timely manner by employee effort and motivation (Harris et al. 2014). EP involves balancing between spending enough and too much effort towards a customer or goal, so that their time is utilised efficiently (Harris et al. 2014). To ensure maximum SP, a firm needs to motivate their salesforce to produce maximum productivity. EP can be achieved through factors such as firm's setting realistic and achievable goals and requirements of their employees, high exit barriers for customers so abandonment is reduced, work environments that are fair, organised and up to date and which include beyond satisfactory facilities and equipment, employee need for activity and motivation (Harris et al. 2014).

Academic studies show that personal factors such as optimism, strength and welfare positively affect EP and can be achieved through positive psychology in the workplace (Kour et al. 2019). There is a lack of EP present in this case study, which is underlined by poor employee and workplace organisation, poor employee motivation and communication. Increasing EP will positively increase SP, in turn reducing ITA West Michigan's overall problem of declining SP.

H2: Employee productivity (EP) has a positive relationship to sales performance (SP) (Harris et al. 2014).

4. Research Design:

Sample

The population and target respondents of this study is the entire amount of ITA employees, including both sales and marketing departments. The use of a sample is beneficial to this research report as the cost and time associated with collecting valuable information from each individual would be considerably high. Specifically, the technique used will be probability-based stratified sampling to ensure the sample is representative of the target population.

The sample amount for target respondents, from the sales department, is 24 for H1; and a representative sample from the entire employee base on all departments, being another 24 for H2. The sample size for H1 is a significant amount due to the 12 offices having 3 to 5 employees in each whilst H2 has a relatively smaller sample size when compared to its population of over 150 employees in its head office. Overall, the population size is at least 150, while the overall sample size for both H1 and H2 is 48.

Procedure

This report will be using a survey questionnaire as the instrument of data collection. The data collected will be qualitative data, as quantitative variables such as sales growth, value and volume have been proven to be effective to measure sales performance (Edwards et al. 2022). Descriptive research will be used, as this design is best suited to this report because it describes, answers, and examines characteristics; as well as being suitable for problem identification in populations and organisations (Siedlecki 2020). Descriptive research is also useful as the sample is a representative, and it allows for conclusions to be forecasted to a larger population (Burns et al. 2017).

The data will be taken from online surveys and given to the target respondents via computer-administrative methods. This form of survey allows for flexible and accessible completion, as well as reducing employee break times as they can perform the surveys at their own desks. The benefits of online surveys are, a relatively low cost compared to other methods such as printed surveys; and also, relatively fast response rates compared to other methods such as mailed surveys (Ilieva 2002).

The target respondents will be recruited by the online surveys method, administered through email as results are standardised through the application of technology as well as being easily administered and having results of the survey delivered in a short amount of time. The online surveys will be allocated to the target respondents via a group work email. The sampling technique to be used is the probability sampling technique, specifically stratified sampling. This sampling method is most suitable because the research testing requires separation of the population into different strats, as H1 and H2 are testing specific groups (Burns et al. 2017).

5. Survey Questionnaire

Employee Screening Question:

- *Have you worked for the ITA West Michigan company in the past 6 months - Yes/No?*
- *Are you still employed at ITA West Michigan - Yes/No?*

Employee Warm-Up Questions:

- *Would you recommend working for ITA West Michigan - Yes/No?*
- *How would you rate your average work performance and productivity - Out of 10?*
- *Can you see yourself working for ITA West Michigan for the next foreseeable future - Yes/No?*

Survey Questionnaire Questions:

Sales Department Effectiveness (SDE) Questions:

- *A change in the current 'old-style' management system would improve the sales department effectiveness - Strongly Disagree (1) - Strongly Agree (5)*
- *ITA competitors use selling models. If implemented at ITA, the sales department will become more effective - Strongly Disagree (1) - Strongly Agree (5)*
- *Instead of regular unannounced meetings, would the scheduling of meetings lead to less time wasted? - Yes/No?*
- *A well-structured routine will limit time wasted and increase effectiveness? - Yes/No?*

Employee Productivity (EP) Questions:

- *A change- Strongly Disagree (1) - Strongly Agree (5)*
- *The implementation of fundamental sales processes and methods will increase productivity - Strongly Disagree (1) - Strongly Agree (5)*
- *Would other non-cash incentives influence overall employee productivity?- Yes/No?*
- *Would the introduction of more technology, with training provided, increase your productivity?- Yes/No?*

6. Conclusion:

The ITA West Michigan management will be able to benefit from this proposal of research through the understanding of major correlation between SDE and EP in terms of sales performance. The overall purpose of the research study is to outline the key variables that relate to the sales performance decline problem faced by ITA West Michigan. These variables, being SDE and EP, contribute to sales performance. There are also potential limitations in the research proposal. One of which relating to the sample size as H1 involves twelve different smaller offices with relatively small amounts of sales representatives in each. This may provide inaccuracies within the data collection as culture and in-office sales methodologies may differ and not reflect the overall sales performance decline at ITA. Furthermore, both variables are in different testing groups, meaning that sales performance may differ between the two and not be exact even in decline. In order to expand upon the issue of the declining sales performance, there are recommendations for future research. As there are only two variables in the current proposal, additional variables would be able to expand and broaden upon findings that may provide further value in attaining a more positive sales performance. Additionally, focusing on the marketing department may also provide reasoning as to the decline in sales performance, possibly being a viable avenue of research. Ultimately, the research proposal provides two hypotheses, that if improved upon, can solve the problem in the sales performance decline.

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