How About the Low Performers?
A study on below average salesmen

Business Administration
Master’s Thesis
30 ECTS

Term: Autumn 2012
Supervisor: Per Echeverri
# Contents

Abstract .............................................................................................................. 6

1. Introduction ....................................................................................................... 8
   1.1. Background of the study ............................................................................. 8
   1.2. Statement of the problem and theoretical framework................................. 8
   1.3. Research question ..................................................................................... 11
   1.4. What are the differences between two nations? ........................................ 11

2. Literature Review: ............................................................................................ 12
   2.1. Performance .................................................................................................. 12
       2.1.1. Performance evaluation and criteria ..................................................... 12
   2.2. Sales force turnover and engagement: ......................................................... 14
       2.2.1. General overview on turnover: .............................................................. 14
       2.2.2. Sales person turnover: ......................................................................... 15
       2.2.3. The reason for sales person turnover: .................................................. 16
       2.2.4. Sales force turnover and low performer: ............................................. 16
       2.2.5. Employee engagement and turnover: ................................................... 17
   2.3. HRM View on this issue: .............................................................................. 19
       2.3.1. Why the leaving person’s costs are important? ..................................... 19
   2.4. Unethical Behavior, an organizational widespread phenomenon: ............... 19
       2.4.1. Unethical Behavior, where and how? .................................................... 19
       2.4.2. How would Sales Managers’ influence on unethical behaviors? ............ 20

3. Methodology ...................................................................................................... 21
   3.1. Research design ........................................................................................... 21
   3.2. Research process .......................................................................................... 21
   3.3. Research method ........................................................................................... 22
       3.3.1. Sampling method, reliability and validity .............................................. 22
       3.3.2. Interview .............................................................................................. 23
       3.3.3. Questionnaire ...................................................................................... 24

4. Results ................................................................................................................. 26
   4.1. Introduction ................................................................................................... 26
   4.2. Findings based on the questionnaire ............................................................. 26
   4.3. Findings based on the Managerial interviews .............................................. 33
   4.4. Managerial Finding about Performance: .................................................... 34
       4.4.1. Good performance: ............................................................................. 34
4.4.2. Criteria of measuring salesmen’s performance: ........................................34
4.4.3. Pressure is higher in sales department:..................................................35
4.4.4. Firms and Managers role on the salespeople’s performance: .................36
4.4.5. Managerial approach about low performers: ..........................................36

4.5. Managerial Finding about Job Engagement and employees turnover: ..........37
4.5.1. Is Salespeople’s turnover rate higher than the other departments? ..........37
4.5.2. Turnover associated with high costs (hidden costs and direct costs). Awareness of the costs and comparing those costs with other departments: .........................38
4.5.3. Strategy to keep the key salesmen:..........................................................38
4.5.4. Low performers’ depart, beneficial or costly? ........................................38
4.5.5. Employee’s engagement as a solution for improving performance and decreasing employees’ turnover: ..............................................................39

4.6. Managerial Finding about Ethic: ...............................................................40
4.6.1. Is there more unethical behavior in sales department in comparison with other departments? ..................................................................................40
4.6.2. Managers’ role and impact on unethical behavior; an unethical issue in relation with people performance: .................................................................40

5. Discussion: .....................................................................................................42
5.1. Performance ................................................................................................42
5.1.1. Performance and its measurement criteria .............................................42
5.1.2. Performance vs. Management ...............................................................43
5.1.3. Meetings’ influence on performance ......................................................45
5.1.4. Effect of pressure on Performance ........................................................45
5.1.5. Freedom of act and power in relation with Performance ......................46
5.1.6. Clarity, Transparency and Performance ...............................................46
5.1.7. Feedback & Performance ......................................................................46
5.1.8. Performance evaluation system .............................................................47
5.1.9. Education, Training and Emerging Low Performers ..........................47
5.2. Low Performers; should they be given a second chance? ......................47
5.3. Engagement and Turnover .......................................................................48
5.4. Ethic ...........................................................................................................50

6. Conclusion and contributions: ....................................................................51
6.1. Recommendation ......................................................................................52
6.2. Limitations and future studies ...................................................................52

7. References: .....................................................................................................53
8. Appendix: ........................................................................................................57
8.1. Questionnaire (employees)........................................................................57
8.2. Managers’ interview questions .................................................................61
Abstract

Sale in essence, is the revenue generator of the company which ensures the existence and maintains the profitability of the business. Here upon, regular measuring the performance of the sales department and being aware of people’s performance in the department is required for companies as to reach certain preset goals and being assured of sales department’s productivity and profitability.

This paper aims at studying the salespeople who perform below than expected as to find the causes behind the issue and help stabilizing and boosting the performance of the company finally. With respect to the fact that low performer problem is a complex issue consisting of wide range of aspects, variables and elements, as to collect the data and the analysis; a combination of quantitative and qualitative method (triangulation; via questionnaire and interviews) were used. The problem is narrowed down into three main affecting areas: 1- Employee turnover 2- Ethical issues 3- Job engagement and each scope is examined and analyzed in relation to salespeople’s performance.

Consequently, potential and practical solutions and suggestions as for resolving the problem are presented which briefly are: inter-organizational approach, mostly by using job engagement, contribution and interaction.

Key Words: Salespeople performance, low performing salespeople, sales units, business ethic, personnel turnover, job engagement.
Acknowledgements

It is with immense gratitude that we acknowledge the support and help of our supervisor Dr. Per Echeverri for guiding us along the path from the very beginning up to end of this research accompanied by his constructive criticism and encouragement.

Mehdi Haseli & Faraz Farhang

I am thankful to almighty God for his countless blessings. Then my wife who devotedly supported me and her love and prayers made this journey possible. I would like to thank all my friends who have encouraged and supported me as to accomplish our work especially Faraz for his cooperation and encouragement throughout the thesis.

Mehdi Haseli

I owe my deepest gratitude to my family, especially my mother who has always supported me in different stages of my life to which this thesis was not an exception either. Besides I share the credit of this work with my friend Mehdi whose energy and motivation kept the work flowing and enabled us reaching our desired conclusion.

Faraz Farhang

Karlstad, January 2013
1. Introduction

1.1. Background of the study

There are quite many articles, journals and books regarding the sales procedure, importance of sales, managing sales force, ethical issues, leadership and empowerment of salespeople. Among them there are literatures which proceed with the sales procedure and suggested some practices and motivation as to improve the performance of the sales.

Despite of above mentioned low performers in sales departments are not considered good enough. Perhaps that is because the subject has enormous number of variables in a wide range of areas from individuals to complicated country’s economy in addition it has much to do with humans and their thoughts and behavior which could not easily be measured. Moreover, it noticed that there is a big lack of books and research studies about the subject and its related causes and facts. Likewise there is lack of research about weak performance of salesperson or ways of improving it. In most available literature, the main discussion circle around improving the performance by using different approaches, but scholars seem to be silent about the reason behind the low performing. So, in this thesis after going generally through the previous studies and available theoretical guidelines, profound consideration of the low performers would be taken care of in order to:

1- Find reasons behind the issue of low performing sales people

2- Preventing the phenomenon before happening and dealing with it after happening

All these acts are directed toward betterment of the performance in sales departments.

1.2. Statement of the problem and theoretical framework

The phenomenon of ‘Low Performers’ have different causes and dimensions from micro to macro (Eccles 1991). The issue emerges when the sales personnel perform below the managers’ expected level (Becker & Huselid 1998; Churchill Jr et al. 1985) this could be happening either in terms of quantity sales, following particular sales methods or in achievement of preset goals. Moreover, the low performing salespeople emerge when demands or expectations at any level are not fulfilled (Dietz 2009).
Consequently, starting from a person, extended to the unit and then the whole department could be impacted by the emergence of the low performers. In brief, the productivity, revenues, reputation or even the existence of the organization are endangered, therefore, “low performers” should be taken into the consideration and solutions should be found as to prevent and solving the issue as for increasing the performance of the department and reducing relevant costs (Darmon 2008; Darmon 2004). It is quite vital to know the effect of such phenomenon within the organization since it has both short and long term effects along with low or high range of impact in organization.

In addition it is really necessary to mentioned that this research is ‘qualitative’ due to the fact the main affecting elements in low performer issue are human related (such as people’s behavior and relationships, workplace climate, etc.) and could not be measured and evaluated properly (Eccles 1991; Churchill Jr et al. 1985) either. Although for the reason of making these ‘intangible’ concepts ‘tangible’ and illustrating an image in readers’ minds the result chapter is presented in form of statistics, graphs and numbers, yet the discussion part is argued in a qualitative manner again.

After studying the literatures it was decided to focus on three major affecting areas on performance which are the base for the theory chapter as well:

1- Job engagement: According to Dietz (2009) managers’ role in attaching and engaging salespeople to the job is very important especially when more involved and attached ones perform better. Also, Avila et al. (1988), (Eccles 1991) and (Becker & Huselid 1998) discussed around the performance and its measurements’ criteria with focus on employee engagement as well.

2- Employee turnover: Richardson (1999) and Williamson (1983) discuss about it as the main reason of loss and negative consequences on the department’s performance. In this regard Sager (1989) has tried to put affecting facts and elements along with their side effects into some models as to show relation between the turnover (along with all its obvious and hidden costs) and performance in sales departments.

3- Ethics: According to Schwepker (2001) there is a logical relation between the ethical climate in an organization and job satisfaction; organizational commitment whereby lacking any of them would result into worse performance. Furthermore,
Tepper (2010), Santora (2010), Kulik (2008) and Watuba (1990) discuss around the role of management’s pressure on employees in terms of unwanted behavior and the competitive environments that could lead to unethical behavior and decreasing personnel’s productivity.

In addition, based on Dietz (2009) and Avila (1988), and just in accordance to the subject of performance management; customer expectations and managers’ (organization) expectation would also be considered in measuring the performance of the salespeople. In the same vein pressure from managers and customers are also seen as leverages on sellers’ performance (Becker & Huselid 1998).

Hence, the aim of this paper would be as to discover the reasons for emergence of low performers in sales departments and finally provide solutions for preventing and dealing with it afterwards.

It is needed to be mention that three other influential factors on the performance were also found during initial literature review but were not used because of their fewer relevancies to the main subject or much complexity of examining:

1- Political and economical situation (Dietz 2009).

2- Faulty sales forecast (Czinkota & Ronkainen 2006).

3- Salespeople behavioral pattern (Puffer 1987).

Briefly based on available literatures, here are three major influential elements on salespersons’ performance along with their relevant questions:

1- Employee engagement: What is employee empowerment and engagement? How could engagement of staff impact the performance by any means

2- Ethics: What is the term ‘ethic’ in sales and what is its relation with the performance of the salespeople? How is the performance of sales people being influenced by unethical issue? Why should managers consider the ethical issues as a powerful leverage in terms of staff’s performance?

3- Employee turnover: What is the turnover in sales department, and is it higher (lower) than the other departments? What are organizational or departmental (sales)
practices as retaining plans for decreasing sales turnover? How should a company deal with turnover and what are the consequences of this phenomenon?

1.3. Research question

Based on the problem formulation the research question of this thesis is: How could low performing people be managed in order to improve the performance of the sales unit.

1.4. What are the differences between two nations?

In this part some general economic and statistical information of both countries are given as for bringing up an image in regard of domestic and international trading, business, demand/supply market’s enrichment and etc.

Iran is a 75 million inhabitant country with enormous resources of oil, gas and valuable metals such as gold, copper; zinc etc. which has the GDP $990.219 billion and Gini coefficient 38 (Wikipedia n.d. A). its vehicle and car industry history goes back to early 1960s. Nowadays with the presence of domestic and foreign car producers the demand market is being fulfilled. Anticipation and competition are so close in Iran's market since the demand market is quite rich.

And Sweden is a 9 million inhabitant country with the GDP $381.719 billion and also Gini coefficient 23 (Wikipedia n.d. B). It is the house of some famous car brands such as Volvo and Saab.

Moreover, according to cultural indexes of Hofstede (2010) Iran is a more collectivistic society rather than Sweden which makes people more individualistic. That would also impact the governing methods of organizations. In addition, in another aspect the Power distance (equity in power distribution) is much higher in Iran comparing to Sweden which means people are more hierarchal in Iran. As a result there are differences between their social and business cultures which does require consideration as to study these two nations, especially in our case that we are looking into an inner organizational problem which definitely has roots in the society. Furthermore, authors of this paper believed that the main impact of such differences between nations emerges in the mindsets of the managers and business owners who run the businesses and make decisions about salespeople’s performance as well.
2. Literature Review:

2.1. Performance

2.1.1. Performance evaluation and criteria

Performance appraisal is the systematic evaluation of individual job-relevant strengths and weaknesses (Avila et al. 1988). Performance has a vast meaning and can be employed to interpret functions or goals in a time framework. Based on the business dictionary, performance is to accomplish given duties measured against preset known standards of accuracy in act and behavior, completeness, cost, and speed (WebFinance 2012).

Among different definitions of performance more closely to the topic of this paper, this definition was found in the literatures: Performance refers to output results and their outcomes obtained from the process, products, and services that permit evaluation and comparison relative to goals, standards (Becker & Huselid 1998; Dietz 2009).

The main efforts here are to let the organization adapt and sync itself with recent situation and parallel to that bring into the line some performance measures with business strategies, structures, corporate culture along with some practices all and all as to provide a proper balance between the merits and costs (Eccles 1991; Ittner & Larcker 1998). In agreement with prior researchers in regard of measuring the performance it came to the consideration that some methods such as desired time frames, data conversion rate, product units, and software by which actual employees’ performance are being assessed (Asare et al. 2012).

After the interpretation of performance and the challenges for measuring it in organizations, it comes to the performance management and based on Griffin, Neal & Parker (2007), noting the performance of employees, and eventually the organizations’, is arguably one of the most critical issues amongst the management sciences. Especially in regard with sales department whereas managing salespersons requires more efforts. Among all endeavors, the leadership role in sales performance with all its power and penetration has the ability as to practically prevent organizational problems. Some leaders have influential role in salespeople's performance by motivating (participating/engaging) them and according to Bass and Avolio (1990) leaders who intellectually stimulate followers are able to increase their follower's ability to conceptualize, comprehend and analyze problems. This
recent comes to the center of attention when one knows the effect of taking acts and approaches could influence people’s performance indirectly but significantly.

On the other hand supportive role of leaders with a capability orientation focus on the development of abilities of those who report to them and position themselves as a supportive coach (House, 1996), this recent is another practice of employee engagement too.

Beside the role of managing performance and dominant leaders’ role on boosting salespeople’s performance, as Dietz (2009) mentioned, some other practices such as goal orientation would have absolutely positive impression on performance: “salespeople with a performance goal orientation will focus his/her resources (e.g., time, energy, and support from colleagues in the selling firm) more specifically on achieving sales targets” (Dietz 2009, p59). And this notion is more valued when Weitz et al., 1986; VandeWalle et al., 2001, mentioned a salesperson with a performance goal orientation is eager to demonstrate evidence of sales success to his manager. So here other important criteria of performance evaluation which is “targets and goals’ achievement” is being insisted by which has two ends; one, managers and expectations and on the other end employees and their actual functions and acts toward reaching goals.

In addition to conceptualization and proper goal setting, managers need to play stimulator and provoking roles as to keep their employees attached and moving on the pace towards achieving goals and having better performance of course. They have the ability to take control of processes, trends and events and make the best out of it (Dietz 2009). This recent acts as another employee engagement method and could be done variously such as bonuses, promises or revising tasks and duties. That is why it was required to bury in mind the importance of conceptualization or goal setting along with acts and behaviors from management which can motivate (or in contrary discourage) the salesperson and keep him in the flow of company’s movement, thus in an ideal situation emerging of low performers would be avoided.

Furthermore based on the researches of Avila et al. (1988) and Churchill et al. (1985) in a sort of general consensus, they discussed about ‘Sales Volume’ as the single sided assessing and customers, sales managers and salespeople as the multiple assessing criteria for sales force performance measurement. Furthermore, in the same line, due to the fact that companies’ intentions are to survive, this requires financial resources (Churchill Jr et al. 1985; Avila et al. 1988) which mainly come from the sales. Perhaps that is why the ‘Sold Unit’ and its profits matters to the
Managers and they usually use this criteria in order to evaluate their employees’ performance. Having all those said, due to the fact that analysis of performance and its affecting elements for each person would be so complex, here in this paper the analysis and results and solutions are given based on the groups as one whole unit. Nevertheless, we are well aware of the direct effect of each person’s behavior and act on the group as well.

2.2. Sales force turnover and engagement:

2.2.1. General overview on turnover:

Employee turnover is one of the important issues in organizations and human resource management. Employees turnover simply means the rate which replacing older employees with new one. In technical HRM term, employee’s turnover is the number of permanent employees leaving the company within the reported period versus the number of actual active permanent employees on the last day of the previous reported period (Biz-Development 2008). Turnover includes both employees who quit their jobs and those who are asked to leave.

People come and people go, but what the impact of these goings and comings on organizations is, would be remained to be asked or studied. There are studies seeking to further and develop previous researches on sales turnover by introducing recent methodological and theoretical advances in psychological, economic, and organizational theory (Boles. et al. 2012), while some others might have seen different impacts and effects from different viewing angles. When there is a talk about the effect of employees’ turnover, cost is the first thing which comes to the mind (Darmon 2004). Employees’ turnover usually associates with high costs for organizations and perhaps this fact along with its side effects on organizations could have motivated scholars to conduct different researches from different points of views. Therefore, it was necessary to know and actually calculate those costs for the reason of further reference in regard of dealing with low performing employees. This subject would be more discussed later in this chapter.

Unlike other tangible resources, employees are appreciated as valuable resources of company which gain values as they stay with company for longer. So, when employees leave voluntarily or involuntarily they take vast proportion of valuable knowledge, experience and expertise out with themselves. So, they impose the company with high direct and indirect costs. The costs associated with hiring and
training a new employee has been estimated to be two times more than a base employee salary (Griffeth and Hom 2001).

In addition to the factors such as organizational structure, policies, leadership, decision making etc. which are about organization itself and related to internal procedures in organizations, the rate of turnover is also pretty depended on the environment/atmosphere where the organization or business unit operates. In this regard Dietz (2009) and Churchill et al. (1985) argue that external business environment such as social, cultural, political and economical situation can impact the organization stability or decision making process and influence the turnover rate in organization. Therefore, these elements are needed to be taken into consideration while discussing about the causes and solutions for “low performing salespeople”.

2.2.2. Sales person turnover:

According to Jones et al. (2007) turnover rate varies in different industries especially in terms of its relevant costs both obvious and hidden. The point here is that a leaving person causes instability for the sales unit and more or less disorders the balance in the department and interferes with predetermined management’s goals setting and expectation (Jones et al. 2007). Moreover, as of being an influential fact, salespeople’s turnover rate, is discussed by previous scholars. For instance Cron & Decarlo (2006) define the term as: the rate at which salespeople leave an organization because of separation such as promotions, resignations, retirements, or dismissals. That affects the organization in different ways as Brashear et al (2003) mentioned: The cost associated with sales person turn over include recruiting and training expenses, lost revenue, and customer dissatisfaction. Moreover, according to Darmon (2008) all departures whether voluntarily or dismissal from sales forces, are potential sources of cost. All those would burden pressure on the management on one side due to waste of resources and on the other hand has negative effects on the process of selling and revenue generating for the department too.

Yet, one significant and noticeable point about the turnover is about its hidden costs which actually manipulate salespeople’s performance. For instance the relationships that are made between salesmen and customers would be gone along with the leaving person upon his leaving (Sager, 1989). As the result, customers who had put trust in a particular seller would leave the company thus this would be the first negative impact the performance of the department. In a long term view, upon leaving a sales force, it would be highly likely that he/she will take a similar position.
within same industry, so the network of the customers and even sensitive and confidential information of the ex-company would be revealed and used for the sake of the new company and could grab the market share from the old company as well. That is why considerable attentions have been focused on various aspects of sales persons’ turnover and its explicit or implicit costs (Sager, 1989).

Here, it is mentioned that later on for the analysis of the turnover the overall for the whole group of the sellers would be taken into consideration.

2.2.3. The reason for sales person turnover:

According to (NOBSCOT Corporation 2006) turnover rate varies in different industries yet, most common causes were mentioned such as the effect of economical, political and labor market situation, along with inequity between the workload and payment, workplace environment, unfulfilled expectations to pressure and essence of the job. Hence, whatever the cause of employee turnover might be, the side effect is directly on the performance of the sales unit in general. Beside the fact that turnover have some personal, mindset and behavioral roots as well which is out of the focus of this paper.

2.2.4. Sales force turnover and low performer:

Here in this part the connection between the turnover and emergence of low performing salesmen in organizations is discussed. Initially one might ask; is turnover (leaving) of below average sales performer beneficial or no beneficial?

In respond to we need to take a deeper look into turnover issue based on Williamson (1983) who discussed about affecting factors on salespeople’s turnover which are divided into two main groups:

1. Those related to low sales productivity of a salesperson

2. Those not related to salesperson productivity issues, such as organizational environment and company policy-related difficulties.

In a competitive market, the key role of sales employees has big effect on company’s success. Designing retention program which eventually could prevent salespeople voluntarily leave seems very important for organizations. The importance of salespeople’s role is brightened in selling unit items on one hand and attracting customers and fulfilling their needs on the other hand. Latter, employees are supposed to take desired actions and meet organization’s requirement and make profits. Customers’ retention programs in contemporary business arena have given
high priority in all industries. Those plans would retain customers, who really maintain the organization’s profitability and eventually and reduce the risk of customers’ switching. For the same reason one would need to consider customer/employee retention plans because lack or malfunctioning of any could either force the employee to perform improper or abandon co-called ‘one-time customers’. In either way the organization would face decrease in performance and that is where the ‘low performers’ emerge.

Broadly speaking, sales departments are given the credits for high performance, but here another assumption can be raised based on the research question. How about the low performer sales force’s turnover? In this regard, Williamson (1983) mentioned, when the majority of salespersons who leave the company have job performance records which are inferior to those who remain, one may conjecture that there are problems with approaches towards employees or even some lacks in organization’s retention program.

Moreover, Sullivan (2011) argues that turnover is among those salespeople who have shown poor or marginal performances. And then poor performance would definitely cost the company where as a routine, companies consider some percentage for it.

2.2.5. Employee engagement and turnover:

Job satisfaction, job involvement, motivation, compensation and time allocation are some the facts of engagement which have implicit and explicit impacts on the organizations’ turnover rate. A study on employees’ turnover shows that differences in the extent to which job satisfaction systematically improves or declines, account for change in employees’ turnover (Gilad et al, 2011).

Although there are studies available about the concept of ‘employee engagement’ but still measuring it, is remained a challenge (Anik, 2011). Employees, as the internal customers in organization have vital role in firm’s success. Delivering the best service to customer requires using proper proportion of resources, either intangible or non-tangible resources. Besides, best usage of all possible resources can enable a firm to deliver a high quality service to customers and consequently create customer satisfaction. Thus, employees are those, who by using both own and organization’s resources, in appropriate ways of could provide the company with good performance and influence the customer satisfaction on one hand and maintain a firm’s success in market on the other hand. Nevertheless, proper use of employees’ resources and providing high quality service for customer, require employees to be motivated, effective and satisfied, which based on Swaminathan & Rajasekaran (2010) called the component of employees engagement. Besides, it has
proven that satisfied employees make satisfied customer. Swaminathan & Rajasekaran (2010) have also mentioned that the employees’ engagement is a situation where the employees use their mind and heart in job in order to offer high quality service which would lead to better performance by some means but actually that is what both the employer and employee want. While Shuck and Wollard (2010) defined the employees’ engagement as an individual employee’s cognitive, emotional and behavioral state directed toward desired organizational outcomes. When employees are more involved with a job feel much emotionally connected with the work place (Wagner and Harter, 2006; Kahn, 1990). Furthermore, when the level of engagement is high, employees have higher levels of emotional interaction with the job. So in different situation they would handle the customer in the best way and create more customer satisfaction. As Arnik (2011) pointed out having positive attitude and eager to be involved are signs of good employees’ engagement.

Nevertheless, “Motivation” is another building block of the employees’ engagement which acts on both ends either on employee and customers’ satisfaction. It is also assumed that the longer the motivated employees stay on a job, the more likely their attachment to the organization would be considered. This recent fact also impacts the rate of turnover to the lower. Base on Shuck et al. (2010) High turnover rate is one of the factors that shows ultimate act of disengagement. Shuck et al. (2010) argue that perhaps by providing safety, trustworthiness and stability to the work environment, employees’ encouragement for involvement would be better.

Therefore, on one hand measuring the level of engagement and participation is required on the other hand having transparent vision on employees’ rights to organization is important because it can manipulate the whole unit performance progressively by throwing out disengaged salesmen out of the stream of goal achievement while negatively demotivate, pressurize and cease engaged ones too.

Here, in the following the aim of this paper along with its three main affecting areas is shown:

Affecting causes on the performance

- Employee turnover
- Job engagement
- Ethics

The causes of low performance

The research question in brief could be this: How to face the phenomenon of low performs in the way that the problem could be prevented from happening and if happened, deal with it for the sake of improving their performance which accordingly leads to department’s performance as well.
2.3. HRM View on this issue:

2.3.1. Why the leaving person’s costs are important?

According to Darmon (2004), managers should have proper control and domination on organization’s costs that the leaving person’s costs are not exceptional. Costs could be either obvious such as the pension and insurance expenses or hidden such as losing sensitive information, customers and even market share. In our case if the managers are aware of such costs they could provide functional bonus and retention systems so on one side they would be able to prevent further costs and losses while existence of such functional retention systems for employees can actually and positively improve the performance of the staff by insuring them of their job safety and building the trust and relationship (Mathews & Redman 2001).

2.4. Unethical Behavior, an organizational widespread phenomenon:

2.4.1. Unethical Behavior, where and how?

The term ‘ethics’ as defined by Donaldson & Werhane (1993) is called to study of any appropriate, right and good for humans, furthermore, it is about implication of values of morality to complex problems by using coherent process and so ‘unethical’ is vice versa (Parboteeah & Cullen 2002).

Although the unethical behavior might emerge by anyone at any level (Schminke 2010) either individuals or organizational, however, most commonly it is being emerged in sales units and by salespeople who on one hand are the valuable resources and functional elements of an organization and on the other hand there is quite little supervision and much of the freedom for them (Lee et al. 2009); (Kulik et al. 2008). Perhaps that is why there exist more ethical dilemmas within sales forces (Wotruba 1990; McClaren 2000). All and all still salespeople need to be trusted from the management side and for that reason along with lots of responsibilities and pressures they also benefit from the great amount of management’s trust as well (Lee et al. 2009). Still, it is proved that an ethical organizational climate would have direct outcome of better job satisfaction and organizational commitment which will end up to decrease of turnover intentions (Mulki et al. 2006; Sharma et al. 2004; Jaramillo et al. 2006). It is also argued that the combination of a good ethical climate, higher job satisfactions and tighter commitment would result in better job performance as well (Weeks et al. 2004).
2.4.2. How would Sales Managers’ influence on unethical behaviors?

From the viewpoint of previous researchers one important factor is the ‘Ethical Environment’ (Schwepker Jr. 2001; Vardi 2001). Hypothetically, environment is actually the most manageable factor in the hands of the managers (Schwepker Jr. 2001; Vardi 2001) to distribute ethical climate over the organization. And also those ethical rules and principles give helps to the emergence more of direct behaviors or discourage improper behaviors to be committed (Schwepker Jr. & Good 2004; Schwepker & Good 2007). All those with having an eye on performance aspect, which is the main focus of this research, one can conclude that the environment is an influential element in employees’ performance and needs to be considered carefully. Conjointly, another side of management effect on emerging unethical behaviors is the ‘competitive environment’ and continuous pressure and over expectations from the management (Tepper 2010).

So until now we learned that the phenomenon of “low performing salespeople” as an organizational issue is being affected by vast range of variables to which it is tried to put the major ones into three main factors which are performance, ethical issues and employee engagement. Those factors are influential one to another and in a mutual manner while they are known as the causes of emerging low performing salespeople to us too. Yet, it is not discovered how the relativity between these factors could cause emergence of low performers and the most important matter is how to deal with them, which is a big lack in previous scholars’ works.
3. Methodology

In this chapter, the design and methodology that is used to conduct the study is presented. Furthermore, the research process, collection and analysis of the data is also encompassed. Finally, the methods which are used during this study are reflected on by the researchers.

3.1. Research design

Research design refers to criteria that are employed to provide a framework for collecting and analyzing data (Bryman and Bell 2003). Based on the requirements of this research, by considering the complexity of the problem and its wide range of immeasurable variables a proper method should have been chosen. According to Golafshani (2003) qualitative analysis results in a different type of knowledge rather than quantitative, as it is more into philosophical nature. On the other hand for analyzing some variables, utilizing quantitative method seemed inevitable for instance obtaining knowledge about employees’ notion in regard of performance. On the other hand in order to get to the aim of this study which is to find a cure for low performing people, involvement of both employees and managers was unavoidable too. Therefore, according to Patton et al. (2002) in some cases both qualitative and quantitative methods need to be combined as to get to desired results. Researchers need to show the credibility of their studies, while the credibility of a quantitative research is depended on instrument construction, in qualitative research the researcher is the instrument (Patton, 2001, p14). Patton et al. (2002) argues that by using ‘triangulation’ which can mean using several kinds of methods or data, including using both quantitative and qualitative approaches a study could be strengthened (Golafshani 2003; Patton et al. 2002). This design mostly consists of using different tools as for collecting data such as questionnaires, interview and official statistic (Bryman and Bell 2003).

Moreover, Aaker et al. (2004) mentioned that the research design has to be constructed according to the aim of the study otherwise non valuable results may show up. So in designing this research authors decided to choose a combination of both quantitative and qualitative methods as to conduct the research which is called ‘triangulation’ (Patton et al., 2002) by using questionnaires and interviews.

3.2. Research process

Research procedure contains various stages where problem formulation and designing research questions are the important ones. Problem formulation is already
explained separately in introduction chapter. The next step of the research process is data collection and the way of dealing with the data. In this step authors have studied related literatures and benefitted from continuous thesis supervisor's instructions and guidelines as to make the questionnaire to collect the required data. As said earlier upon the requirements of the research subject and according to Patton et al. (2002) & Golafshani (2003) authors decided to collect the data both via interview and questionnaire. Since the essence of the study is qualitative, interviews contain descriptive open ended questions, while questionnaires have the same spirit in closed questions form. In this study, the researchers primarily collected qualitative data through open-ended questions from interviews and also numerical data (with the spirit of quality) from questionnaires. Plus, the questionnaire is more into the multiple choices questions form (more quantitative) in order to let the researcher measure criteria easier. As an end point to this qualitative study the researchers will present a generated theory, a pattern, or a generalization that emerges from a theoretical framework and the collected data (Creswell, 2009).

3.3. Research method

As mentioned, combination of quantitative and qualitative, cross-sectional (Bryman & Bell, 2007; Aaker et al., 2004) and triangulation (Patton et al., 2002; Golafshani, 2003) will be used for this thesis. All data obtained through questionnaire distribution among salespeople and deep interviews with sales managers. Qualitative approach facilitates researchers to answer the questions such as how and why which are most attentive for researchers (Bryman and Bell, 2007). Moreover, in quantitative research experimental methods and quantitative measures are employed to test hypothetical generalizations (Golafshani, 2003).

Briefly, questionnaire is used as the quantitative and interviews as the qualitative data collecting tool.

3.3.1. Sampling method, reliability and validity

Although this research is not statistical either quantitative, yet it was necessary to obtain some statistical data as well. Thus for quantitative data collection simple random sampling was used (Fink 2002). The same method was used as to pick the samples in qualitative data collecting part (interviews) (Morse et al. 2008), with having an eye on more experienced managers (five years and more).
According to Healy and Perry (2000) cited by Golafshani (2003, p601), the quality of a study in each paradigm should be judged by its own paradigm's terms. Two significant terms in quantitative researches are Reliability and Validity while in the same vein in a qualitative study the terms Credibility, Neutrality or Confirmability, Consistency or Dependability and Applicability or Transferability are taken as the essential criteria for quality (Golafshani, 2003, p601).

According to Johnson (1997, p283) cited by Golafshani (2003) upon increasing of validity or trustworthiness more credible and defensible result are expected. As a result this may lead to generalizability which is the structure for both doing and documenting high quality qualitative research. Therefore, the quality of a research is related to generalizability of the result and thereby to the testing and increasing the validity or trustworthiness of the research (Golafshani 2003; Morse et al. 2008).

Although some other scholars such as Maxwell (1992) believed that generalizability is a factor that clearly distinguishes quantitative and qualitative research approaches but by generalizing the findings to wider situations and groups the validity of the research ascends. Hence, Patton et al. (2002) state generalizability as one of the criteria for quality case studies which is case dependant.

Consequently in this paper the validity of the research is quite specific to triangulation methods that are used. Triangulation is a strategy (test) for improving the validity and reliability of research or evaluation of findings by controlling bias since traditional scientific techniques are incompatible with this alternate epistemology (Golafshani 2003; Patton et al. 2002).

### 3.3.2. Interview

Interviews had a heavy weight in this research since going deep into the main subject and its many relevant areas and understanding qualitative concepts could not be done without face to face interviews. This method of data collecting in qualitative researches is very common (Best, 2005). Consequently, five managerial interviews took place in Iran and Sweden. Respondents of these interviews were managers in sales departments of automotive dealerships which were selected randomly based on their job experience (longer than 5 years) as the manager in sales departments, besides the interview part form the body of the qualitative analysis too.

In interviews, authors designed descriptive open-ended questions. 16 questions were designed in four main categories in order to get information about sales people in sales department. It was tried to avoid the general answers in interviews and authors
always tried to ask the managers specifically about their own sales department. Chosen managers were from different 2 countries, Iran and Sweden and interviews took place in those two countries (Sweden and Iran). Managers who were interviewed also are working within sales department of well known dealer companies such as Wafab bil and Philipsson in Karlstad.

During the interviews some issues came up such as noncooperation of the manager to answer specific questions etc. hence, interviewers did their best to cope with the situation and go around those sensitive issues. Furthermore, the researchers got unexpected information but they were able to ask follow-up questions which were unplanned but related (Bryman and Bell, 2007). The researchers recorded the interview session after getting interviewees’ permission. According to Kvale (2009), the drawback of not using a recorder is the possibility that that the interviewer does not have enough time to think and consider the follow-up questions that could be important and relevant. Plus, there is risk factor of losing the data if note taking is used instead of recording for instance answers could be written incorrectly and then there is no possibility to retrieve the data. Interview recording minimizes this risk of losing data (Jacobsen, 2002).

To reach the purpose of the research the interview questions were focused on:
1. Description and criteria of sales people performance
2. Job engagement; managerial and organizational approaches
3. Managerial awareness of low performer costs such as personal turnover
4. Ethical issues in sales department

**3.3.3. Questionnaire**

The questionnaire’s questions were designed according to the relevant literatures in performance, job engagement and ethics in relation to the main topic of the research which is low performers issue. There were 22 multiple choice questions (having two to five choices each) being categorized in three main areas; performance, job engagement/attachment and ethical issues which were asked from sales people in car dealing fields such as Kia Motors, Toyota, and Mercedes Benz. Another point about the questionnaire is that the privacy and confidentiality of people, names and answers should have assured, thus justification of privacy and confidentiality was brought at the beginning of the questionnaire, yet some verbal explanations were also given. Research questionnaires were distributed among target
respondents who were sales people in automotive industry. It should be mentioned that as to remove potential misunderstandings and language barriers the questionnaire was available in three languages (English, Swedish, and Persian). The reason for closed questions is because the main focus of the paper should not have distracted, especially when employees with different knowledge levels are answering certain questions. So by providing closed questions, we mainly focus on the exact issues and areas which are supposed to be examined. Nevertheless, special spaces were considered on questionnaire’s paper as to let the addressees make further comments or notes if needed.

3.1. Research limitation

The main limitation of the research was access to relevant materials and literatures about the subject which was a big lack. The second restriction was accessing to fresh information from resources such as employees and managers. It is tricky to obtain first hand data due to the reason of companies’ privacy and fear of business abuse. Some companies did not cooperate well due to some internal rules, organization’s privacy terms, managers’ discretion etc. It did happen in Iran’s part of the research, where there is close competition and market and due to fear of being abused by their revealed information, their cooperation with us was with close care.

Time for the interviews which were supposed to be short in length and high in outcome can call as another limitation. In parallel language differences made authors to provide three different versions of questionnaire in English, Swedish and Persian languages.
4. Results

4.1. Introduction

This chapter is ordered on the basis of three most affecting areas (Employee turnover, job engagement, and ethics) on performance which is structured upon gathered data through combination of surveys from employees and interviews from managers. It is mentioned according to Patton et al. (2002) & Golafshani (2003) and upon the requirements of the paper authors used triangulation method for collecting and analyzing the data which means using both surveys and interviews together.

In addition, this chapter contains large number of digits along with some graphs as to make hard-to-measure ‘qualitative elements’ measurable, comparable and tangible. Through this, those affecting facts and elements on the performance could be evaluated and measured in an easier way and they are also being compared in order to find solutions for the problem at last.

Here is a short overview of what would be presented later in this chapter:

1- Descriptive statistics retrieved from employees’ questionnaires which performance related questions comes first, followed by turnover, job engagement and ethic related questions and finally relevant results.

2- Results obtained from managers’ interviews containing their points of views about the same areas as the employees but in a more detailed manner.

4.2. Findings based on the questionnaire

The consecution of questions both in questionnaires and interviews follow this sequence: Performance → turnover and job engagement → ethics

The following questions are about the performance and the intention was to examine how salespeople’s performance is being assessed and based on which criteria.

It is turned out that 27 (Iran 12 - Sweden 15) out of 59 respondents were selling in both ways, either individually and in groups. This shows how the performance of
the sales unit is being assessed whereas the emphasis and base criteria is on group selling.

About the regularity of meetings 24 out 60 replies unveiled that they have regular monthly meetings with their managers and in a very close number 23 of them answered that they have some occasionally on demand meetings as well, yet the bigger portion goes to Sweden with 16 to 8. This question was intended to examine the level of employees’ engagement and involvement within the company.

In terms of employees’ awareness about managers’ expectations, 25 (Sweden 14 – Iran 11) out of 58 respondents (see figure 1) replied that they are well aware of the expectations and also expectations are clear enough. While a slightly less than that were the people who thought they “Totally” aware of their managers’ expectations.

In terms of goal/target achievement over 30 out of 57 addressees believed that in most cases they could successfully reach assigned targets. This recent question was designed in order to examine the gap between the mindsets of employees and
managers regarding the productivity (performance) and its relevant criteria in one’s minds.

It was obtained from the questionnaires that most of the respondents (43 out of 58) expressed that a “Performance evaluation system” does exist in their organizations where a huge portion goes to Sweden with 30 to 13. Interestingly, 15 of our Iranian addressees replied that there is no such evaluation system in their companies.

In response to the question “if you have been clearly briefed about who is a good seller (performer) and bonus/compensation system?” 25 out of 58 answers were ‘Yes’. This shows that not the majority of the salespeople are familiar with the definition of performance from the organization’s side and this might be a possible gap which leads to emergence of low performers.

It was also interesting to know that over half of the addresses (31 out of 60; Iran 18 – Sweden 13) thought their managers’ expectations are “feasible and logical” versus only 6 replies (Sweden 4 – Iran 2) declared that managers’ expectations are “unfeasible and illogical”. This recent would be used in the analysis in regard of examining the job engagement criteria and possible gaps between managers and employees’ mindsets.

In response to one of the questions which contained some performance facts and their priorities, the addressees responded as follows, see figure 3:

1- It is discovered that 39 (Iran 23 – Sweden 13) out of 55 respondents thought “quantitative sales” is at the highest importance. This means that the majority insist on quantitative sales. In that case, Persians addressees possessed the bigger share for quantitative sales rather than Swedes.

2- Customer satisfaction was at the highest importance in the opinion of 35 (Sweden 18 – Iran 17) out of 56 of the salespersons. Although the number is not so high, yet it shows that sellers are mostly familiar with the concept.

3- In a similar question with the above, 27 (Iran 14- Sweden 13) out of 55 of the addressees thought “Managers’ satisfaction” is highly important in terms of performance. The intention for this question is the same as the above one.

4- Good relation with the customers was at the highest importance in the opinion of 30 (Iran 18 – Sweden 12) out of 55 respondents. This question was supposed to find out what portion of salespeople think out of the box of ‘quantitative sales’.
5- Good relation with other colleagues was an important element for having a good performance in the eye of 23 (Sweden 12 – Iran 11) out of 56 of the responses.

![Figure 3 – Performance and Priorities](image)

In this part in a multi-choice question form it was tried to focus on nine most important affecting facts on sellers’ performance (see figure 4) which were retrieved from previous scholars’ works and experiences (Dietz 2009; Richardson 1999):

1- Vivid and clear compensation, bonus and commissioning system is at the highest priority in the eye of over half of the respondents (29 replies, Iran 19 – Sweden 10).

2- The variety of selling product was a ‘high important’ element for 24 (Iran 17 – Sweden 7) out of 53 replies.

3- In terms of freedom and authority half (27 replies, Iran 14 – Sweden 13) of the respondents chose ‘high important’ for this affecting fact.

4- In regard with the role of managers’ pressure, 29 out of 55 employees (Iran 20 – Sweden 9) chose ‘medium important’ for this element.

5- Depth of involvement in decision making process was a high important aspect for less than half of our addressees (22 replies, Sweden 12 – Iran 10).
6- The role of competitive atmosphere on personnel’s performance was also a high important element in the opinion of (25 out of 56 replies (Iran 18 – Sweden 7).

7- Having regional sales was also indicated as a ‘high important’ element for the examined samples (24 out of 56 replies, Iran 12 – Sweden 12).

8- Having tough and effective management seemed to a high important fact but only for 21 out of 56 replies (Iran 19 – Sweden 2).

9- The function of structured rules, regulations, approaches and internal goals were at the highest importance for 18 out of 55 (Iran 11 – Sweden 7) of the respondents.

In reply to a question about the main factors causing ‘low performing employees’ people mentioned top 5 causes as follows, see figure 5:

1- Lack or shortage of Experience: A bit over half of the respondents mentioned it as the cause.

2- Lack or shortage of skills needed for sales: The highest rate belongs to this factor with 35 out of 64 replies.

3- Not being a salesperson per se: It got the least number (2 out 64).
4- Lack of product knowledge: It stands on the second place after ‘shortage of skills’ with 32 out 64 replies.

5- Lack of proper supervision and effective management is standing on the third place with 28 out of 64 replies.

![Causes of emerging low performers](image)

**Figure 5 – Causes of emerging Low Performers**

Digits represent the number of replies in each part

With regard with the existence of more pressure in sales department, the role of some factors should be measured:

1- Achieving managers’ sales expectation: Almost half of the employees (32 replies, Iran 22 – Sweden 10) knew this as the main cause.

2- For the next criteria 28 out 65 replies (Iran 21 – Sweden 7) mentioned the “Direct contact with variety of the customers’ as the reason of this high pressure.
With the assumption of existence of unhealthy competition within the sales department some causes are pointed out:

The choice ‘More freedom and authority of the salespeople in comparing to other departments’ got the highest positive answer followed by ‘existence of close competition’, third; ‘instability in sales departments’, fourth; ‘pressure from customers and managers’ and finally having unsupervised relationship with the customers.

Follow to the previous question, employees were asked if managers’ behavior is influential in terms of ‘unethical behavior emergence’; over half of the addressees (29 out of 54, Iran 28 – Sweden 1) replied ‘Yes’.

Salespeople were asked how to deal with the low performing ones; in return the most popular answer was ‘Giving a second chance perhaps by transferring the person to other departments’ (28 out of 57 replies, Iran 16 – Sweden 12).

Salesmen were asked if they benefit from higher levels of freedom and authority in their department and in answer 24 out of 57 replies (Iran 20 – Sweden 4) of the addressees chose ‘Yes’, see figure 7.

---

![Source of pressure in sales departments](image_url)
And the last question from salespeople was about how they evaluate their role in the process of decision making: 20 out 59 replies (Sweden 12 – Iran 8) mentioned that the level of their contribution is average (level 3, see figure 8).

4.3. Findings based on the Managerial interviews

This part of the paper proceeds with the results obtained from five managers’ interviews in Iran and Sweden. All the managers are from the same business area and administrate their sales teams in official representative of automobile industry. These representatives are authorized dealers for famous brands such as Mercedes-
Benz, Hyundai, Kia, and Nissan which were authorized to be operating both in sales and after sales services for enterprise and individual customers.

Interviews were done by considering the main research questions based on four main areas (Performance, Job engagement and employees’ turnover, and business ethic). These areas have been discussed previously.

4.4. Managerial Finding about Performance:

In this part some of important facets of performance such as definition of performance, the concept of high or low performance, criteria of measuring performance, pressure in sales department, managers’ and organization effect on salespeople performance, and the firm approach with low performers were asked about.

4.4.1. Good performance:

As it perceived from the interviews, at the first place in the eye of the sales managers, good performance is sales’ volume. From the managers’ points of view, selling more number of product units is the most important base as to put a ‘good performance’ label on a staff’s operation then the second important criterion is customer satisfaction.

About the customer satisfaction, it was stated that keeping old customers is less costly rather than attracting new ones since satisfied customers in long term have the potential of becoming permanent and loyal while bringing new customers to the company as well. Other factors such as team work, good relation with customers and employees, selling variety of different products, customer follow up and responsiveness have been pointed out as influential factors for good performance, but those were in the lower stages after number of the sales and customer satisfaction.

4.4.2. Criteria of measuring salesmen’s performance:

About the criteria for sales performance in company, almost all the managers said that the number of sales, in one period (periods were different; one season, 6 months and one year) is the base of measuring the salesman’s performance.

In response to this question about if selling more cars is more likely or having more satisfied customers?, some managers admit that only customer satisfaction is important while some other were more honest and said that both are important. For example Anders mentioned that in short term, selling numbers is expected, he continued that short term is more about the number and number plays the role, 10 better than 5, he said. Although they need to sell more and benefit the company and themselves, yet in long-term customer’s satisfaction shows its significance and
pushes the staff as to think of quantity and quality of the sales simultaneously. He added that they have both types of salespeople, those who please the customers and those who are selling more.

However in KIA (the manufacturer) number of sales, satisfaction measurement, and related criteria are planned and being examined every month and results are being sent to the main office regularly. He sum up with Kia’s assessing plan which is not about a particular salesperson but in is about the whole department and the report is not mentioning the name of any salesperson. Their plan is the best tool to know what they have done in term of sale performance and customer satisfaction.

4.4.3. Pressure is higher in sales department:

Pressure in sale department and assumption of existence of higher pressure which has direct effect on people’s performance was a complex issue in the interviews. All of the managers undoubtedly agreed that the pressure in the sales department is higher than the other departments in organization. However there are some issues in this regard:

Not all the sales managers might be fully aware of what is going on in the other departments in details, while in answering to this question they might have been biased a little. They see the business from their own points of view that is why it could not be determined if asking the same question from other department’s managers would give out the same result or not. So, in order to have a fair compare between two departments equal chance to hear both sides’ words in parallel and by setting specific criteria should be given.

Business climate has very important role in putting the pressure, specifically on the sales department. For instance changes in the ownership; one of the sample companies ‘Philipson’ faced revised vision, mission and strategies upon arrival of its new Finish owner. In addition, the new owner came up with more expectation from sales department and took the pressure to a higher level. Or in another instance managers also agree that customers can load pressure on sales department as well as the organization.

Customer can put pressure on the salespeople but this issue is more highlighted in Iran rather than Sweden. For example buying Kia Motors’ vehicles are not affordable for middle economic Persians. Since the customers spend more money for their cars they would have more expectations, counting from staffs’ encounter to very detailed, technical issues. In contrary in Sweden, due to the fact people come from a fundamentally different context, culture and the society structure customer do not behave in the same way with Persian, yet the customer pressure in Sweden still exist but in some other ways such as bargaining for the price, obtaining more features (optional equipments), possibility of partial payment in longer installments and so on.
4.4.4. Firms and Managers role on the salespeople’s performance:

Setting a proper compensation and budgeting system in organizations, for the reason of motivating salespeople, are common practices in this business. Every firm has its own system, for example in Iran’s KIA Motors the compensation system is based on the group sales. Salespeople have been divided into two teams and based on the geographical the responsible team would proceed towards preset goals. So, individual or group compensation system is the company’s approach which is implemented by the managers. Kia sales manager in Iran mentioned that every car has different profit (they have their own ways of commission calculation for each car) to company so base on that we give commission to sales team because salespeople have a fixed salary and by selling more, with those added commissions they would be earnings much better.

Moreover, managers in parallel have very vital role on the salespeople’s performance. Lars who has been a sales manager for 30 years now, pointed out that a manager has the ability to smooth the sales procedure probably by utilizing his experiences from different occurred situations, this recent eventually would lead to less glitch and let the sales flow more effectively.

And finally some managers believe that the organization’s stable climate and inter-organizational controllable factors (micro factors), fixed and uninterrupted strategies, stability in the market, and flexibility to the market fluctuations can help the salespeople to maximize their performance. In this regard, Andres, Wafabil's senior sales manager, mentioned that the task and duties should be clear and the expectation must be based on reality. For example a famous brand like SAAB faced problems while ago and today other brands such as KIA Motors own the sales trend in the market. KIA used to be the 3rd brand in terms of number of sales a few years ago but now it is number one, so the expectation from the salespeople for selling different product should be managed. And managers have chromatic roles as to realize the business climate and set the targets accordingly. While those taken approaches and goal settings, generally and specifically would affect salespeople's performance because they are parts of the system and the whole thing works based on the market reality and situations. Thus the outer climate could also affect the inner climate. Nevertheless, managers have the authority and capability to control the inner climate condition and practically reduce the effect of outer climate on their organizations (Dietz 2009).

4.4.5. Managerial approach about low performers:

As it came in the previous question, number of sales is very important for managers, so if someone cannot sell a certain number of production units then managers’ pressure would be undoubtedly higher on that person. And depending on the case and by considering firm’s policy they will take proper course of action against the low performers. This might be including a second chance in the same position, being transferred to another department or being fired.
Persian managers take more serious strategy against the low performers and this is natural because the market essence differs between these two counties so strategies are different too. They mentioned that company’s patience against lower performing salesmen is very limited and the reason is that the market is more competitive and aggressive and salespersons are under continuous pressure from the company. The pressure flows from the main manufacturer to dealers in a chain-like act. As some solutions they have pointed out special training, changing the sales method from individual to team and redesigning the person duties. They emphasized that sales commission has very important role on salespeople’s performance since they have very low fixed salary.

Managers in interviews pointed out that they absolutely were not willing to fire the low performers while giving a second chance would not be the only solution either. They would rather have meetings and intensive training with them and try to find out the best solution and search for other options which can hopefully improve low performers. Consequently, after some periods of time after giving all those chances managers would brief the employee and advice him to be transferred somewhere else. This means that lower performing salesmen should either leave the company right away or after finishing the probation or work contract they will not get the extension any longer.

4.5. Managerial Finding about Job Engagement and employees turnover:

After considering the performance, the issue of job engagement and employees’ turnover has been discussed in theoretical part of this paper. Performance and its different dimensions is the main focus of research focus while the engagement of employees can be seen as a solution for the low performance salespeople. Besides that, employees’ high rate of turnover has been discussed in theoretical part as one of the consequences of voluntary or involuntary leave of low performance people in organization. It is assumed that there is a link between low performance salespeople and increasing of this rate of turnover in sales departments.

In this part questions has wrapped into two parts. Some questions asked about the employees’ turnover and other questions were asked about the employee’s engagement.

4.5.1. Is Salespeople’s turnover rate higher than the other departments?

All managers in Iran, without hesitation said that the turnover rate is absolutely higher than the other departments in contrary not all of Swedes managers were agreed and some others did not have any idea. Lars from Philipson said since in local markets demand is lower so the number of sellers and subsequently the turnover rate would be much less but upon increasing of the demand, number of sellers the turnover rate should go higher.
About the reason of high turnover in sales departments they mentioned some interesting points such as: higher pressure, conflicts, and stress which is because of job nature, higher responsibility of employees toward customers, no fulfillment of managers or organization promises to salespeople, people personality and inadaptability to the sales job, unmotivated character of salesperson, higher number of people working compare with other departments, better position or earning from other organization, low job satisfaction and higher challenges.

4.5.2. Turnover associated with high costs (hidden costs and direct costs). Awareness of the costs and comparing those costs with other departments:

About this question, every manager knows that the turnover has high costs but no one has precise information about that. Some of the managers believe this information is only related to the HR department. Managers neither know about the cost nor have any idea that the sales department has higher cost of turnover. So, it is concluded that managers have not superficial information about the cost of turnover. They are not aware of the volume of the costs, but they mentioned about some direct or indirect costs of it such as cost of training, cost of trial and error, cost of losing company information, and cost of replacement.

4.5.3. Strategy to keep the key salesmen:

Managers think this is really depending on the people, some people like to experience new work places and some other prefers to stay with a firm for long time. Moreover, it was observed that the majority of salespeople in Iranian sales department were young while in Sweden they were much older. Still, the question ‘why’ do employees leave, remains for the managers and an honest respond could be the base for creating good employee retention policy.

4.5.4. Low performers’ depart, beneficial or costly?

About the benefits or costs of leaving weak people different answers were given and because of significance of this question a brief of those is mentioned in following:

Salesman job is to create customer network and getting best use of any prospect. His job differs from a mechanic who is having his customer all the time. If a salesman cannot attract customers after a long time it is better to not use the company resources and leave the company, so in long term leaving it is more beneficial for the company.

Low performers should be analyzed and see if they like the nature of the job and if there is no fundamental problem, by giving more possibilities we should let them stay because we have to begin everything aging with a new replaced salesperson. Sale is a dynamic procedure and if someone cannot adapt, he should take other responsibilities which are easier or different in essence with less challenges with the hope that the person takes back his performance in another field.
That issue is not totally certain and depends on situation. In some cases it is costly to keep a salesperson with low efficiency but in some other business situation managers can compromise with salespeople and by trusting them can get very good out comes in future.

Salespeople with any performance should stay as far as the law and regulation of company permit them. However, low performing salespeople cannot make good money because they cannot have good sales commission and time teaches them whether to stay or leave.

4.5.5. Employee’s engagement as a solution for improving performance and decreasing employees’ turnover:

All the managers emphasized that the employees engagement practices can help the performance. Especially in the sales department employees should work without limitation in order to be able to flourish their abilities in dealing with different customers. Some managers mentioned sales department relies on the employees and their creative involvement into the jobs for offering solution in different situation. It is also mentioned that higher engagement would definitely lead to better performance. Plus, there are activities which can engage employees with job and increase employees’ performance. Formal and informal meeting especially the “Fika” culture can help the employees not only update about latest information flow, but also it can increase employees’ collaboration for different business matters. More emotional relation with their personal, BBQ planning, restaurant meeting, summer vacation, and getting help of suppliers’ facilities for personal all are practices which help the employees to put more thoughts and hearts into the job. It was also mentioned that source of motivation is different for people. Depending on the personality; people can be motivated differently. For example employees’ empowerment for decision making process is very important if they have capability of doing that.

In the same vein a manager mentioned that we trust the employees and leave the field to them for the best play. Control in sales department has different meaning and when a salesperson is doing a deal especially with a business customer we pay attention to results rather to take care of working time or comings and goings and so on.

All in all, managers are very positive about the job engagement issue and they fully agreed that the different job engagement practices can have huge effect on people performance.
4.6. Managerial Finding about Ethic:

Ethical issue was the last subject which was asked about in this interview. By receiving respond in this part it was understood that ethical issues has different meaning and interpretation for the respondent and comparing the ethical norms in details in two different country (Iran and Sweden) is not analogous. For example Swedish respondents were not able to understand the mean behind the ethical issues, while Iranian respondent showed that they are more familiar with this issue. Authors of this thesis are Iranian and the designed questions in this regards are more fitted with Iranian culture although it might have seemed strange for Swedes.

4.6.1. Is there more unethical behavior in sales department in comparison with other departments?

Actually, ethic is about the humans and it is not about a specific department or workplace (Jaramillo et al. 2006).

There might be a problem if a salesperson misuses his freedom or power which organization has given as to let him smooth the sales process. Using the given power or position for making customer contact for self benefit is unethical. There is more conflict in sales department but conflicts between co-workers will be left between them. For instance, competition for customers and gaining higher commission is not unethical, however, when salesperson A is grabbing salesperson B’s customer then the conflict starts. This situation is interpreted in this way: The first salesman could not have enough impression on customer so customer chose other salesperson, so we do not see this matter an unethical issue.

Nobody can deny the existence of unethical issues and that is everywhere but the issue has root in the people norms and morality which is a huge concept. Rules and regulation can protect the people rights and in sales department like other department we are obliged to follow the organization’s rules.

4.6.2. Managers’ role and impact on unethical behavior; an unethical issue in relation with people performance:

This question was a little sensitive which puts the managers in a challenging situation which cause us not to take expected answers, however some general interesting findings from were discovered as the following:

As Lars mentioned, group sales target commission is one managerial approach which is applied in many organizations like GM (General Motors) which could decrease the problems and conflicts. Implementation of team sales system depends on many variables such as the market, organizational system, and so on. Group sales for the company is more likely because if a salesman is not performing good, other salespeople would try to push him or help him any way to perform in a better way. In Sweden individual sales is more common. In Iran team sale system is applied in
some organization and mostly in head quarters of brand representative because it is more B2B (Business to Business) rather than B2C (Business to Customer). Group sales might decrease the potential of immoral competition. Manager's role is to help the system to work better and in a coherent system, managers would use their power for implementing the plans and nothing else. Some managers believe, however, ethic is really depending on people character and performance cannot be affected by ethical issues.

Manager’s awareness of some unethical action in organization can make them to take a proper course of action and solve the problem. Managers agreed that a wrong action cannot affect the people performance in depth, but in a workplace where wrong action practice are frequent and become epidemic, it really affects the people performance and might lead to emergence of a bigger gap between low and high performers.
5. Discussion:

5.1. Performance

The focus of this paper is to study the low performing salespeople in sales departments, find the gap between them and the managers and finally improve their performance in the most effective and dynamic way. Moreover, since this problem comes with wide range of qualitative variables which affect on the performance of the salespeople it was needed to narrow the affecting elements to the major ones and avoid distraction. For that reason, based on three major areas; employee engagement, turnover and ethical issues efforts have been conducted towards looking profoundly into the following factors as come below:

1- Performance measurement criteria
2- The role of management in performance
3- The effect of regular meetings
4- The result of pressure on salespeople
5- Freedom of act and power and their impact on salespeople’s performance
6- Clarity and transparency in what managers want and what people do
7- The vital role of feedback on salespeople’s performance
8- Existence of performance evaluation system and its effect on the performance
9- The role of training and education on people’s performance

5.1.1. Performance and its measurement criteria

According to retrieved facts, the sales process is more likely to be taken care of within groups, this is in accordance to previous scholars’ ideas such Canfield (1961) and (Dietz 2009) who have looked at sales department as a unit. The group should contribute to activities, while each individual has the possibility to utilize his capabilities and abilities as for the good of himself as well as the department. Yet, as far as the salespeople are being seen as a unit, the evaluation in terms of performance would also be a so-called group assessment which is needed to be accurate in performance measurement indeed (Eccles 1991). It should also be mentioned that working in groups reduces the work load on each person and gives out an average performance result at the end of the day; this recent fact could not be found in any other previous works.

After studying the results of the survey, rather predictably based on the theories, the majority of the respondents pointed out the ‘quantity’ as the most important factor in sales. A sold unit is the base for the performance assessment. This means that salespeople usually and commonly are being assessed according to the quantity of sold cars and extra accessories. While the other important issue; customer satisfaction, has not given any specific weigh or criteria to be assessed by the managers. According to Avila et al. (1988) and Churchill et al. (1985) in reality, companies and business owners, still; are more looking for financial earnings and sales volume rather than the quality of service delivery in terms of relationship
building with customers, overall customer satisfaction from the whole sale progress or probably having less but loyal customers against more but temporary customers for instance. This would reveal two facts. First, despite of many changes in governing the corporations, new and developed management methods and so on, salespeople still see the sales quantity as the most important element and this actually what the organization wants too (Churchill et al., 1985) Second, it could be a weak point where managers have not been able to settle the qualitative notion in their employees’ mindsets. Although small number of the addressees answered back that they care about quality of the sales as well, yet, as long as the priority is set to quantity, quality loses its true value. Although the addressees responded that sales quantity is at their first priority, but in reply to the question about the importance of customer satisfaction, the majority thought that it is undoubtedly important. It could be concluded that perhaps front line salesmen have encountered and got feedback from satisfied customers who had become loyal and even have brought new customers on their behalves to the company. Thus, even if salespeople have not been clearly asked to consider the qualitative aspect of their performance, they themselves have had employed it. Plus, they see this ‘satisfied customer’ as a help for boosting one’s performance even if it is about the quantity.

This is in line with Cravens, Woodruff, and Stamper (1972) ideas cited by Avila et al. (1988) who believed that the sold unit sale is not the only performance evaluation and some qualitative criteria are being implemented and employed even only by employees themselves. As a result salesman’s performances are being evaluated in a quantity-oriented rather than quality-oriented.

5.1.2. Performance vs. Management

Follow to customer satisfaction, responses showed that managers’ satisfaction is at the second priority for salespeople. Meanwhile, even if meeting managers’ requirements is an essential element for each employee as to guarantee his retention in the organization but according to obtained results having manager’s satisfaction came after customer satisfaction. It is supposed that employees realized that managers’ satisfaction is relied on some criteria which on top of those, is the quantitative sales, so they would act in a way for selling more quantity of products, and this could be achieved by having satisfied and permanent customers. Having scholars’ ideas together such as (Eccles 1991; Churchill Jr et al. 1985; Avila et al. 1988) also proves to what the writers of this paper have obtained.

In dealership business, brand manufacturers such Kia, Mercedes or Nissan usually have plans to control and investigate customers’ satisfaction which is called CSI (Customer Satisfaction Index). So there is an active performance evaluating system which considers both qualitative and quantitative. It can be concluded that existence of such systems is a tool for the betterment of salespeople’s performance and also increasing the effectiveness of the managers.
Furthermore, based on retrieved results the variety of selling products could affect salesperson’s performance. The reason might be covering different elements such as brand name, current market situation about a particular product, etcetera. However, since a good performance is defined as ‘more quantitative sales’ for them, in that aspect, perhaps selling a popular product, or combination of so-called easy selling products together could dramatically increase one’s performance or the other way around. Moreover, by adding more products, literally the ‘variety’ increases, so does the chance of selling more. This recent fact would help out the lower performers as to stabilize their position among others and place the department’s performance in an average level.

According to obtained statistics it could be seen how important the goal achieving was for sales employees. With the answer ‘Obtained goals in most cases’ they made us understand that it is really a priority for anyone within the department to achieve goals because that is what they are asked to do. In another word, when achieving objectives come to the priority of the people, they have to obey some particular rules, act in some specific ways and use their and organizations’ resources toward fulfilling requirements. All and all this would help individuals to have better efficiency that would be expanded to the group as well. Nonetheless, surprisingly only a bit more than half of the samples had obtained preset goals in most cases, this should ring a bell for the management that perhaps more clarification or explanation about ‘expectations’ is needed. Lastly, goal setting from the managers and expected performance with consideration of market situation, possibilities, and capacities is also an important matter in this regard.

In terms of assigning feasible and logically executable tasks to salespeople it turned out that the majority agreed with it. As Dietz (2009) discussed, goal setting and orientation for salespeople has high degree of importance in regard with their performance. This becomes trickier when it gets to measuring the performance. Though, evaluating the performance is being done upon completion and results of preset tasks. So if staff by any means, thought that a particular task was unfeasible; the performance would be degraded eventually. That is just in accordance with scholars’ ideas such as Dietz (2009) and Becker & Huselid (1998) definitions of ‘performance’ where the outcomes count. Although a very small number of respondents replied that they found the assigned tasks totally illogical and unfeasible but still that means there are people with this notion within the company. On one hand this could bring disappointment to the person and prevents him to go through other tasks and second, it would considerably reduce the department’s performance, because some people simply do not involve themselves or not willing to do tasks. However even for those minorities who think that the assigned tasks are not logical or doable, there are communication channels or ways to let managers knows about situation just as Dietz (2009) argues that pushing salespeople toward a better productivity has lots of ways which according to the situation would be chosen by the managers. Therefore by revising the task they can provide possibilities to perform their task in a better way.
5.1.3. Meetings’ influence on performance

According to obtained results, structured and planned meeting sessions are enclosed in organizational schema. This reveals that manager have realized the importance and necessity of such regular meetings for two main purposes: 1- As to assure the efficiency of inner and outer organizational activities (Becker & Huselid 1998). 2- Having ‘on occasion’ meetings shows the flexibility of sales department in redirecting approaches based upon requirement. So considering both ways in parallel should make a good performing sales department which has the flexibility to adapt itself with day to day challenges while regular meetings are very beneficial for solving some inside conflicts or perhaps common work place issues, issues that would better be solved within department meetings rather than becoming enormous organizational problems. In addition, ‘meeting’ is a managerial plan to smoothen sales procedures and improve overall sales performance (Dietz 2009)by sharing the experience to avoid common and repeatable mistakes, information flowing and updating people about the product knowledge, development of people collaboration in sales, and more.

5.1.4. Effect of pressure on Performance

The exuberance of variables determining pressure in organizations, technically, makes the inter department comparison difficult or rather impossible. However, particularly about the sales department, with a bit more confidence it could be said: Sales department is the revenue generator for every company so naturally expectations such as high sales and profits are basically elevated and consequently the pressure for reaching the sales target and maintain the organizational goals always exists. The retrieved results from the survey showed that more than half of the employees believed that the pressure can negatively affect their performance. Nonetheless, Tepper (2010) mentioned that pressure could lead to unethical behaviors; authors of current paper also believe that it initially causes the reduction in performance since people cannot concentrate on their duties while being under demands. Moreover, it means salespersons are aware of the challenges and dealing with different parties such as organization and managers’ demands, colleagues on one side and customers and their expectation on the other side; they have become parts of their day to day working life.

Strict management would have less effect on salespersons’ performance since it has already been expected and in consensus employees know the managers as the commanders, decision makers and goal assigners. In addition, salespeople know the nature of their job also requires to be tough and strict, especially when the management itself in under the pressure from the board or another higher power. As the result, salespersons take this as normal phenomenon and do their jobs without letting ‘strict management’ affect their performance.

As it turned out from the survey, the majority of sales staff have pointed out two main causes of higher pressure and stress in sales department which might affect their performance as well; 1- Managers’ expectation 2- Direct contact with various
customers. This is another proof for our theory about the sources of pressure on salespeople according to previous scholars (Becker & Huselid 1998; Dietz 2009). In our idea, although salespeople had admitted that there would be more pressure, challenge and stress in their department, yet, sometimes it would out of people’s tolerance and capacity to overcome these struggles over and over for long periods of time. So, the tolerance is up thus person loses his motivation, misbehaves and consequently performs inadequate and unfulfilling.

5.1.5. **Freedom of act and power in relation with Performance**

One tangible difference between the sales department and the rest of departments was the level of freedom and authority which salespersons are given more than others. This, more or less is related to job’s essence (Dietz 2009). Besides they would need to have enough authority, which by some means brings required flexibility and adaptability in particular situations. Consequently, a combination of freedom and authority (flexibility and adaptability) along with their proper acts would enable them to sell the products much easier, in their own styles and more dynamic.

5.1.6. **Clarity, Transparency and Performance**

Generally speaking, organizations’ vision, mission, strategy and transparency towards employees will have direct effect on employees’ performance. This is in line with Dietz (2009) who argued people in charge (i.e. managers) have the helm in hand and the ship goes in the way they direct it. Distinctively in sales department the clarity of policies, regulations and expectations can maintain situations where salespeople can improve their performances. Besides that, employees would perform better in a flatter organizational hierarchy. In fact organization’s resource preposition and work environment can highly affect salesperson’s performance (Becker & Huselid 1998).

In addition, with higher ‘expectation awareness’ rates where people are briefed clearly they can move ahead according to transparent guidelines and policies and will concentrate their activities as for achieving determined goals. While subconsciously they are performing better in order to get those results.

Based on the results, the influence of organization’s clarity and transparency in the area of bonus and compensation would act as a motivating trigger for better salespeople’s performance. The result would be better utilization of organizational resources that leads to better performance of the employees finally (Dietz 2009; Moberg & Leasher 2011).

5.1.7. **Feedback & Performance**

Doing tasks without receiving feedbacks is like walking in a dark path. According to the results less than half of the respondents used to receive regular feedback from
their managers which is not likely at all. This could cause a gap between the manager and employees and increases the possibility of emerging low performers due to lack of consciousness. In our understanding lack of feedback will directly and undoubtedly have impact on salespeople’s performance either in short and long term. Salespeople who are following guidelines and predetermined goals need to receive feedbacks for their acts otherwise they might have been deviated from the track and become a low performer.

### 5.1.8. Performance evaluation system

Any organization, regardless of its type or major of activity requires examining tools and functions. Nearly two third of the survey addressees mentioned the ‘existence’ of such function in their companies. This proves that scholars such as Churchill et al. (1985) or Avila et al. (1988) were right about assuming a successful company, or in a smaller scale a sales department without an evaluating system is somehow impossible. If a company is intended to get the desired results, it must have a comprehensive and active evaluation system. Although existence of such system cannot guarantee the success of sales department (in larger scale the company) however, lack of such function in long-term would definitely end up into failure of the company.

### 5.1.9. Education, Training and Emerging Low Performers

The impact of an effective training system on employees, especially sales force is undeniable. Training should be a constant procedure during the time, either by schedule or based on circumstances. Staffs’ knowledge needs to be updated in terms of product, technology improvements, current market situation, competitors and their strategies etc. Employees pointed out that the main cause of emerging low performing salesmen is lack of skills. Although lack of skill could be interpreted diversely, yet, in our idea lack of skills means lack of education, training and experience. While some of the skills are to be gained by the person previously, some extra knowledge should be provided on duty for performance’s betterment.

### 5.2. Low Performers; should they be given a second chance?

Based on Swedish managers, a low performing salesman has approximately six to twelve month time as to change his trend and prove his eligibility. Initially, legal issues have limited them with a probation period which is at least six months. Secondly, managers would have time in order to study the person more and compromise their expectations with him as well. So, sufficient given time really matters. It was interesting when Anders mentioned that it needs quite long time as to get the flow in selling, and there is a long cycle (usually 3 year) for a customer to be back for another purchase, due to that reason a salesman should also be given more time as to be settled and fixed in position. Here, ‘how could a salesman socially comprehend a customer’ is the matter. So, sufficient amount of time will
give them the chance as to build customer contact and relationship, those behaviors are quite close to Dietz (2009) idea about managing salespeople and taking proper strategies toward achieving determined goals. However, as we learned in real situation, the manager must combine different methods in accordance with provided rules from mother companies together as to get his desired results. Nevertheless, managers have the authority to act according to the rules on their own way, so this flexibility could be helping with retention of the low performers for instance being transferred to another department etc.

The effect of well defined regulations and goals would actually prevent further misunderstandings, deviations and possibly frauds in sales department. On the other hand well defined rules will show the ‘how’ to achieve goals (Dietz 2009), so no trial and error would be employed and the efficiency of the unit (salespeople) would increase.

5.3. Engagement and Turnover

After analyzing the surveys and interviews the authors of this paper agreed with Anik (2011) and Swaminathan & Rajasekaran (2010) who argued about the significance of managers’ understanding about turnover facts. This recent would able the managers to view their employees’ performance related issues from different angles. Main concern here is how applying the engagement strategies would act both as for improving the low performing salespeople and decrease the turnover rate in sales department which was assumed is higher comparing to other departments.

Plus, awareness about different costs of turnover can really help managers as to not to find the employees’ replacement as a common solution for below average performers. That is a key point just in accordance with Mathews & Redman (2001) who have discussed about different obvious and hidden costs of a leaving person. On the other hand as it turned out, companies have customer retention plans but when it comes to employees’ retention plan, managers have some fewer ideas. In our idea the cause differs from country to another due to exuberance of dissimilarities in many aspects such as economy, regulations etc. Nonetheless, perhaps labor market’s saturation with high numbers of job seekers against less job vacancies has made this unbalanced equation.

However as Darmon (2004) discussed the whole turnover costs could be reduced with proper employee retain strategy implementation which also includes the low performers as well. It is really vital to know what the main stimuli are and provoke people with those. Unfortunately the addresses were unfamiliar with this concept. This could lead to emergence of a low performer in long term which could be easily avoided by paying enough attention and care from the organization’s side.
Follow to the above; about the subject of ‘Employee Engagement’ which is being practiced differently in organizations some facts have been obtained from the interviews and questionnaires:

The role of employees’ engagement in organizational decision making and being in stream of events in regard with their performances is undeniable. By involving salespersons in the process of decision making, initially the company shows how important the employees are for it and how influential and useful might their opinions and thoughts be for the organization. That would emerge the feeling of belonging and attachment to the organization in employees which motivates them to continue even more energetic. Therefore, that energy and motivation are the keys to have better performance along the way. In Contrary, lack of such involvement acts diversely by removing salespeople’s courage, hope and motivation and could descend the performance subsequently.

In addition, environmental atmosphere seems to have considerable effect on people’s efficiency. In the same line, as far as employees are being encountered with competitive environments where everybody is struggling for being better, a low performer would be touched by their efforts and would try to be performing better as well. On the other hand as it has mentioned before, most salesperson declared that they were mostly working in groups, and within groups firstly the pressure would be less on each individual (Dietz 2009; Arthur 1994) and the anticipation and competitiveness would trigger low performers to try harder as to not being left behind.

A negative point in regard of employee engagement was that salespeople underestimated their roles in decision makings, direct participation and influence in terms of performance. Only small number of the respondents thought that they have effective roles in organization’s decision makings. This means that either they have not seen their influence or else they have not been allowed to be participating in the process. Both ways, it is a managerial problem where acts closed and narrow minded or either afraid of letting people come and be part of the process. It is a criticism which points to organizations and their governing style too. Probably they have been acting in the way that no engagement could be happening. Also it could be the hierarchy and complex organization structure which eventually prevents anyone from lower level to be involved in the process decision making. The solution is redesigning the hierarchy of the company in long term to a flatter structure.

In terms of inner and outer organizational relationships, almost half of the salespeople admitted that good relationship with customers and other colleagues are very important for doing their job well. This has two sides; first having good relationship with other colleagues at work can reduce conflicts and helps the whole group to work friendly and peacefully together which will lead to efficiency of the group. The second side is their own experience with the customers. It seemed to them that whenever they have had good relationship and connection with
customers in regards with honesty, follow up, or sometimes sympathy and personal involvement in their issues the outcome has been more likely and better.

5.4. Ethic

Considering Kulik et al. (2008) argumentation about the business ethics it was realized that in a stressful work environment like sales department, potential of unethical behavior can be higher. Phenomena such as competition and anticipation for achieving higher sales record, receiving higher incomes, having higher work pressure and basically the essence of the job, literally increase the potentiality of unwanted behaviors which can affect individuals’ performance eventually.

Sales managers cannot constantly control the salespeople behavior (Lee et al. 2009; Kulik et al. 2008) meanwhile salespeople are meant to be result oriented, therefore, in order to have good results they might take some actions which can be interpreted as unethical behavior but it will be ignored when it is not harming the organization.

The Ethical issue is a point of huge dissimilarity between two studied nations. While in Sweden those questions left unanswered, instead in Iran addressees were quite familiar with the concept and could analyze some aspects of it too. This recent strongly approves previous scholars’ ideas such as Kulik et al. (2008), McLaren (2000) and Wotruba (1990) who mentioned how level of freedom and authority can affect healthy competition’s atmosphere. Nonetheless, scholars have mentioned that competitiveness and instability could lead to emerging such unethical behaviors; in our idea those above mentioned factors are parts of so-called ‘ethical environment’ which has been discussed by (Schwepker Jr. 2001) and Vardi (2001). For instance, freedom could be seen as an independent element which provides the potential of unwanted behaviors.

The management style, organizational structure, even social and political situation could put effect on ethical climate. Other factors such as instability and competitiveness are also shaped in the form of their environments; perhaps an improper organizational bed or managerial encounter would open ways of abuse and emergence of unwanted behaviors. Here, it is needed to refer to the role of management itself in preventing, dealing and solving such behaviors (Paraboteeh & Cullen 2002), whereas majority of the respondents believed that managers have direct effect on unethical behavior emergence.

Consequently, in a workplace where the law and regulation and codes of ethic are very transparent, and employees are briefed clearly the probability of unethical activities would be less. The consequence of that would be less wasting of organization’s resources, movement of the employees on the right track and finally better performance of the whole unit.
6. Conclusion and contributions:

As discovered, the group assessment has more accuracy and reliability while the main criterion of salespeople’s assessment, still, is the quantitative sales. Yet salespeople require fulfilling managers’ expectation as to be considered as a good or high performer and this is depended on satisfied customer as well.

Furthermore, employees are expected to achieve predetermined organizational goals and for that they have to obey some rules, behave in particular ways and use resources, through all those they would have satisfied managers and customers as well and of course better performances. Plus, having continuous interaction via regular and occasional meetings helps preventing further deviations from the employee’s side.

Moreover, the element of pressure; both from managers and customers’ sides customers is having direct negative impact on salespeople’s performance while this also depends on the level of tolerance and capacity of particular person as well.

There is a tangible difference between sales departments and other departments which is the level of freedom. This brings flexibility and adaptability to the unit so they could best use it for the sake of better performance.

It also turned out that having clarity and transparency in managers’ expectations, policy, strategy, vision and bonus system prevents ambiguities and shows the right way as to achieve the goals which consequently brings better performance.

Receiving feedbacks from managers in our case seems to be a big problem because it directly affects the performance both in short and long run. This is happening with confusion and frustration from the employee side when they are not aware if they are on the track or not.

It was also revealed that by the presence of functional performance evaluation and education and training systems salesmen’s performance would be elevated.

Employee engagement affects the performance in two ways, first it improves the lower performing ones via participating them in teams and team works as well as decision making so the person feels more attached to the organization and the second it obviously makes the rate of turnover decreased. Yet, surprisingly most employees do not know ‘what’ strongly and ‘how’ directly their engagement to their job (perhaps in decision making and team work) influences their performance. This could be resolved by providing proper information to employees upon starting at the sales department.

And the point of huge difference between two nations were in ‘unethical issues’ which basically have higher potentiality in sales departments and such misbehaviors happen due to the exuberance of anticipation and tendency for achieving the goals.
6.1. Recommendation

This research was focused on the phenomenon of “Low Performers” in sales departments who literally are being ignored when organizations’ performance are being discussed. There is not much literature available in this subject and that was why the subject looked interesting to go through.

By keeping mind that due to exuberance of influential variables a universal solution could not be offered, in the following some conclusions and comments are presented with the hope of being helpful for companies and organizations in encountering with low performing employees:

1- Employee engagement: The main and the most important suggestion is that managers should always keep up with their employees. This could be done in different ways such as reducing the distance in between by letting people express their opinions, ideas and actually be involved in the process of decision making. Besides the results of such employees’ participation should be revealed so employees would know that they were effective and influential. Besides, having more flexible and on demand meetings could help the whole unit to stay fresh for a possible redirect or change.

2- Transparency in expectations, policy, strategy and bonus systems: Having these all in addition to instructions for dealing with low performers would be a huge help as to prevent emergence of low performers and if happened, ways of encountering. Moreover, giving some flexibility for exceptional cases would be desired as well.

3- More management interaction and involvement: Despite of many cumbersome regulations, challenges and infinite daily issues they need to have comprehensive recognition and understanding about organization’s available resources and ways of properly utilizing them. Sometimes people in charge simply do not know how to best utilize the assets, this is where glitches and problems emerge and spreads out. For that reason, managers should be elected with close care and by considering criteria such as being open/wide mined, being a participant soldier rather than a high above sitting commander, relationship builder, being honest, trustworthy etc.

6.2. Limitations and future studies

As the final words some possible further research topics, related to this paper’s topic are being suggested. For instance, one topic could be the ‘Ethical related issues’ in regard of performance with having eyes on country difference in terms of culture, traditions and social background which in less developed countries have more emergence in compare of developed ones.

One other suggested future research topic is the relation between the existence of functional educational, training, bonus and retention system and emergence of so-called ‘Low Performers’ in sales departments.
7. References:


8. Appendix:

8.1. Questionnaire (employees)

Dear respondent,

This very appreciated you for your precious time to filling this questioner. Just for you information this is to mention that this is a research questioner for an empirical part of a master thesis in Karlstad University. This study aims first to identify the reasons that cause a sales person not to perform well in a sales department and second tries to discover the ways that organization can practice in order to improve the low performance of sales force. Your experience in the sales department can help us a lot to provide us with valuable information in our research study. This is to mention that all information is confidential.

1. What is you working style in sales department?

□ Individual (one salesperson, one customer) □ Group (sales team, one customer) □ Both

2. How regularly do you have group or individual meetings with sales managers?

□ Daily □ Once a week □ Once a month

□ Emergent not based on any regular timing □ Once a season

□ Other (please specify)…………………………

3. How accurately or clearly are you aware of managers’ expectations?

□ Yes, absolutely clear and I know them. □ Yes, fairly clear and I know them.

□ No, not so clear and I know little about them. □ No, not clear at all I have no idea about them

4. In your personal view, have you fulfilled organization’s expectations and demands?

□ Yes, completely □ Yes, to some extent □ No, not completely □ No, not at all
5. Is there any specific function or system that clearly evaluates salespeople’s performance?

□ Yes    □ No

6. Have you got clearly briefed with department’s “ideal salesman” and “sale’s compensations”?

□ Yes, clearly □ Yes, to some extent □ No, not clearly □ No, not at all

7. How do you score the level of managements’ expectations on performance?

□ Reasonable and feasible □ Reasonable and infeasible □ Unreasonable but feasible □ Unreasonable and unfeasible

□ Other (please specify) ………………………

8. Score from 1 to 5, the importance of the following factors in regard with a ‘good performance’ in general?

(Lowest is 1, Highest is 5), what is the good performance interpretation.

<table>
<thead>
<tr>
<th>Managers roll:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling quantity:</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Customer satisfaction:</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Managers’ satisfaction:</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Good customer relationship:</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Good colleague relationship:</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

9. How often, do you ever receive feedback (positive or negative) about the performance from the managers’ side?

□ Regularly □ In some particular cases

□ Once in a while □ Never ever
10. Do you consider yourself as a “high” or “low” performer? Why?

- □ High, because I sell above the average
  - High because my managers have told me so
- □ High because I receive positive responses from customers (customer satisfaction)
- □ Low, because I do not sell to the average
  - Low, because my managers have told me so
- □ Low because I receive negative responses from customer and managers
- □ None of above (Please specify) …………………….

11. In the scale of 1 to 5 rate the influence/effect of the followings on your performance? (1 is the lowest, 5 is the highest)

<table>
<thead>
<tr>
<th>Importance:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards (monetary and non-monetary)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization’s competitive climate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of the selling product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager’s pressure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal motivation/affection specifically in sale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bolder role in decision making process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager competence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational mission, policies, methods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Which of the following do you think are the causes for a salesperson to be/become “Low performer”? (Choose as many as you want)

- □ Lack of sales experience
  - Lack of sales skills
- □ Not born to be a salesperson
  - Lack of product knowledge
- □ Improper HR department selection
  - Conflict or problems in department or organization
□ Mangers improper competency  □ Lack of organizational expectation, structure and functional clarity

□ Other (Please specify) ......................

13. How do you evaluate the quality and quantity of training/education in your sales department?

□ Good, both in quality and quantity  □ Good in quality but not enough in quantity

□ Good in quantity but weak in quality  □ Not good either in quality and quantity

14. Do you believe in more pressure in sales department? If yes, what are the sources of pressure?

□ Managers pressure of higher amount of sales  □ Customers pressure

□ Coworkers or other employees in other departments  □ Nature of the job

□ Other (please specify down) ......................

15. Is there any unhealthy competition in sales department? If yes, which of the following are the reasons for that?

□ Pressures from different parties (such as managers or customers)  □ Competitive working environment

□ Existence of employee networks  □ Sales people freedom or authority

□ Personal relation with manager  □ Higher employees turnover and lower job stability in sales department

16. In the scale of 1 to 5, how would you score the importance of Manager’s role in emerging unethical behavior?

Managers roll:  1  2  3  4  5

□ □ □ □ □

17. In your opinion, which of the following is the most important criteria for job satisfaction?

□ Workplace climate  □ Workplace co-workers  □ Brand or the product reputation  □ Compensation system
☐ Customer relationship/communication/involvement  ☐ Higher employees’ engagement

☐ Overall nature of the job  ☐ Other (please specify) ……………………

19. Is your current job related to your previous work experience?

☐ Yes  ☐ No

20. Do you think sales low performer should leave or be fired from the company?

☐ Move to the other department  ☐ Leave the job voluntarily

☐ Be fired  ☐ Other (please specify) ……………………

21. How is your job freedom and control issue in your department compared with other employees in other departments?

☐ Lower  ☐ The same  ☐ Higher  ☐ No idea

22. In the scale of 1 to 5, how would you score your level of involvement in decision making process as a salesperson in sales department?

Level of involvement: 1 2 3 4 5

☐  ☐  ☐  ☐  ☐

Thank You

------------------------------------------------------------------------------------------------------

8.2. Managers’ interview questions

Here based on the theoretical framework, there are four main categories which questions are designed based on them:
1. The issue of Turnover and related question:

1.1. Do you consider the turnover issue in sales department? If so, How?
1.2. Do you think that the turnover rate in sales department is higher than the other department in organization for example marketing, accounting etc? If so, what are the reasons for that? Higher pressure, higher responsibility, nature of the job, or other issues?
1.3. Turnover associated with cost; Are you aware of obvious and hidden costs of a leaving salesperson? do you think that the cost of turnover of a sale force in sales department is higher than the other employees in other department?
1.4. Do you believe that low performer turnover is beneficial rather to be costly in sales department?
1.5. What is the organizational or departmental plan to retain your employees?
   Any retention plan?

2. The issue of performance and related questions: (most important part)

2.1. How do you define performance in your department (sales)? Basically, how do you define “high performer” and “low performer”?
2.2. What are organization main criteria for evaluating your sales force performance? According to which criteria managers decide or judge about the sales people performance?
2.3. Your performance criteria are qualitative-oriented or quantitative-oriented? Good performance is higher number or higher quality in delivery and satisfaction?
2.4. How do you measure sales people performance? What are the company’s measurement tools to do that?
2.5. How do the salespeople sell in sales department of your organization? Group sales or selling individually?
2.6. As a manager, how do you affect the sales people performance? How do you see your and company’s role (Policy, culture, approach) about dealing with low performers in terms of improving them?
2.7. How would you think the job satisfaction can affect the performance? Especially about low performing ones?

3. The issue of employees engagement as a solution for decreasing turnover:

3.1. How do you see the employee engagement as a solution for lower the employees’ turnover and higher customer satisfaction?
3.2. How do you engage employees in decision making process?
3.3. How is the empowerment issue and its practices in sales department?
3.4. How is the approach of freedom and control for sales employees?
3.5. How about low performer? Will employees’ engagement and empowerment help them to increase the performance? If so, in which ways?

4. Ethical Issues and question:
4.1. How would you describe your company’s ethical climate?
4.2. Are you aware of any unethical behaviors happening in the organization right now? (anything that you as the manager DO NOT want the people to do)
4.3. Managers unethical decision making or unethical behavior and its impact on sales people. What do you think of how the manager’s unethical behaviors affect the employees and make some employees low performer and some other high performer?
4.4. Have you considered unethical competition in your department (sales)? What are the reasons behind that issue?

4.5. Do you think the possibility or potential of unethical behavior in sales department is more than the other departments?

4.6. How the overall organization climate or outside factors have impact on unethical behavior of sales people?

4.7. What is your managerial ethical approach to low performer in your department?