

Motivating the Sales Force

1. Introduction to Sales Force Motivation

Sales management is concerned with the personal selling activities of its company's supply force. To induce these people to produce good results to the maximum of their energy and capacity, it is important to motivate them. Our challenge mainly lies in motivating, training, and deploying a sales team to promote and market our products and thus achieve company goals. However, the motivation of the sales force is faced with the peculiar problem of the inability to make use of commission as a motivation in the form of rewarding an employee.

Motivating the sales force is vital to the organization to meet its targets and objectives. Motivation is very much required as it helps the company achieve its efficiencies to meet customer needs effectively, which in return will result in opening new opportunities for greater ROI and better reputation. From the above two examples, it is clear that in a company, products are sold by a sales team, and motivation is a very important tool and technique to make them work effectively. The interest of the management is increased by motivating the individual sales team members. They try to provide an additional push to get the job done. A significant area that deserves the attention of a sales manager is sales force motivation. In the next steps, we will be discussing in detail team motivation and accordingly providing various techniques for motivating the sales team to reach targets and goals set by the organization. The sales force motivation process is basically a seven-stage process, and these seven stages will be discussed in the next step.

1.1. Importance of Motivating Sales Teams

Motivating sales personnel is essential for building a successful sales career that involves not only longer tenure but also higher productivity and results. Several studies have tried to find a direct correlation between motivation and performance factors, showing that motivation can impact sales performance-related metrics. Businesses lose a hefty percentage of productivity because of low morale and motivation among sales forces.

Moreover, the cost of employee turnover is often estimated as two times an employee's average annual salary. One of the factors behind low employee turnover

is the kind of atmosphere the organization maintains, which is instrumental in retaining high-quality employees. One of the ways to achieve this is to keep employees motivated. Therefore, focusing on motivation and setting good goals to keep an employee's morale up is very essential. Turning ordinary people into extraordinary individuals is a sure sign of an organization's success in building a successful sales force. For some organizations, motivation is about money, but to create a truly motivated sales force, it is important that the organization has a blend of both intrinsic and extrinsic motivation, as intrinsic motivators keep changing.

It is often quoted that the two simplest yet most powerful levers that a sales manager can leverage are personal drive and making someone feel important and valued. Finally, when you turn average ordinary salespersons into more than extraordinary people, you can tap into the market that is up for grabs because of the mediocre and average levels prevalent among the competition. Since every organization is playing against the same ground realities, motivation is the force that spells the difference in the success and failure of companies. Everybody involved in sales has an opinion on how best to motivate people. The fact that so much has been written and spoken about only reflects the myriad ways in which an individual can be motivated.

2. Theoretical Foundations of Motivation in Sales

Several psychological theories have discussed and analyzed the foundational structure of motivation and its driving forces. Some theories of motivation are directly applicable to the sales context. For example, according to Herzberg's 'two-factor theory,' there are intrinsic motivating factors (motivators) and extrinsic hygiene factors (hygienes). Similarly, McClelland's 'need theory' classified people's needs into three motivational need levels. Maslow's 'need hierarchy theory' suggests that different people are motivated by different needs. May viewed managers as self-actualizing individuals working to self-actualize their followers. Hackman and Oldham's 'motivation-hygiene theory' is based on the idea that certain aspects of a job can result in a high level of motivation and are referred to as the 'motivating potential of the job.' Similarly, Vroom's 'expectancy theory' suggests the rational choice model derived from the mental calculation of man. He proposed one level of motivation towards goal attainment that was closely linked to effort-to-performance expectation.

Understanding the above-mentioned motivational theories in sales requires challenging theoretical projections on real points to motivate. Several researchers with profound research have posited practical theories regarding sales force motivation, learning, and salesperson performance. It can be a mirror for managers or executives working in the field of sales to intertwine academic theory with the practice of sales force motivation. Indeed, these studies were carried out to establish a framework with the recipients of what should be presented to the sales organization. Applying sales force motivation models enables a better measuring standard for what drives sales behaviors and results. For example, Maslow's Hierarchy of Needs and Herzberg's motivator-hygiene models establish the need for a comprehensive, in-depth understanding of these foundational theories as part of sales management to incorporate motivation strategies to attract and instigate selection. In addition, it will be essential for motivating through the direction of performance standards, such as improving balloon values, modified escalating confederation influence, follow-up strategies, and increasing service levels.

2.1. Maslow's Hierarchy of Needs in Sales Motivation

Maslow's Hierarchy of Needs

Though originating from an earlier era, Maslow's theory has found renewed attention in the area of sales. The hierarchy encompasses five ascending levels – from bottom to top: physiological needs, safety needs, social needs, esteem needs, and self-actualization. What impact does this hierarchy of needs have for managers of sales professionals? Certainly, understanding the unique needs and desires of each employee is a critical step in the development of motivation strategies. Moreover, motivational techniques have been associated with these levels of need, providing sales managers with a frame of reference when developing motivational techniques that target particular groups of employees according to the level of need addressed.

Managers are able to utilize motivational techniques at various levels to focus on the specific needs of their salespeople. In this light, it is essential that sales managers examine how Maslow's hierarchy of needs applies within the sales industry. Not only will this help to foster supportive and highly productive environments, but there now exists a requirement for empirical studies that examine how sales managers are indeed putting such a psychological framework to task within the realm of their sales force. Summarily, Maslow's hierarchy of needs indicates that

different needs will dominate individuals' behavior at any given time. Focusing on these needs leads to measurements of job satisfaction and of the motivational basis for work performance. Each of the five layers of the hierarchy is examined in light relevant to the activities and demands of sales roles, in order to assist sales management personnel in applying generic principles of need fulfillment to specific selling settings.

3. Types of Sales Incentives

Sales personnel work in many different situations, so having a set of motivational tools available is important. The types of incentives used to motivate sales personnel can be categorized into two primary types: monetary and nonmonetary. Monetary incentives range from base pay to sales commissions. Nonmonetary incentives include things such as paid vacations, public recognition, and praise. Monetary incentives can help organizations achieve greater control and recruit and keep talented employees. Nonmonetary incentives appeal to salespeople's emotional and social needs. When designed and used effectively, incentives can greatly impact sales behaviors and outcomes. Incentives can focus sales personnel on the selling activities that have the most potential for leading to a satisfied customer and the specific sales results that matter most. Importantly, sales theorists suggest that marketing-driven and business system objectives should be the basis for designing and administering sales incentives. This indicates that sales managers are able to get the most out of their sales force if they are able to combine monetary and nonmonetary incentives to better appeal to a wide range of sales personnel needs and desires. The rewards that are likely to work with any sales personnel will depend upon their place in the needs hierarchy. Incentives such as personal praise or holidays may appeal to those at the top end of Maslow's hierarchy, but they are unlikely to appeal to those at the lower levels with such a long way to go before such incentives have any meaning. Effective sales organization performance management involves a variety of incentives. It also means continuously evaluating how to draw in and motivate a range of sales personnel.

3.1. Monetary Incentives

Monetary incentives are the most widely used tools to motivate the sales force. The main monetary form of sales compensation is a commission on sales. Generally, a firm can also offer salespeople a bonus for achieving or exceeding predefined sales targets. The third form, a commission plus bonus, is used less often. In addition to

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incentive payments, salespeople typically receive some guaranteed pay or base salary. It is a common practice for foreign sales managers to set a compensation package for junior salespeople based on a basic salary, while for senior salespeople or main team leaders in a foreign office, additional benefits may be attached, such as accommodation and tax provisions. Sales managers are expected to keep pushing sales targets up. Sales professionals are hired specifically to achieve more than an administrative staff member, and generally, rank and pay are management tools or methods of motivation.

Can monetary incentives help salespeople achieve their sales targets? Most economic theories will tell us that they can. In fact, the truth is that financial incentives may sometimes double or triple a salesperson's effort; that is, if this effort was low in the first place. Of all contextual variables that managers can control in an attempt to improve sales force performance, financial incentives are usually viewed as highly important; that is, although it has been recognized that they are not always appropriate for sales positions and some improve performance to a greater extent than others. The performance of the sales force can be increased by managerial actions that alter the potential of valuable outcomes. Salespeople conceptualize their sales activity as a process with the goal of arriving at a specific cash flow value by a specific future end date. Such a process makes clear their earnings objective. The use of financial resources is also a means of making one's sales job more rewarding than any alternative employment, and it plays a part in attracting and retaining salespeople with their value systems.

Monetary rewards promote the competitiveness of sales personnel; that is, they encourage sales personnel to outperform one another. Still, money is often not the most important motivator and should not always be relied upon to motivate individuals to perform. Monetary rewards can be used against management or the company incentives. Sales personnel may also believe that monetary rewards are not given out on the basis of performance but that personal bias plays a large role in who gets the rewards, and for this reason of perceived unfairness may not be an adequate motivator. When potentially demotivated, sales staff and supervisors can be motivated instead through the use of monetary rewards, but a fair system should be in place and used as guidelines to prevent injustices and cause consistency.

4. Non-Monetary Incentives

Recognition and praise are other non-financial ways to motivate people; being seldom seen in the current performance and reward management literature, it should be noted that this highly motivates sales professionals. Career development is another reason why a sales team may have underperformed; this is linked intrinsically, as staff will work harder if they can see that they are moving through a career path. As with respect and gratitude, offering career development is a means to show trust in employees and acknowledge their growth and progression within the organization. Non-monetary incentives do address intrinsic motivation; employees will be gaining rewards that meet their aspirations and therefore would work "for love" and not "for money". Extrinsic financial rewards only target extrinsic motivation.

Non-monetary rewards are saving schemes, non-financial bonuses, as well as additional perks, such as extra holiday. The reason why non-monetary rewards are more beneficial to an individual's psychological well-being than money is due to the fact that people do not spend money on themselves but on the lifestyle, friends, and social purposes to which they live. There are many organizations that utilize non-monetary incentive schemes. Various media firms have discount schemes involving a range of goods and services. There is a belief that a combination of monetary and non-monetary rewards works best.

4.1. Recognition and Awards

Recognition and awards are an important type of non-monetary incentive that can motivate employees. Recognition is a key way to show employees that they are valued and appreciated for the work they do. In a sales environment, recognition is essential for a variety of reasons. It can improve morale and motivation among the sales staff, who already feel undervalued due to their high involuntary churn and expectancy of high earnings. Recognition is most effective when it is immediate and given soon after the event being acknowledged. This is because the activities, skills, behaviors, and attitudes that you want to recognize and encourage are still fresh in the minds of the sales staff. It also becomes an unexpected delight and bolsters the morale of the salesperson when the recognition arrives suddenly and suits the moment.

There are many ways you can recognize the achievements of your sales force. Simple verbal praise from the manager can be an effective reward. You might give

certificates for particular achievements, such as 'best sales week' or 'most increase in a single KPI'. Recognizing both individual and team achievements can be conducive, as praise motivates people, and doing so by team can engender a team spirit and combat isolation in the workplace. Another form of recognition is public acknowledgment of the person or team's achievement at sales meetings, on posters, and in newsletters. Broadcasting the morale-boosting praise to others means that the successful person or team gets a lift from feeling appreciated and recognized by their peers.

Awards, that is, a public acknowledgment of an achievement given in a tangible form, have become increasingly popular. Sales awards can be designed to both recognize the recipients and motivate other staff. When this is an objective of an award, then the way in which the criteria for the prize are communicated can be very motivational. You can also create an environment of competition and camaraderie by letting the sales force recommend their peers and be part of the decision-making for awards. The recipients, and other salespeople who would like to win the award, will be highly motivated and engaged, not only with sales but with all areas of their jobs. And of course, the benefits for the company are also likely to be substantial as activities and results will improve. It requires parameters to make it fair and transparent. All activity at work that is worth recognizing through an incentive award usually falls into three categories: effort, behaviors, and outcomes. Encouraging any one of these will result in enhanced job performance. Outcomes and effort are the things that directly breed success. Inputs are the factors that successful people do, and they can and should be copied. Inputs are easy to spot, far less subjective and controversial than outcomes. Another valuable effect of recognition is as a form of reinforcement of the activities and results you desire and have targeted. Positive reinforcement plays a most valuable role in management on its effectiveness in providing to shape long-term cultural change which reinforces desired behavior and drives customer service excellence.

5. Sales Training and Development

Sales Training and Development

Continuous learning has become popular as organizations seek to further educate and motivate people. This holds true in sales, where the amount of knowledge and skills required is ever-increasing and very relevant to job success. The importance of product and service knowledge cannot be overemphasized. Training has been

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shown to improve productivity in organizations, and the resulting increase in output has material financial rewards. There is also evidence to suggest that those salespeople who perceive that they are skilled in some aspect of the job are motivated to 'do well' and hence exhibit higher confidence and, in turn, higher sales levels. Over 90% of sales professionals receive some kind of training. The methods of training and development in sales are varied, including corporate universities, workshops, conferences, selling and management training, e-learning, product and service training, training on ethics and legal issues, personality and skills training, and coaching for sales brokers and agents among many others. Tailored training sessions are becoming popular as different salespeople have different skills and experiences when it comes to the job, and training methods need to be appropriate to the job requirements of the different groups.

Opportunities to learn are a consistent determinant of job and work experience and job satisfaction, thereby highlighting the importance of development opportunities such as training. Research shows that the extent to which a firm develops its employees also has repercussions for their job satisfaction. Internal career development has been shown to significantly relate to job satisfaction and, in turn, turnover. Employees who receive developmental opportunities, undergo self-directed training and developmental assignments, and receive encouragement to continue to learn and grow are more satisfied. More than 50% of salespeople receive motivation from training, stating that they find training to be difficult and time-consuming but also necessary due to their lack of product knowledge. If a sales force is continuously in training, it can have negative consequences, as salespeople feel that they are not getting on with their primary role—sales. Therefore, on-the-job training methods that can develop while working are more desirable as an ongoing daily operation. So, training and development can serve as a potential source of motivation, energy, commitment, retention, and ultimately organizational optimization. Based on the literature research undertaken and the above evidence, training and development through educational workshop programs emerge as a vital strategic human resource tool in any organization. It serves as a potential source of revitalization and extends the capabilities and expertise of each employee—molding, reshaping, redefining, and rebranding them with the skills and competencies required for the operation of an efficient and profitable business entity. It can serve to portray the organization as one that values and appreciates the need for its workforce to grow and evolve in stock knowledge to make them more effective in their roles. Furthermore, training is both a criterion and a

consequence, as well as a bolt-on socialization strategy and a support mechanism. Depending on the individual or group of individuals and the experience they gain during the process, the reaction, learning, behavior, and results help contribute to and shape the culture of the organization in the years to come, provided that they enjoyed the whole process. This is not to say that training professionals are cavalier and merely 'chat and giggle' with the participants!

5.1. Role of Training in Motivating Sales Teams

One of HR's important roles is to help improve morale and motivation, and one of the ways they do that is by training. Training in itself is generally thought of as an impetus for motivation. If employees can see that their employers are investing in them, they are more positive about their job and their prospects. Training is a tool for motivating others, provided it is in essence what the employee wants and the training is designed to promote this need. Training is one way employees are encouraged to work harder and achieve higher levels of job performance. The acquisition of new skills will build the confidence of staff and increase their promotion opportunities. However, empathy should be practiced at the organizational level because the training needs of the employees are often quite different from the trainees' point of view. The individual realizes that training would assist their own career development. Similarly, some organizations set up training routines and procedures that are based entirely on organizational needs and not the employees'. They need to be integrated if training is going to be effective, popular, and provide a basis for growth.

What are the salient features of training that may motivate people to learn and implement their learning? The different components of training, which may act as variables for motivation, are as follows. New skills and competencies inject fresh excitement into an otherwise dull job. Learning can facilitate internal promotions as new skills add to one's portfolio, which, as a consequence, also act as a motivator. New technical knowledge and exposure to people from other organizations can bring about new perspectives on one's own job. Confidence is built through continuous learning and its actual application in the workplace, which provides a sense of fulfillment. The learner should identify the broader, long-term goal or objective of the organization that the training department, hence the training program, is trying to fulfill. As the trainee gets to the actual classroom training, the form or process of training also determines the outcome. Different learning styles can be catered to in different formats, such as lectures, case studies, role plays, and

Q&A sessions. Furthermore, the learning process is accelerated if prior participants share the learning they have experienced, failed to experience, and why. Valuable time is not wasted on content the trainees already understand or think they understand. Ongoing training also has long-term benefits. Empowering employees assists their self-esteem, and they are then more positive about their jobs. The discussion in organizations becomes one of growth and contribution rather than discussions focused on problems. By focusing on the employee and continuous training, businesses can cultivate an enthusiastic and motivated workforce.

6. Leadership and Sales Force Motivation

This paper is aimed at examining the important literature on sales force motivation for the effective functioning of an organization and its sales force. Leadership is a significant antecedent of sales personnel motivation. By facilitating an environment of trust, the salesperson is motivated to go beyond the normal call of duty and improve work outcomes. Certain leadership styles, such as supportive and transformational, have a direct relationship with job satisfaction, work involvement, and job performance. The process of motivation is a complete cycle in which employees are motivated to work and increase their productivity; in turn, salespersons' motivation is as high as the expectations the manager has of his or her subordinate.

Communication from a sales manager also has an impact on the motivation of salespersons. A structured ongoing communication plan from a sales manager is positively related to sales force motivational levels. The sales leader must keep the sales force motivated to achieve his or her desired results and, in the process, their desired career goals. This is possible only if the sales manager and his superiors view motivation as a continuous process. Various theories are reviewed to understand team motivation in a high-performance sales job. Managerial implications are then discussed in which companies can focus on employees' personal career goals for sales force motivation. Leadership is a significant antecedent and the most influential factor in the motivational cycle. The literature suggests that supportive leadership spurs the job satisfaction of salespersons. Exemplary leadership, where leaders set high standards and present these standards proudly to others, can boost the cognitive motivational processes in the sales force, such as increasing work attention, motivation, dedication, involvement, a sense of purpose, and job performance.

6.1. Transformational Leadership in Sales

For many scholars, transformational leadership is the most promising leadership approach to motivate one's sales force since it reflects the potential of leaders to have a strong impact on individual and group attitudes, values, and behavior through the use of their interpersonal exchanges with their followers. Transformational leadership has been found to be a significant predictor of the sales force's job performance. The transformational leader has typically been described as one who has a vision and who is able to communicate to his or her followers the path the organization intends to follow in order to achieve specific goals. Transformational leaders are characterized by a number of behaviors, norms, and values. The most familiar of these dimensions is charisma. But transformational leaders also share a vision, make emotive appeals to enhance team performance, act confidently, take risks, and attract enthusiastic followers. They are empathetic and have respect for their followers. They listen, coach, and individually consider their personnel. They pay attention to people, and when something is not right, they deal with the matter. In general, transformational leaders are able to inspire ordinary people to obtain extraordinary results. To further motivate people, transformational leaders strive to strongly connect subordinates to the company. There are two reasons for this: inside the right firm, the leader can add rewards to the more beneficial way of organizing the company; as such, the environment creates value for the leader.

7. Measuring the Effectiveness of Sales Force Motivation

In order to improve the motivational strategies possibly used in our sales force, the effectiveness of such motivation needs to be measured. There are many different methods, and managers should also use personal judgments in evaluating performance on the job. Key performance indicators (KPIs) demonstrate the amount, quantity, financial differences, and time spent on non-business sales training and training rejectors. It is recommended that there be a strong relationship between the level of motivation and the performance of what comes about. Enhancing and reducing them for a while gives the most wonderful position to detect their effects. Both of these tests are advised, alongside an evaluation of the work context. We must experiment with the results on productive job sites.

Assessing motivational processes is no easy task due to motivation's subjective nature. Yet it is important to quantify and measure the effectiveness of company

motivators, and in particular sales force incentive pay plans. Motivation is critical. Each position in this organization is exposed to a different set of factors, and the necessity of motivational monitoring to manage and monitor the employees is critical insofar as it reflects on the services delivered by this organization.

7.1. Key Performance Indicators (KPIs)

7.1. Key Performance Indicators (KPIs)

Our research indicates that one way to assess the effectiveness of motivational tactics used within a sales force is through the identification of Key Performance Indicators (KPIs) that can be tracked and analyzed using all pre-written material in a structured way. KPIs are measurable values that demonstrate how well salespeople are achieving various business objectives over a given period of time. Exporting attracted or retained business into appropriate KPIs could show how the business is motivated using a range of strategies. Revenue generated via short-term financial rewards to the sales force may indeed be compared to the KPIs making up net present value should this managerial behavior not exist.

The firm is asked to formally establish KPIs with sales managers so that they can monitor the effectiveness of their strategies. When short-term behavior changes to engage with the KPIs that have been set, revenue will flow more easily. Hence, the KPIs will help the sales professionals' attempts to steer work on the behaviors of the sales force. To do this, the nature of the KPIs must be identified and tested before they can be tracked on a continuous basis. The most effective and useful KPIs are those that can be compared against well-established references. Although most recognize that KPIs are useful for understanding business performance, many do not recognize the critical role of KPIs as part of a system that can drive a business towards its goals. Keep in mind that adequate resources must be committed on the information technology front to properly survey the KPIs in real-time, as many different ones to motivate a team will be used. Further, the selection of responses and formulas identifies the performance. The results can be used as part of an audit, which will identify potential improvements in the performance measures for the future and the organization's business processes. Standard performance measures are representations of percentages, a range on which negotiates responses within human judgment and cannot be tracked using information systems because nothing of the jobs done by human judgment can be used to measure and track results or come through a periodical difference that has been established earlier. A number of

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sales performance measures could not be established with some responses. (Good et al.2022)(Ahmad et al., 2021)(Murphy & Anderson, 2020)(Charoensukmongkol & Pandey, 2020)(Febrianti and SE2020)(Tumi et al.2022)(Bolander et al.2020)(Hughes & Ogilvie, 2020)

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