Perceived issues Faced by the industrial sales persons in small Firms

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Abstract

Small firms are the engines of economic growth and play a pivotal role in the economic development of the country by creating job opportunities in the market. Small firms are part and parcel of Pakistan's industrial segment. In small firms, industrial salespersons play a significant role in the performance and development of industrial markets. This qualitative study explores the issues faced by the industrial salespersons in small firm settings. Purposive sampling is used to select the participants having rich information about the phenomenon. Semi-structured interviews are conducted along with grounded theory technique to capture and analyze the participants' perceptions and experiences. The study concludes that salespersons issues include sales activity planning, authority, customer behavior, market intelligence system, non-sales assignments, and personal/domestic assignments. It is recommended that the government through Small and Medium Enterprise Authority (SEMDA), Pakistan Industrial Development Corporations and other regulating bodies should provide training for the capacity building of industrial salespersons and owner-managers to deal with such issues.

Keywords: Small firms, Salespersons, Sales issues, Grounded theory

Introduction

The role of small firms in the economic development has long been recognized (Gray & Stanworth, 1991). Economic activities by small firms are of pivotal importance for economic growth. Business activities by small firms contribute to national output as well as the society as a whole (Stan, 2014). Small firms also play an important role in job creations. Many researchers have proved the fact. Birch (1979) Was one of the early researchers who pointed out the fact that small firms create more jobs than large firms. Birch's research attracted many researchers

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to prove the notion. Kirchhoff and Phillips (1988) examined U.S. job growth data concerning small and large firms and concluded that the small firms are creating more jobs than larger firms. Baldwin and Picot (1995) while working with the Canadian manufacturing sector, found that small establishments are better at creating more job than large establishments. Broersma and Gautier (1997) studied the Dutch manufacturing sector only to find that the rate of job creation is higher in small firms than those of large firms.

Geiger and Finch (2009) contribute that sales personnel play a significant role in the performance and development of industrial markets. Most research on sales considers the roles of different sales personnel – sales force, key account managers, sales managers extending at times to marketing managers – in contributing to their own companies.

Ashford, Lee, and Bobko (1989) suggest that ambiguous jobs, or those where change is common, are associated with perceptions of job insecurity. One method for decreasing perceptions of insecurity is to ensure there are high levels of communication between management and employees (Kinnunen, Mauno, Nätti, & Happonen, 2000), since this clarifies ambiguities and can assist employees in understanding role conflicts. More directly, management can look to shape the climate within the organization so that salespeople perceive the job environment to be less volatile. Sales managers are normally concerned with using salesperson performance evaluations as a basis for rewarding salespeople, identifying salespeople for promotion, and/or determining sales training needs (Cravens, Grant, Ingram, LaForge, & Young, 1992).

Although sales researchers and practitioners approach the salesperson performance area in different ways, the efforts of both groups tend to reflect the fact that 'sales' is a success-driven profession (Grove, LaForge, & Pickett, 1985). This orientation is due, in part, to the relative ease with which performance can be measured in sales, the competitive nature of the selling task, and the fact that successful sales force performance has a direct and fairly immediate impact on organizational performance(Darmon, 1990).

Churchill, Ford, and Walker (1979) posit that the antecedents to salesperson performance can be classified into the categories of salesperson aptitude, skills, role perceptions, and motivation, as well as personal, organizational, and environmental variables.

Empirical research suggested that sales managers will tend to attribute poor performance to the salesperson, while salespeople will typically attribute poor performance to factors beyond their control. These factors originate from inside and outside of the firm. (Ingram, Schwepker, &

Hutson, 1992). The present study aims to explore such factors in Pakistani settings.

Methodology
The interpretive qualitative approach has been used in this study. The interpretive approach, while locating the assumptions of all parties, points out to the researcher, the multiple definitions of a specific phenomenon (Denzin, 1989).

Sampling and Data collection
Purposive or theoretical sampling is used in this study. Purposive sampling is commonly used in qualitative research methods. In purposive sampling, the participants are selected as per the need of the study. The researcher chooses the participants who provide rich information which is required for detailed research (Michael Quinn Patton, 1980). The selection criteria for inclusion are professionals who have served as a salesperson (male) more than five years in an industrial firm. The total of six participants were chosen for the study meeting the said criteria. In the present study, the data collection is done through semi-structured interviews. In addition to the first interview of 40-50 minutes, a follow-up interview was also conducted for further exploration of a concept or explanation of ambiguous statements already recorded as per requirements. The interviews were audio recorded and transcribed for analysis.

Data were analyzed using software, i.e. Atlas.ti version 7, until theoretical saturation was reached, i.e. no new or relevant data emerged (Strauss & Corbin, 1998).

Table 3-1. Interviewees' profiles

S.No	Pseudonym	Experience	Industry
1	Waheed Azam(Participant-1)	06 years	Engineering
2	Irfan Malik (Participant-2)	07 years	Engineering
3	Ahmed Javed (Participant-3)	06 years	Engineering
4	Mian Tahir (Participant-4)	09 years	Engineering
5	Raja Rizwan (Participant-5)	05 years	Engineering
6	Shahid Ali (Participant-6)	07 years	Engineering

Data Analysis
Grounded theory, which uses inductive approach, as data analysis methodology was used (Creswell, 2009). The methodology uses a constant comparison approach which is useful in the conceptualization of

themes (Grbich, 2007)). Based on the Strauss model, the axial coding was used in which categories were grouped together emerging from the open coding using in vivo code names and/or new names suggested by the researcher. The transcriptions of interviews were coded first manually and then using software, i.e. Atlas.ti. This (two staged) coding process provided the required triangulation for analysis comparing the manual and software driven codes and arriving at a consensus. Some of the themes were merged with suitable themes due to the low representation form transcribed data. Further investigations revealed the themes directly relating to the research questions and were reported.

Procedural constraints
Different strategies could be used to determine the validity and to check the accuracy of the findings. Member checking was used for the accuracy of findings. The final report or transcription was taken back to the participant to determine the accuracy (Creswell, 2009). Credibility, trustworthiness, and authenticity helped to capture Validity (Creswell & Miller, 2000). Trustworthiness is determined by dependability, credibility, transferability, and conformability. Credibility is established when the researcher analyses the data, develops themes that accurately depict the experience. Credibility was established through member checking, i.e. sending transcripts to the participants for review and verification. Each participant agreed to his transcript. Purposive sampling increased understanding by selecting participants who have rich experiences of the phenomenon under investigation (Michael Q Patton, 2002). Dependability was established with the audit trail that involves maintaining and preserving all transcripts, audiotapes, and notes, etc. Authenticity was established through reporting each participant's experiences in a way that it maintains respect for the context and presents all perspectives so that the reader could reach an impartial decision. Confirm-ability was established through linking the data to sources.

Ethical Considerations
As the research data is about people and it is collected from people(Punch, 2005), it is ethical to develop trust with the participant and to safeguard the research integrity. Also, anything, i.e. impropriety or misconduct that can reflect on the firm must be avoided (Creswell, 2009). The participant's rights, desires, needs must be obliged by the researcher. To protect the rights of a participant, following safeguards were used:

    1. The participant was informed in writing about the nature of the study and his voluntary nature. Also, he was informed that he

could refuse to answer any question any time during the interview.

2. The participant was informed in writing that he could withdraw from the research study anytime.
3. The research objectives were described in writing to the participant.
4. The participant was asked to go through, and upon agreement, requested to sign the written consent form.
5. The participant was informed in writing about the data collection methods and related activities.
6. To ensure the safety of the participant, data collection and analysis was monitored and kept confidential.
7. Transcription and interpretations were presented in writing to the participant to ensure accuracy and agreement.

Research Findings
The research findings have been consolidated under relevant themes. Total seven themes were drawn from data after analysis. Themes include sales activity planning, authority, customer behavior, market intelligence system, non-sales assignments, and personal/domestic assignments.

Sales Activity Planning
Consistent with the literature, the participant agreed that the planning is not formal in small companies. There is no formal sales plan with a clear objective. Only sales targets are given to the salespersons which they have to achieve. There is no documentation about the sales plan and activities. Sometimes segments are allocated to the salespersons like industry sales, visiting the consultants of the different project or sometimes areas are allocated like north, central, etc. One participant shares:

> *"No. not in single owner company there is no formal planning. They only check for one month, like this is my expense including salary and this is the benefit I am getting it. (Participant 6)"*

In the absence of the clear sales plan, the growth of the company remains undecided. Only the good sales figures are considered. Sometimes informal meetings are done, and new targets are set which are purely based on the previous sales figure, and new targets are just the increase in the previous year target.

Authority

Participants were of the view that they do not have full authority to plan the sales activities. They develop a raw plan in their minds that which customers to follow and when to target them. Once they have a raw plan, they need to discuss with the owner-manager. The discussion is even informal like just leaving the office, owner-manager talks to some available salespersons and ask about the sales activities. Sometimes he rejects the planned activity and redirects the salesperson's efforts to some other segment or client. The sentiments of most participants are summarized in the following quote:

> *"Basically it is a two-faced policy. You have full authority, and at the same time, you do not have full authority. Suppose you plan that this week you will spend one week out of office and will touch some areas or cities. The single owner usually forgets that what authority he has delegated or what he promised. So every two-three days you are inquired about your sales activities that what are you doing, what happened so far. What are the results? What are you doing? Yes, planning is done, but the plan is disturbed the halfway. (Participant 2)"*

They enjoy the partial authority, they can plan at their own, but the plan is not confirmed because of the interruption by the owner-manager. The owner-manager based on the personal information about some client rejects the customer. For instance, one participant stated:

> *"No there is no full authority, you make a plan and share with owner. Sometimes the owners tell that do not go to this company because they do not have good payment history, so as per his guidance we work. (Participant 5)"*

Customer Behavior

Participants expressed their displeasure for the customer behavior because customer sometimes keeps you waiting just for nothing or salespersons need to visit repeatedly for no reason. One participant expresses it in the following quote:

> *"People keep you waiting, they pose as they are busy, but actually they are not. In Pakistan, they have favoritism, and they do not pay attention to that who is not engaged with them. So we wait sometimes for long. (Participant 4)"*

In addition to the above, a customer in technical industries sometimes does not know about the product's technical specification, and they do not know how to compare the product with the competing products. Also, customers' liking and disliking of a company also create a

problem. Sometimes the customer is not paying attention. The following quote best summarizes this situation:

> *"The market has its own problem and behavior like the client is not giving you time or if time is given, proper attention is not given in the first meeting. Also, the client has his personal liking and disliking. He may like one company not other, these type of difficulties are faced. Another issue is that even if you are given a chance and quotation is received but only for comparison and project is awarded to some other company (Participant 5)"*

Market Intelligence System

There is no proper market intelligence system. The information about the new project or new customers is all dependent on the efforts of the salespersons. Sometimes they get the information from their suppliers, or some customers give them the information about the project or business. Salespersons move in the market on a daily basis visiting existing and new customer. So the information about the new project or company is collected from different market sources. One participant sums it up in the following quote:

> *"It is like that, our vendors and supplier give us the information that the new factory is being established and then we plan to visit or meet. (Participant 3)"*

In addition to market sources, sometimes owner-manager also uses his references. Owner-manager has his circle of influence, and he himself gives the information about new projects or new business opportunity. If he gets some information about the business opportunity, he shares it with the relevant team member.

The essence of the market intelligent system is to remain in touch with the market. The more you visit the market, the more information you get about the new business opportunities.

Market Behavior

Almost all the participants were agreed that the Pakistani market is unfair. Projects are awarded on the liking/disliking or commissions, kickbacks, etc. The market is plagued with this evil. When the commission is paid then quality is compromised. One participant whose experience resonates that of the majority of the participants recalls:

> *"It is 50-50. Kickbacks and commissions are involved and without this business is not possible, means if we win ten orders in years, for example, 8 out of 10 are based on commission and kickbacks. Only 2 to 3 orders are maximum which are on fair bases. And even those are in the places where the owner is dealing, but where an employee or middleman is dealing, they have their cushions. (Participant 3)"*

One crucial point is that where the owner of the client company is directly dealing, there he will see for his interest like discounts or quick delivery, etc. But where the employee of the client company is involved, there is a greater chance that he would demand the commission.

Non-sales assignments
Almost all the participants expressed their displeasure about the issue. Owner-manager being the boss assigns some other task beyond scope like if a salesperson is going to meet a customer, the owner-manager asks the sales persons to deposit the cheque in the bank while going to the customer even the accountant is available but he assigns the tasks to the salespersons because he is going in the same direction where the bank is located. As noted by one participant:

> *"Yes, it happens more often. You are a salesperson but you are looking after bank matter, purchase or even installation work. (Participant 5")*

The non-sales activities sometimes delay sales activities, but the owner-manager at the end of the year will not accept if you the reason with him that the low target is just because of other assignments you gave to me (salesperson) as evident in the following quote:

> *"No, he never accepts the reason. He will have his reasons, and he will say at a later stage that you should have done that not this. (Participant 4)"*

Personal/domestic assignments
Owner-manager also asks for the personal favors like picking the child from the school or paying the utility bills of his house. One of the participants pointed out this in the following quote:

> *"Yes, multiple works you do. Even personal work of owner you do. Besides sales, deliveries, and others, there are multiple jobs you do. (Participant-2)"*

This behavior is not only for salespersons, but also the same personal works/favors are asked to the other employees of the company, i.e. storekeeper, accountant, and others.

The personal assignment frustrates the salesperson because he thinks that this is not his job and due to these personal assignments, the actual work is being delayed or disturbed. Sometimes a newcomer in the sales department, having no experience or less experience, do not hesitate to perform owner-manager's personal work because they think they are being paid, whatever the job is, they need money. One of the participants expressed it in the following quote:

"The people who typically work in marketing and enjoy working in their field, they feel stressed. But some people just say no problem, I am getting pay, no problem if the owner asks me for, some job, even if owner ask for sitting in the factory, it's ok, I am getting paid on a monthly basis. But pure marketing personnel will be stressed that let me do my job (Participant 3)"

Conclusion

The purpose of the research is to explore the perceived issues faced by the industrial salespersons in small firms. Small firms are different from large firms as the large firms have proper structure and operations. But the small firms, operating under sole proprietor or owner-manager behave differently. The owner-manager is the sole authority and directly deals with all the business operations including finance, marketing/sales, manufacturing, etc. Industrial salespersons directly work under the management of owner-manager. While working in small firms, salespersons face multiple issues performing their activities. Firstly, there is no planning in small firms. Formal sales planning provides you a clear line of action with defined goals and objectives. Accordingly, strategies are developed to achieve those goals and objective. In the absence of such formal plan, salespersons themselves devise plan individually and work accordingly. Every salesperson is not good at developing plans. They start going to market and get the information about the business opportunity. These directionless efforts make do not produce desired results. The sales target or not based on the actual market situation. Owner-manager set the sales targets which are generally increased every year. Economic conditions or business policies of the government are not taken into considerations. Secondly, salespersons do not enjoy full authority to plan. They definitely plan themselves about their sales activities, but they need to take approval or discuss with the owner-manager. Owner-manager sometimes rejects their plan which frustrates the salespersons. Sometimes, his information about the customer is true but many times that is not real. Thirdly, salespersons face problems form customer side. Customers make them repeatedly visits their company even they are not serious in dealing with salespersons' company. They will keep them waiting just for nothing. Also, industrial salespersons also face technical evaluation issues. Many times customers are technically weak or have no knowledge about the product and are not able to make good comparisons between competing products. Fourthly, salespersons do not have any market intelligence system that where the new business opportunities are being generated. They generally get the information from their suppliers, consultants or project engineers. Accordingly, to the participants, these are the best sources of information. Also, daily visits

to the market also provide them the information about upcoming projects and companies. Fifthly, salespersons also face issues from within market. The industrial market in Pakistan is plagued with commissions and kickbacks. The award of the project is generally based on commissions. As reported by the participants, 8 out of 10 projects are based on commissions. Sixthly, salespersons, in addition to business/sales activities need to perform other non-sales assignments. In single owner companies, owner-manager is the boss, and he sometimes assigns non-sales tasks to salespersons like depositing cheques in banks or going to store for checking the stock, etc. Also, personal or domestic works are also assigned like paying utility bills while visiting the customers. These personal/non-sales assignments delays sales activities and a lot of precious time is wasted.

It is highly recommended that the owner-manager must not involve the salespersons in other assignments not directly relating to their basic job, i.e. sales activities. Also, salespersons may get the information from the chamber of commerce and other bodies. Being the member of these bodies will give them the information about new companies and business opportunities in the market. The government should step forward and provide capacity building training to the salesperson and owner-managers through the Ministry of Industries & Production and its allied corporations, i.e. SMEDA, PIDC, etc.

The above discussion details about the problems faced by salespersons. The future researcher may work on the way the salespersons handle those issues. Every salesperson would have his way of dealing with these issues. This study is limited only to the electrical companies; future researchers may work on other industries like civil or mechanical.

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