

ASSESSING WORK QUALITY, MOTIVATION AND REWARDING OF EMPLOYEES IN LEASING SERVICES SALES

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SUMMARY

The paper is aimed at analyzing the quality of work, motivation and employee rewards in the leasing services sales in order to increase the volume of leasing services sales and higher-quality satisfaction of customer needs.

The quality of human resources work in leasing services sales and their satisfaction with the rewarding system is aimed at stimulating employees to better perform their tasks. Therefore, the rewarding system must be just and comprehensive in order to stimulate the achievement of sales targets.

The paper will use primary research with sales directors, other sales managers, sales force, and other sales employees. The scientific analysis will establish how an efficient rewarding system affects the increase of the volume of leasing services sales and higher-quality satisfaction of customer needs.

Key words: Leasing service, work quality, human resources in sales, motivation, rewarding system.

1. INTRODUCTION

Work assessment, motivation and rewarding sales staff can be viewed from the theoretical and practical aspect respectively. The paper therefore particularly studied the practical aspect of assessing human resources in leasing services sales, and sales staff satisfaction with the rewarding system and some other elements. "In order to develop and keep the highly-productive sales force, the company must design and carry out the rewarding method to attract and retain the most successful individuals. The method should be adjustable, just, easy to implement and understand. A good rewarding system encourages and facilitates the right customer relations."¹

¹ Sally Dibb, Lyndon Simkin, William M. Pride, O. C. Ferrell, „Marketing“, Mate, Zagreb, 1995, p. 480.

Rewarding is compensation to employees for their work in the company. Rewarding system is aimed at stimulating staff to better perform their tasks. Rewarding system must therefore be just and comprehensive in order to stimulate the achievement of sales targets, as well as tasks and goals of each position. Motivation for harder and better work is closely related to performance and rewarding. Where performance and rewarding are closely related, employees will be better motivated to work better and more efficiently, i.e. sell better and more.

Rewarding system should be stimulation for better work and increase in loyalty to the company. If employees feel injustice, i.e. that their work is not justly rewarded or is less rewarded than that of other employees, they can decrease their efforts and the rewarding system will have the opposite effect.

2. ASSESSING SALES STAFF

Assessing sales staff is done for the sales director, as the top sales manager, other sales managers, sales force, professional employees and other sales staff. The complexity of work assessment increases with a higher degree of the ranked position.

Work by director, as the sales leader, is assessed from the aspect of his/her managerial performance, i.e. fulfilling the managerial functions. It includes assessing the manager's success or failure in performing their basic tasks: sales planning, sales organization, human resources, managing and controlling sales completion.

The sales director's work is assessed from at least three aspects: work of director as sales manager, performance of sales department, i.e. the group of employees he/she is managing, and the director's contribution to the overall performance achieved by the company he/she works in. "Sales director should develop a systematic approach that will motivate sales force to be productive. Motivation should not be viewed as an occasional activity reserved for the periods of sales decrease."² Sales director's work is also assessed from the aspect of his/her contribution to the overall performance achieved by the company he/she works in. It pertains to the assessment of cooperation and communication with other company sectors, as well as to his/her company presentation to external factors (customers, government agencies, chamber bodies, trade unions, etc.)

Sales staff work assessment serves for: developing sales management, sales staff rewarding system, training planning, finding new sales staff, decisions on promotions in sales, decisions on depositing and replacing staff and confirming the validity of the previous selection of a person for a position.

3. SALES STAFF REWARDING

Every company has a rewarding system of its own, which is suited to the company type, size and way of doing business. It also resolves the issue of rewarding sales staff. Rewarding is closely related to sales performance measurements. They can include: performance, level of effort, length of service, qualification, job complexity and supervisor's free assessment.

1. *Rewarding by performance* implies the existence of a planned task. If it is exceeded, a raise through bigger stimulation is provided for. Performance is an actual result achieved.

2. *Rewarding by the level of effort system* typically replaces the system of rewarding by performance. It is introduced where performance cannot be expressed in measurable units. Some sales tasks do not lend themselves to assessment by actual performance, and they are

² Sally Dibb, Lyndon Simkin, William M. Pride, O. C. Ferrell, „Marketing“, Mate, Zagreb, 1995, p. 481.

therefore assessed by the level of effort system, which is monitored, assessed and rewarded by the supervising manager. This is the biggest weakness of this system, since the manager, by assessing the level of effort, introduces a degree of subjectivity.

3. *Length of service* are a measure in rewarding since the length of service is related to the greater ability to perform tasks. There are two possibilities for rewarding based on the length of service: (a) length of service in the company (loyalty to the company), and (b) total length of service. It is possible to combine the two types, so as to related a greater share of salary for the length of service in the company and a smaller share to the overall length of service.

4. *Qualifications* replace the concept of knowledge, since a degree is related to knowledge. However, knowledge does not necessarily guaranteed good work, performance of set tasks and the level of effort.

5. *Job complexity* can be a criterion for the rewarding system, which particularly assesses following: effort (intellectual and physical) and work conditions (stress, communicating with customers, travel, working in the open, etc.).

6. *Free supervisor's assessment* is the rewarding system in the absence of the previously described rewarding systems. It is acceptable only for a small number of positions, since most positions must be rewarded according to one or more of the above described criteria.

“Most sales representatives need boost and special stimuli. It particularly applies to field sales: representatives typically work alone, have no working hours and are frequently absent from home. They encounter aggressive, competitive sales representatives, have an inferior position compared to the customer, are frequently not authorized to do what is necessary to attract a customer, and it sometimes happens that they lose large orders they fought for.”³ In order to increase the volume of leasing services sales, it is necessary to introduce and permanently increase the scope of material and non-material rewards. Still, the greatest motivator for leasing service sales force is the increase in income.

4. ASSESSING HUMAN RESOURCES IN LEASING SERVICES SALES

In order to conduct primary research, sales directors were surveyed. They assessed leasing companies' sales force and persons involved in leasing services sales. Respondents could rate their satisfaction with one of five levels: very dissatisfied, dissatisfied, satisfied, very satisfied and extremely satisfied.

Results of research are following:

1. To the first question, how satisfied sales managers are with sales force's knowledge of the leasing services range, 93.1% respondents answered that they are satisfied, very satisfied and extremely satisfied, while only 6.9% stated that they are dissatisfied and very dissatisfied.
2. The second question pertained to how well the sales force is acquainted with the advantages of leasing arrangement. A total of 93.5% sales managers are satisfied with the salespersons' knowledge of leasing arrangement advantages. Only 6.5% managers are dissatisfied or very dissatisfied.
3. In the third question as well, i.e. how satisfied managers are with their salespeople's terms of sales, only 6.4% managers stated they are dissatisfied. Thus, the remaining 93.6% sales managers are satisfied to various degrees.
4. To the fourth question, how well salespeople are acquainted with customer needs, 32.7% managers pointed out that they are dissatisfied, while 76.3% seem to be satisfied.

³ Willem Verbere i Richard P. Bagozzi, «Sales call anxiety exploring what it means when fear rules a sales encounter», Journal of marketing, 2000, p. 88.

5. Knowing customers was the following, fifth question. A total of 13.8% managers are not satisfied with this aspect, while 86.2% are satisfied.
6. The question about managers' satisfaction with their salespeople's communication skills received 76.7% 'satisfied' responses and 23.3% 'dissatisfied' ones.
7. The seventh question, which pertained to sales representatives' initiative and aggressiveness, received 76.7% 'satisfied' and 23.3% 'dissatisfied' responses.
8. The eighth question pertained to the knowledge of competition. This is the area where sales managers are the most dissatisfied with their sales representatives. As many as 43.1%, in managers' opinion, do not know enough about competition, while the remaining 56.9% are believed to know their competition.
9. The next question pertained to salespeople's negotiating and selling skills. Managers are satisfied in 93.9% cases, and dissatisfied only in 6.1% sales representatives.
10. The question as to how satisfied managers are with the quality of customer relations built by salespeople received 80.6% 'satisfied' responses and 19.4% 'dissatisfied' ones.
11. In the eleventh question, which pertain to salespeople's willingness to work in a team, sales managers are dissatisfied with 33.2% salespeople, and satisfied with 66.8%.
12. The next question pertained to sales managers' satisfaction with salespeople in terms of appearance, clothes and figure. Managers are dissatisfied with 9.9% salespeople and satisfied with the remaining 90.1%.
13. Motivation for sales was the next question. As many as 32.3% sales managers are dissatisfied and 67.7% are satisfied with this aspect.
14. To the fourteenth question, which pertained to salespeople's willingness to help a customer, the surveyed sales managers answered that they are satisfied with 83.2% salespeople, and dissatisfied with 16.8%.
15. To the next question, which pertained to sales representatives' planning ability, 34.9% respondents answered that they are dissatisfied with their sales representatives, while 65.1% replied that they are satisfied.
16. In the sixteenth question, about high-quality report preparation, a total of 70.7% managers were satisfied while 29.3% were dissatisfied.
17. Commitment to work plans was the subject of the next question. The surveyed sales managers were dissatisfied with 15.1% sales representatives, and satisfied with 84.9%.
18. The next question pertained to observing sales procedures. Sales managers are dissatisfied with 14.6% salespeople, and satisfied with 85.4%.
19. The next question was related to promptness in reporting. Sales managers are satisfied with 74.6% sales representatives, and dissatisfied with 25.4%.
20. In the twentieth question, which pertained to their satisfaction related to bringing up new ideas for sales improvements, as many as 68.5% sales managers stated that they are dissatisfied with sales representatives, while only 31.5% managers are satisfied with their salespeople.
21. The last, twenty-first question pertained to accepting suggestions and criticism. A total of 41.4% sales managers seem to be dissatisfied with their sales representatives, while 58.6% claim to be satisfied.

5. SALES STAFF SATISFACTION

In order to assess sales staff satisfaction, we conducted primary research. The assessment of their satisfaction was provided by salespeople themselves, and persons employed as sales representatives in leasing companies, as well as persons employed as salespeople with traders – brokers involved in leasing services sales. Respondents could grade their satisfaction at one

of five satisfaction levels: very dissatisfied, dissatisfied, satisfied, very satisfied, and extremely satisfied.

1. To the first question, about their satisfaction with sales staff training, 50.6% respondents answered that they are satisfied, 20.4% that they are very satisfied, and 6.2% that they are extremely satisfied. However, there was a high percentage of dissatisfaction with training – 13.1%, while 9.7% claim to be very dissatisfied.
2. With respect to the second question, which pertained to satisfaction with rewarding, as much as 43.8% are dissatisfied: 23.9% very dissatisfied and 19.9% dissatisfied. On the other hand, 22.7% is satisfied, 22.2% very satisfied, and 11.3% is extremely satisfied with sales staff rewarding.
3. The third question pertained to sales staff satisfaction with fixed salary (without the variable part). Most sales staff, or 87.6% are satisfied with fixed salary, while 12.4% are dissatisfied. It is evident that sales staff are fairly satisfied with the fixed salary, but are dissatisfied with the rewarding system, which suggests that leasing companies should work more on introducing and improving the latter.
4. The fourth question was related to satisfaction with other rewards. Salespeople are dissatisfied with this area as well, similar to their responses to question 2, i.e. satisfaction with the rewarding system. As many as 45.5% respondents are dissatisfied while 54.5% are satisfied with other rewards, out of whom only 3.9% are very satisfied and 2.9% extremely satisfied.
5. The fifth question, how satisfied salespeople are with their relations with managers, produced responses where 73.3% said they are satisfied (at all the three levels), and 26.7% that they are dissatisfied.
6. With respect to their satisfaction with control by superiors, 84.7% answered that they are satisfied, and 15.3% that they are dissatisfied.
7. The seventh question pertained to sales staff's satisfaction with the freedom of sales activities. Responses are very interesting, since as many as 47.2% are dissatisfied, 21.6% being very dissatisfied and 25.6% dissatisfied. On the other hand, 52.8% respondents are satisfied with the freedom of sales activities. The responses suggest that some companies have reduced their sales activities to a set form and that salespeople who would like to introduce some additional sales activities of their own are dissatisfied.
8. The eighth question pertained to sales staff's satisfaction with other forms of motivation. As much as 90.9% is dissatisfied, 43.2% being very dissatisfied and 47.7% dissatisfied. On the other hand, there are only 9.1% satisfied, as follows: 8.5% are satisfied, 0.6% is very satisfied, and 0% extremely satisfied. It is evident that in this question, same as in the question about rewarding system, leasing companies have not done much, particularly since it was pointed out that sales staff are comparatively satisfied with the fixed salary.

6. CONCLUSION

In the area of sales staff motivation and rewarding, the establishment of a motivation system and tying performance with rewards seem to be a problem. If the rewarding system is not observed, or it has not been established, and employees find themselves in a situation where they work well and achieve the increased sales volume but are not rewarded, problems in sales arise. The existing conditions and lack of motivation achieve the opposite effect, and sales staff loses trust, are dissatisfied, and express their dissatisfaction through lower level of effort and poorer performance. A special form of negative effect in the area of motivation is the state where rewards have been given according to subjective estimate, and the inverse situation arises. Employees with better performance receive smaller rewards than those with

poorer performance. Such a state has a destructive effect since it demobilizes quality and successful salespeople, as well as the unsuccessful ones, since they relate their work with higher rewards.

The research has shown that directors' good work is most frequently shown with good results of sales or the employee group they head. However, in the opposite case, causes for deviation must be sought. The sales department may be poorly equipped with human resources, and it is necessary to help managers change some professional or other employees. In a longer term, it is the sales director who bears responsibility for unsuccessful employees in his/her sector. In some cases, it is possible that the director performs his/her function poorly, but sales achieve satisfactory results. It can be explained by a good time, i.e. high-quality human resources. However, in the ensuing period, one may expect poorer sales performance, since an incapable director will soon bring confusion into sales department, which will be manifested in poorer performance of sales or the group of staff he/she manages.

Assessment implies verification of successful or unsuccessful work and performance. The assessment itself is a complex and responsible process. Assessment is a basis for bypassing subjective estimates of individuals which may be due to different assessors' criteria, liking or disliking of the assessed, assessor's moods, different attachment of importance to individual tasks, etc. The time aspect of assessment is following: annual assessment (which coincides with the annual sales report, when economic and financial performance is revealed), occasional assessment (done in shorter intervals), and continuous work assessment (which derives from the permanent control of sales plan achievement).

It can be concluded from the research that increase in income is the greatest motivation for leasing services salespeople. Therefore, it is necessary to introduce and continually increase the scope of material and non-material rewards, since it may increase the volume of leasing services sales.

7. REFERENCES

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