

# **INFLUENCING MOTIVATION OF SALESPEOPLE**

Factors managers should use to motivate salespeople in commissioning company



Bachelor's thesis

International Business

Valkeakoski, 2020

Farzad Sharifi

International Business  
Valkeakoski

---

<b>Author</b>	Farzad Sharifi	<b>Year</b> 2020
<b>Title</b>	Influencing motivation of salespeople	
<b>Supervisor(s)</b>	Dawn Aarnio	

---

#### TIIVISTELMÄ

Opinnäytetyön tilasi Academic Work Oy. Yritys on Suomen johtava nuorten ammattilaisten rekrytointiyritys. Yritys on kasvanut voimakkaasti monien vuosien ajan ja tämän tutkimuksen kautta he halusivat arvioida myyjiensä motivaatiota ja ajatuksia nykyisistä prosesseista. Lisäksi toimeksiantaja halusi selvittää, kuinka myynnin esimiehet voivat motivoida myyjäänsä erilaisilla työkaluilla ja palkkioilla.

Opinnäytetyön teoriaosa keskittyy kahteen teoriaan. Yksi teorioista käsittelee motivaatiota yleisesti ja sen vaikutusta myynnissä. Toinen teoria käsittelee myynnin johtamista. Myynnin johtamisen teoriassa keskitytään siihen, kuinka myynnin esimiehet voivat parantaa myyjien motivaatiota palkkioiden, eri palkkamallien, koulutusten, myyntikilpailujen ja myyntitavoitteiden avulla.

Tutkimus toteutettiin kvantitatiivisella kyselyllä, johon osallistui 28 Academic Workin myynnin työntekijää. Kyselyn tarkoituksena oli selvittää, mitkä asiat vaikuttavat myyjien motivaatioon, ja tehdä tämän perusteella tehdä ehdotus esimiehille siitä, mihin heidän tulisi keskittyä myyjien motivoinnissa.

Academic Workin myyntikoulutus on hyvällä tasolla ja palkkamalli nähtiin kyselyssä motivoivaksi. Kyselyn perusteella myynnin esimiesten tulisi kannustamaan enemmän myyjäänsä esimerkiksi järjestämällä erilaisia yksilökilpailuja. Vaikka palkkamallia pidettiin hyvänä, ulkoisten palkkioiden hyödyntäminen tulosten parantamiseksi voisi tuottaa korkeampaa motivaatiota ja myyntituloksia. Näiden lisäksi esimiesten on asetettava yksilölliset myyntitavoitteet, jotka ovat realistisia ja melko helposti saavutettavissa panostuksen avulla.

**Avainsanat** Motivaatio, Myynnin johtaminen, Myynti

**Sivut** 43 sivua, joista liitteitä 7 sivua

International Business  
Valkeakoski

---

<b>Author</b>	Farzad Sharifi	<b>Year</b> 2020
<b>Subject</b>	Influencing motivation of salespeople	
<b>Supervisor(s)</b>	Dawn Aarnio	

---

ABSTRACT

This thesis was commissioned by Academic Work Oy. The company is a leading recruitment company for young professionals in Finland. The company has grown strongly for many years and through this assignment they wanted to assess the motivation and thoughts of their salespeople about current processes. In addition, the commissioning company wanted to find out how sales managers can motivate their sellers.

In this thesis the theory part focuses on two theories, one theory discussed in the study is motivation in general and its importance in sales. The second theory deals with sales management. The sales management part focuses more on how managers can improve salesperson motivation through rewards, different pay models, training, sales competitions, and the right kind of sales goals.

The study was conducted using a quantitative survey in which 28 Academic Work's sales employees out of 35 participated. The purpose of the survey was to find out what influences the motivation of salespeople, and based on this, make a proposal for improvement to the commission company.

Academic Work's sales training is at a good level and the salary model is motivating for salespeople. Based on the survey, what should be improved is that sales managers need to encourage more of their salespeople to sell, e.g. through organizing a variety of individual competitions. Although the salary model was considered good, introducing external rewards to raise performance levels could generate higher motivation and results. In addition to these, Academic Work needs to set individual sales goals that are realistic and fairly easily achievable through working hard.

**Keywords** Motivation, Sales Management, Sales

**Pages** 43 pages including appendices 7 pages

# CONTENTS

1	INTRODUCTION .....	1
1.1	Background information .....	1
1.2	Research question and objectives .....	2
1.3	Case company .....	2
2	THEORY .....	3
2.1	Motivation .....	3
2.1.1	Motivation in general .....	3
2.1.2	Importance of motivation in sales.....	4
2.1.3	Intrinsic and external motivation in sales .....	6
2.2	Sales management .....	7
2.2.1	Objectives and tasks of sales management .....	7
2.2.2	Motivating salespeople .....	8
2.2.3	Rewarding models .....	9
2.2.4	Sales training .....	10
2.2.5	Sales competitions.....	11
2.2.6	Sales goals.....	12
3	CURRENT SITUATION .....	14
3.1	Importance of motivation .....	14
3.2	Influencing Intrinsic motivation .....	15
3.3	Use of external rewards and pay model .....	15
3.4	Sales training .....	15
3.5	Sales competitions .....	16
3.6	Sales goals .....	16
4	QUANTITATIVE RESEARCH.....	17
4.1	Implementation of research .....	17
4.1.1	Research methods .....	17
4.1.2	Acquisition of material .....	18
4.1.3	Analysis of the material .....	18
4.1.4	Reliability and validity.....	19
5	ANALYSIS.....	20
5.1	Background information on respondents .....	20
5.2	Intrinsic motivation .....	21
5.3	External rewards and pay models.....	24
5.4	Training salespeople.....	27
5.5	Sales competitions .....	28
5.6	Sales goals .....	30
6	RECOMMENDATIONS .....	31
6.1	Proposals of this study .....	31
6.2	Proposals for Further Research.....	33

7 CONCLUSION .....	34
REFERENCES.....	35

Appendices

Appendix 1 Research questions

# 1 INTRODUCTION

## 1.1 Background information

Sales is one of the toughest and most important functions of any organization in a commercial and business enterprise. Sales efficiency and profit today really determines a lot of a company's growth and success. Every organization's aim is to have effective sales and one of the most important things affecting sales efficiency is a salesperson's motivation. If the salespeople are not motivated to work, the result will not be of high quality or effective and that is why motivation can be considered to play a very important role in the effectiveness of sales work.

As an organization you want your salesperson to be motivated about the work, sales goals and to go the extra mile to reach goals. Nowadays the business world is going through constant changes while the competition intensifies further. This is the reason why it's very important for organizations to review and implement good sales management practices. This will not only help organizations to stay competitive but will also enable to gain more profit.

There is much talk about the role of sales in the future. It is very difficult to answer what the role would be in 50 years from now, but certainly it can be said that the role is changing, and companies need to adapt and be prepared for continuous changes. Which factors affect these changes is the overall change of customers, competition and technology which is developing and forcing everyone to adapt. Sales management is today the most important function of a company's success.

The salary paid to sellers often consists of commissions, which means the more they sell the more the seller receives salary. Motivation is the key behind this model since opportunities for higher earnings often motivates you to work harder. Cash rewards however are not often enough for a salesperson to have high work motivation. The purpose of this thesis is to explore other ways beside financial reward to motivate salespeople to do an effective sales job. The subject matter is limited with the commissioning company and researcher to dealing with salesperson motivation, reward and reward models, salesperson training, sales goals and sales competition. The researcher works at Academic Work Oy as a salesperson, so the views of both have been taken into consideration when considering the delimitation of the topic. There was a common understanding that those topics was most beneficial for the sponsor.

This research is divided to 7 chapters. The first one defines the research question, objectives and introduces the commissioning company. The second chapter introduces the theory part. Third chapter describes the

current situation and chapter four is about the survey. In chapter five the survey is analyzed and chapter six provides suggestions and recommendations for the company. Chapter seven included conclusion of the thesis.

## 1.2 Research question and objectives

Employee and customer satisfaction are very important factors for every sales organization. This also applies to the commissioning company. The company understands that their business will grow, and customers will be satisfied when their salespersons show a high degree of motivation. The company has discovered that they need new ways to motivate salespeople to do more efficient and effective sales and stay ahead of the competition.

Often, there is a small number of people in a company who are motivated to reach and exceed the results set by their employer. Also, factors that motivate people can differ based on their level of expertise and seniority. This creates a challenging situation for managers, as they need to find the right tools to motivate a larger number of people in the company. The goal of this thesis is to find answer to the following question: how sales managers can motivate salespeople into more effective sales?

This study explores sales management and motivation through different factors influencing it. The objective is to identify from a theoretical perspective, what factors have been acknowledged to influence motivation of salespeople. The study is done from a managerial perspective: how sales managers could improve salespeople motivation through concrete factors such as rewards, incentives and training. The focus of the survey is how these factors are perceived by salespeople of Academic Work, and how they could be improved.

Based on the study objectives mentioned above, the aim of this study is to answer the following sub questions:

- 1) Why is motivation important from a sales management perspective?
- 2) Which factors influence the motivation of salespeople?
- 3) How these factors should be implied by managers in order to improve salespeople's motivation?

## 1.3 Case company

Academic Work is the largest recruitment and staffing company of young professionals in the Nordic countries. Young professionals are University or University of Applied Sciences level students, recently graduated and people with 0-5 years of work experience within their own field. Academic Work was established in 1998 in Sweden and operates in six different countries. The company started operations in Finland in 2008. Academic

Work signed 3,000 employment contracts in 2019 for their client companies for IT, technology and commercial positions. The company currently has 188 in-house employees and their turnover in Finland in 2019 was 54.4 million euros. The company has two offices in Finland that operates in Espoo. This study focuses on activities in Finland. (Academic Work Oy, 2020)

There are two departments around which their core business revolves and one of these units is sales and the other is an operational unit looking for suitable candidates for assignments. There are currently 35 sales agents working for Academic Work, and their job is prospecting companies which they are in contact with by phone to arrange customer meetings. At the meeting, they discuss customer recruitment needs and offer their own services. When the customer accepts the offer, the process moves to the operational side, where recruitment specialists take the process forward and find the right talent for the customer. There are of course other departments in the company like marketing, finance, internal HR and these departments are smaller in number of employees.

The target of Academic Work is a turnover of 100 million in 2022 and that is why sales and specifically motivated salespeople are their weapon to reach those numbers. The company is in a strong growth phase and because of matters mentioned above, this research and new ways to motivate salespeople are very important and interesting to them. (Academic Work Oy, 2020)

## **2 THEORY**

This chapter explores the theoretical aspect of the research. The theoretical part focuses on motivation in general as well as its importance in sales. The latter part of this chapter focuses on sales management and introduces different ways and tools to motivate salespeople.

### **2.1 Motivation**

This section explains what motivation is and how it affects people's behaviour. In addition, the chapter explores in more detail the importance of motivation or lack of it in sales work.

#### **2.1.1 Motivation in general**

Motivation is what makes world go around and that is why there are many reasons why employee motivation is important for companies. Mainly it allows management to meet company's goals. Motivation must be controlled and managed in order to be effective. For companies and

supervisors to influence and manage motivation, one must first understand what motivation is. (Harmon-Jones & Forgas, 2014, p. 1)

Motivation is a mental state that guides a person's alertness, activity and diligence to work towards their own goals (Sinokki, 2006, p. 60). Motivation is a personal source and it differs greatly from person to person. Some people have a great motivation to finish a certain task, while for others, doing the same task can be meaningless. Motives also vary according to the individual's life stages. For example, the things that motivates a person at early stage of life no longer necessarily motivate them in the later stages of life (Manning, Reece & Ahearne, 2010, p. 382).

Motivation can be divided into two different categories known as extrinsic and intrinsic motivation (Manning, Reece & Ahearne, 2010). Intrinsic motivation refers to the natural reward a person achieves after completing a specific task. Intrinsic motivation for the salesperson is likely to arise when sales tasks provide opportunities for achievement and self-development. For example, a salesperson is intrinsically motivated if he or she enjoys solving customer problems and finds it rewarding. According to Manning, Reece & Ahearne (2010, p. 380) intrinsic motivation factors are generally more long-lasting and more effective than extrinsic motivation factors.

On the other hand, extrinsic motivation is reward-driven behaviour. Benefits, position and money are external motivations. Other benefits of the organization to its staff can be in relation to health care, dining, exercise or leisure time. In sales in addition to regular salary, there may be other financial benefits such as performance-based bonuses and fees. Sellers are usually motivated by extrinsic factors because it's easy and quick to reach that. For example, the rewards salespeople receive for achieving sales goals or winning sales competitions. Extrinsic motivators such as money or other rewards can produce extrinsic motivation to engage in activity. (Legault, 2016, p.3)

### 2.1.2 Importance of motivation in sales

A demand for successful sales is that salespeople have good work motivation. If the seller is not motivated to sell, it is pointless for him or her to assume good results. Companies want motivated salespeople, because they usually have ambitious sales goals and in order to reach them, companies need motivated employees. A motivated salesperson often infects the customer with their own enthusiasm, which usually leads to a positive sales result. It can be said that without motivation, the level of salesman's performance decreases a lot. The customer senses if the seller is not enthusiastic and motivated which usually leads to a negative sales result. (Haanpää, 2005, p. 75)

Different sellers are often motivated by different types of things. Some are motivated by financial rewards, others by freedom of action and some by stress-freeness. It is very difficult to implement a successful motivation form that satisfies everyone's perspective. Rope (2003, p. 114) claims that following examples can be very strongly linked to the motivational factors of sales work from the salesperson's point of view:

- Financial and economic success
- Desire to work with different people, i.e. social incentives
- Freedom and the ability to plan their own tasks
- Recognition from others for their accomplishments
- Desire to prove or show their competences abilities to produce results

Developing motivation is important for salesperson success because a high level of motivation can improve many salesperson qualities, as well as increase work efficiency. According to Jobber & Lancaster (2009, p. 405) high level of motivation increases following factors:

- Creativity
- Helps to work wiser
- Raises the self-esteem higher
- Helps to have a more adaptive sales approach
- Makes to work harder
- Helps to have a more relaxed attitude

There are several factors which can negatively affect employees' motivation and lead to lack of it. According to Herzberg (1966), motivational factors can be divided into two: hygiene factors and satisfier factors. Hygiene factors are related to the workplace itself, such as working conditions, co-worker relations and rules (Herzberg, 1966). These are the basis for building a satisfied, motivated and long-term employee. Hygiene factors alone will not increase the employee motivation, but only decrease dissatisfaction. In order to increase job satisfaction, satisfier factors need to be acknowledged. These factors include job challenges, recognition and personal growth. (Schermerhorn, 2013, p. 407)

Also, Donaldson (2007, p. 247) underlines that e.g. poor working condition, reporting tools and internal communication may lead to lack of motivation. However, from a managerial perspective, also things such as lack of individual participation, lack of incentives as well as injustice in rewarding should be avoided (Donaldson, 2007, p. 247). When hygiene factors are considered, managers can focus on how to raise the motivation of salespeople (Schermerhorn, 2013, p.407).

### 2.1.3 Intrinsic and external motivation in sales

Pure joy and satisfaction are sources of inner motivation. Intrinsic motivators make a person do things without any reward or reinforcement, just to satisfy themselves. Intrinsic motivation is a proactive continuum that arises from a person's personal objects of interest and appreciation. (Sinokki, 2006, p. 66)

In many cases, a salesperson's performance and motivation are greatly affected by how the sales manager presents appreciation towards the good work they do. According to Manning et al. (2010, p. 382), the seller's intrinsic motivation can be increased when he or she receives praise for a job well done and perceives himself or herself as an individual in the work environment. Also, according to Schumann, H. (2017) once sales manager has established what factors are important to the seller personally, they will know what motivates them internally. In such situations two-way communication between the salesperson and the supervisor is essential. Often, showing appreciation towards salespeople motivates them to sell harder. Managers can also influence the seller's intrinsic motivation by showing a personal interest in the seller. This can be done for example, by learning the names of their children, or even by learning their birthdays and congratulating them on their birthday. (Manning et al., 2010, p. 382)

Sales work itself acts as an intrinsic motivator when the salesperson has a strong sense of success when making deals. For this reason, many sales organizations use some sort of sign to notify members of the sales team if a member succeeds in making deals. The signal can be, for example, a clock that rings to indicate successful trades. With such signs, the sales work itself can be made motivating by the sellers. Also, when doing sales work involves inherent rewards, it itself acts as an intrinsic motivator. Such awards may include e.g. the opportunity to be promoted for a job well done. The seller is motivated to do the sales work, because by making the sale the salesperson supports personal professional growth. (Manning et al., 2010, p. 381-382)

Intrinsic motivation factors make motivation last longer and more permanent, which often makes intrinsic motivation more effective. Internally motivated person seeks ways to perform well and does not blame circumstances because it satisfies the needs of the higher degree, which are the needs to develop and succeed. When you find your own strengths and areas of comfort, you will often also find intrinsic motivation. (Manning et al., 2010, p. 381-382)

Benefits, status and money are external motivating factors. Many organizations achieve good sales results because of a carefully developed reward system. Rewarding salespeople affects not only their sales achievements but also the work atmosphere. Well-designed reward system keeps the atmosphere of sales staff good and with a good

atmosphere, sales achievements often improve as well. The reward and rewarding system should be considered before it is introduced, as poorly designed rewards can negatively affect the motivation of sellers. Although the motivation provided by external rewards is usually not as long-lasting as the intrinsic motivation, a well-implemented rewarding system can have long-term benefits for both the organization and the individual employee. (Manning et al., 2010, p. 382) According to Sinokki (2006, p. 67), not everyone values external factors as much as intrinsic motivational factors and for this reason it is good to identify what motivates each one and to consider each person as an individual.

Sales managers need to think about what kind of rewards have the biggest impact on salespeople's extrinsic motivation. Manager should decide external rewards based on the information received from salespeople. A good rewarding model focuses on several important aspects of a salesperson's work, such as creating new customers, increasing sales to existing customers, and improving after-sales customer service. The reward can be e.g. a cash prize or a holiday trip. Many people in management want to use something other than a cash reward as an external incentive, as salespeople already have a cash reward as an incentive for earnings based on a sales volume. (Manning et al., 2010, p.382)

## 2.2 Sales management

This second chapter introduces sales management. The chapter introduces the different tasks and goals of sales management and how with the help of sales management a sales manager can influence the motivation of salespeople. The chapter presents also how a sales manager can influence the motivation of his or her subordinates by motivating them with external rewards, a salary model, different sales competitions, sale training and sales goals.

### 2.2.1 Objectives and tasks of sales management

Sales management means managing, directing or supervising salespeople. It also refers to sales planning, sales staff training, delegation of sales tasks and staff motivation. Sales management can be said to be directing sales staff in the direction of company's strategy (Tanner, Honeycutt & Erffmeyer, 2014, p. 5). Well-executed sales management is a recurring and regularly performed process. The more time a sales manager spends with his or her sales team the better the results are often. Many sales managers spend too little time on the individuals as well as on the team. Poorly managed sales management is reflected in poor sales results, as well as a weakening of salespeople's motivation. (Stewart, 1999, p. 1)

The task and mission of sales management is to ensure that all sales conditions are in order, and also to define objectives and direct sales activities (Rope, 2003, p. 117). Sales management is considered to involve several different tasks. According to Rope (2003, p. 117) and Doyle & Sternin (2006, p. 301), the tasks of sales management are sales planning, recruiting salespeople, sales training, motivating sales individuals, rewarding salespeople and evaluating performance of salespeople. They both state that motivating, rewarding and training salespeople are the more important tasks of the mentioned factors.

### 2.2.2 Motivating salespeople

Motivating salespeople is a vital part of a sales manager's work. The most typical motivation factors for salespeople are an encouraging work atmosphere, training and salary (Rope, 2003, p. 120). According to Nieminen and Tomperi (2008, p. 151) in addition to the factors mentioned, state that recognition, freedom and responsibility are important motivation factors for salespeople.

For motivation to be effective, it must be directed correctly. It would be easy if everyone was motivated in the same way. However, different generations are motivated in different ways (Tanner, Honeycutt, & Erffmeyer, 2014, p. 295). Other employees feel valued through financial rewards such as greater salary or car benefit. Others are more motivated to get more challenging work tasks or more flexible working hours. Rope (2003, p. 120) points out that motivated sales staff is a more expensive asset for companies than gold, so it is natural that sales managers do their best to keep their salespeople happy.

Many salespeople experience customer refusals which lowers salespeople's motivation and the efficiency decreases. Therefore, it is important for managers to motivate their sellers constantly. When motivating salespeople, sales managers should consider both intrinsic motivation and external motivation. Rewarding with money is not only enough to motivate the seller, but the management must also try to motivate the seller intangible (Rubanovitsch & Valorinta, 2009, p. 108).

The sales work offered in organizations should provide a suitable mix of both motivations for the salesperson. The work itself should be rewarding, which affects the seller's intrinsic motivation, and in addition, it should include rewards that aim to influence the seller's external motivation. Different people have different interests and values, they react differently to motivating factors and because of this rewarding to motivate externally can be tricky (Manning et al., 2010, p. 381).

### 2.2.3 Rewarding models

Motivation is not the same thing as rewarding. Rewarding is a broad entity that includes benefits, salary, special bonuses, performance bonuses, feedback and the opportunity to make an impact. Both the employee and the organization should benefit from the reward exchange ratio. The employee works for the benefit of the organization and receives in return for his work rewards that are relevant to him. From an organizational perspective, it is crucial how much an employee is willing to invest and where they direct their focus. The organization needs to think about what motivates the employee and makes him or her focus on the right things for the business goals. When the employee experiences the exchange relationship is in order, he or she is likely to be willing to work harder to achieve goals as well as more eager to develop in their work. (Rantamäki, Kauhanen & Kolari, 2006, p. 15-16)

According to Rubanovitsch and Valorinta (2009, p. 108), the right kind of reward model has an impact on the motivation and atmosphere of the sales team through which it has an impact on the sales team's achievements. When creating a salesperson pay model, you need to decide how much salespeople will be paid for their performance and how the pay will be formed. If a company pays sellers less than the average salary, it is difficult for the company to find good sellers. By paying better than the average salary, the company attracts better potential top experts to its organisation (Doyle & Stern, 2006, p. 305). When designing and developing rewarding models, the responsibility of sales management for the functionality of sales must be considered. Factors influencing the construction of the reward model include the goals set for sales managers, the realism of the goals, and the roles of salespeople in the organization (Rubanovitsch & Valorinta, 2009, p. 108).

The seller's salary often consists of a fixed as well as a variable part. Sometimes a seller's salary can consist of just a fixed or just a variable part. The fixed component can be e.g. a fixed monthly salary, or a fixed salary paid for working hours. The variable part, on the other hand often consists of how much sales the seller has made. The variable part can consist of commissions and other bonuses. (Rubanovitch & Valorinta, 2009, p. 107)

The fixed salary is tied to the time during which the employee works. The fixed salary is therefore not affected by how much the seller has sold. A payroll model consisting of a fixed salary alone is often used when a salesperson must devote a significant portion of his or her time to other work tasks, such as customer service, market research, or other projects. The seller is often given only a fixed salary if the seller is new or if the sale is made up of the joint work of the sales team and it is difficult to assess the contribution of individuals to the sale. The advantage of a wage model based only on a fixed salary is its simplicity. It is easier for managers to budget and manage a pay model in which the amount of remuneration to

be paid is constant. The downside to this model is that it does not motivate you to work more effectively. Since the salary remains the same despite the sales volumes, there is no need for the seller to make large sales, and with this, the seller also is not motivated to do effective sales work. (Tanner, Honeycutt & Erffmeyer, 2014, p. 180)

Some companies, on the other hand, have a pay model based only on variable remuneration. Such companies are highly profit-oriented because the salary is based entirely on how much sales the seller makes. This pay model makes it easy for both the salesperson and their managers to track the salesperson's performance. A commission-based salary alone has also its own weaknesses. One of its weaknesses is that it is insecure. If a salesperson falls ill and is unable to do his or her job as normal, his or her salary will be low. Since the seller receives remuneration only for the transactions he makes, the seller may also be reluctant to engage in any non-selling activities. Sellers may also start selling products and services that the customer does not need because the seller has not reached the desired salary level. (Tanner, Honeycutt & Erffmeyer, 2014, p. 181)

The most common pay model for sellers consists of a fixed part, as well as a variable part. According to a survey conducted by sales and marketing professionals at MMA, the most common method of paying sellers is a fixed salary and bonuses paid on top of it. 39% of respondents receive their salary based on that model. The second most common pay model method is a fixed salary. (MMA, 2017)

#### 2.2.4 Sales training

Organizations of today face numerous challenges, and training their sales force is high on the agenda of most organizations. Sales training is a challenge to organizations, big or small, national or multinational, manufacturers or service providers especially amidst today's rapidly changing global economy. When a new salesperson enters the company, he or she should be offered an introduction to the company and its business, as well as sales training. Orientation and sales training should be provided before starting daily sales routines. Well-designed sales training can have a significant impact on the performance of each salesperson. Even if a salesperson has a lot of potential, his or her performance will not be as good if the company does not provide proper training in selling their products and services. Sales training also affects the salesperson's work motivation. If the salesperson has been given a good training and good opportunities to sell, he or she is well motivated to do his or her job. The size of the company should not affect the type of sales training given to salespeople. Even the smallest companies should offer their salespeople formal sales training. (Manning et al., 2010, p. 379-380)

Effective sales are a learned process. When people recruiting salespeople are asked which qualities help to make a top salesperson, recruiting

individuals mention qualities that can be improved through training. Such qualities include sales skills, understanding the customer's needs and product or service knowledge. Studies have shown that training salespeople improves sales efficiency, customer relationship and organizational efficiency. Organizations are spending millions on training employees, and sales training takes a significant portion of that budget. (Manning et al., 2010, p. 379-380)

Sales training should have clear goals and the most important goal is to get better sales results. Sales training raises seller's sales skills to do more sales which results in the seller's salary also rising. The second most important goal is to reduce turnover. Salespeople who do not have good sales training often experience it difficult to find customers and answer their questions. Closing deals also often brings them problems and because of this, many new salespeople quit before they learn to sell effectively. Buyers don't want to waste their time with sellers who don't know what to do. They prefer to work with well-trained salespeople who have good product, service and industry knowledge and can serve customers well. (Honeycutt, Ford & Simintiras, 2003, p. 141)

#### 2.2.5 Sales competitions

Many sales organizations organize sales competitions for their salespeople. The goal of sales competitions is to act as incentives to motivate sellers to reach a certain goal. In sales competitions, the idea is often that the salesperson who has made the most sales in given period will receive a prize for their performance. The prize can be, for example, a cash prize, a paid holiday or a holiday trip. The goal of sales competitions is to make salespeople motivated to do more effective sales work. The goal of prizes in sales competition is to motivate salespeople externally, but the competition itself motivates internally salespeople to do the work. (Honeycutt et al., 2003, p. 180)

Sales competitions have become such a big part of sales management and development that most sales managers interact and develop on an ongoing basis different operating models and implementations of sales competitions. In sales competitions, managers support and encourage their subordinates to sell more effectively. Salespeople in competitions also encourage each other to perform better. The level of motivation of those who succeed in a sales competition improves with the recognition brought by good success. Successful salespeople in competitions receive recognition in the workplace from their managers and other salespeople. (Honeycutt et al., 2003, p. 184)

Sales competition can take three different forms. The first form is competing against oneself. In such a competition, the seller tries to beat own past results. When a salesperson wins herself or himself and reaches a goal, she or he receives a reward for a job well done. Another form of

competition is team competition. In such a competition, the sales staff is divided into equal teams and the teams compete on which team is achieving or exceeding the goal set by management. Team competition brings group pressure to team members. In team competitions individual team members are motivated to invest more in personal sales performance because they do not want to disappoint other team members. The last form of sales competition is competition where salespeople compete against each other. Salespeople often compete for who gets the most sales in a given time period. In such a competition, managers need to make sure that all sellers have a chance to win the competition. (Honeycutt et al., 2003, p. 184)

There can be many types of competitions and in order to maintain the best motivation it would be good to vary the sales competition models at certain times (Vuokko, 2003, p. 257). In addition to different types of competitions it is also good to set some sort of theme for the sales competition. The purpose of the theme is to create enthusiasm for sales competition, as well as to promote competition to sales staff. Themes set for sales competitions are often related to sports or a specific location. (Honeycutt et al., 2003, p. 184)

According to Vuokko (2003, p. 257), sales competitions must have clear goals before it can be launched. However, sales competitions should not be the only way for a manager to motivate his or her seller (Vuokko, 2003, p. 58). In a successful sales competition, each participant should have the chance to win the competition. If the seller feels that there is no chance to win the competition, he or she is not motivated to actively participate in the competition. Choosing the right kind of prize is also important for a successful sales competition. When planning a sales competition, it is good to think about what things salespeople value and on this basis, plan the prizes for the competition. Usually cash prize pleases all sellers and the winner of the competition may use his or her cash prize to pay bills or, for example, to eat at a restaurant. For this reason, cash prizes have no long-term significance. On the other hand, if the winner of a sales competition receives a product as a prize, such as a mobile phone or even a television set, that product will remind them for a long time of their success in the sales competition. The reward must value to the seller in order for them to be willing to see the extra effort to win the reward. (Honeycutt et al., 2003, p. 184)

#### 2.2.6 Sales goals

Sales management tasks include setting sales targets for salespeople. A sales goal can be set to apply to the entire sales team or to each salesperson individually. Sales targets are usually set to relate to the volume or value of sales. Sometimes goals are used to measure other things, such as salesperson's activity. Salespeople are often given work-related goals, such as how many customers the salesperson should call

during the day or how many meetings they should book with the client during the day. (Donaldson, 2007, p. 140)

Companies have several different reasons for setting different goals for salespeople. One of the most important goals for sales goals is to serve as a tool for sales managers to motivate their salespeople. Salespeople are often competitive people and have an internal need to achieve the goals set for them. Because of the competitive spirit, a properly set sales goal often motivates salespeople to do sales work more diligently and efficiently. However, managers should be careful when setting sales targets because if sales targets are set too high or too low, it can negatively affect the seller's motivation. For example, the seller's motivation can be affected negatively by the fact that the goal is set far too high and the seller thinks that he or she has no chance of reaching that goal. (Donaldson, 2007, p. 142)

According to Cron & Decarlo (2010, p. 291) sales targets can be categorized into three categories. The first category is sales volume targets. Sales volume goals are usually individual for different salespeople or sales teams. Sales volume targets can be set in several different ways. The most common methods are sales targets in sold order value or as unit sales targets. In sold order value targets, the seller is given a target amount of money that the seller should make within the given period. Unit sales targets are set according to product sales volumes. For example, the sales target may be that the seller sells 20 pieces of a product per month. (Cron & Decarlo, 2010, p. 291)

Second category for sales targets is result-based targets and it focuses on sales revenue or profit that is generated by the sales made by the seller. Result-based targets are used when decisions made by the seller have a significant impact on the company's financial performance. The last category for sales goals is the goals related to the seller's activities. The idea is to set goals for the activities performed by the seller, which can be used to achieve company's sales and profit goals. These companies often think that anyone can succeed in sales work if they do the same activities from day to day. The activity goals set for the seller can be, for example, the number of calls made, the number of agreed customer meetings, or even the number of offers sent. The big advantage of that model is that the seller can influence the goals and their realization a lot with his own actions, which motivates the sellers to achieve these goals. In addition to the advantages, the model also has weaknesses. Seller's sales performance may suffer if he focuses too much on the activity goals assigned to him. For example, if a seller has a goal of making a certain number of sales visits per week, he may ignore potential large customers if those customers are in an area where the seller has a longer distance to travel than the normal. (Cron & Decarlo, 2010, p. 291)

The purpose of the sales targets also can act just as part of a reward system for sellers. Sellers are often set a reward model where they receive an extra reward when they reach the sales targets set for them. The reward for reaching sales targets serves as a strong incentive for salespeople to work. The reward for achieving sales goals increases work motivation and efficiency of the seller. When setting sales goals, it's important to think how high the goals are set for salespeople. It is good to aim high in order to challenge the sellers to better result, but it must also be realistic, otherwise it can weaken the seller's motivation and efficiency. (Cron & Decarlo, 2010, p. 292)

### **3 CURRENT SITUATION**

This chapter explains why motivation is important for the commissioning company and describes the current situation about the issues that will be studied in this study

#### **3.1 Importance of motivation**

Academic Work understands that motivation plays a major role in employee success. The importance of motivation in sales is even more important, because salespeople receive customer refusals which can lower their motivation, and sellers need to be motivated in order to work effectively despite these situations. One of the most important tasks of a manager is to motivate their employees. The sales director of Academic Work has implemented this idea for managers, and they have been provided with various events and trainings where they trained more into this topic. Motivation must be controlled and managed in order to be effective and the commissioning company knows that.

The company launches a monthly survey on employee motivation and satisfaction, and this is one tool the company uses to monitor employees' happiness and well-being. The answers are anonymous, and the company can respond to matters mentioned in the survey. In the company, salespeople also have a monthly follow-up meeting with their own manager where they discuss the employee's situation and the manager's goal is to ensure that all sales conditions are in order for the salesperson to work effectively and be motivated. Also, in this monthly meeting the goal is to encourage the seller and give feedback on the seller's performance. This topic is so important for the commissioning company and this is why they want to find out how sales managers can motivate their sellers better and with different tools that are mentioned in the survey.

### 3.2 Influencing Intrinsic motivation

The commissioning company's employees are fairly junior, and this also applies to the sales managers. Because of this, motivating an employee internally can be challenging and new.

The managers feel they show appreciation towards the seller's work and praise them for a job well done. In addition to this, managers feel they encourage and show personal interest in the salespeople that are working for the company. However, sales managers feel they need more knowledge on the matters how you can motivate a seller internally and because of that, this research focuses on how these factors are realized in terms of internal motivation from a sales employee's perspective. For an employee it's very important that the job itself is rewarding, but managers play an important role in how to motivate individuals.

### 3.3 Use of external rewards and pay model

The commissioning company currently has a model in which employees receive a certain amount of money from customer meetings attended per month. This model and award motivate employees to make more customer appointments and through this raise their own chances of making a deal. This model serves both sellers and the company. This rewarding system is well-designed for sellers since the amount of the cash price depends on the career stage. The idea behind this model is that a person is motivated to sell more and more in meetings where they later also get a commission. Academic Work also uses some external awards in smaller sales competitions, and they are also cash rewards. The company has designed a career model where a seller gets an extra vacation day when they reach different career stages. The company has no other permanent external awards planned. Academic Work wants to know what the company's sellers think about the current external awards and what awards motivates them.

Currently the company uses a well-proven salary model, which consists of a fixed based salary and commissions. The fixed based salary is not so large but there is no limit on the commissions and there are sellers working for the company currently who earn better than the executives of many midsize companies. The commission is paid for the sales made and therefore the company feels that this model is motivating. The aim of the commissioning company is to know what the sellers think of this pay model and which pay model would be the most motivating for them.

### 3.4 Sales training

Academic Work currently has sales training planned for every person starting out as a new employee. The new salesperson is trained for about a month before starting collaboration and contacts with customers. This training is very comprehensive and presents the company's operations, business and services extensively. After a salesperson has worked for 6 months, there is designed more-in-depth sales training and the goal of this training is to deepen sales skills and go through various sales techniques. The company also offers each seller a certain amount of money after four years of employment, which the sellers can use for training that they consider important to them. The company also has various sales trainings for more experienced salespeople, and they have been refurbished recently for which there is not much information. The study aims to find out how sales training affects motivation and how the company's salespeople experience current sales training.

### **3.5 Sales competitions**

Sales competitions are a very effective way for sales management to increase employee motivation to achieve set goals. The commissioning company has a team competition scheduled every Monday and Friday where teams compete with each other for which team has booked the most customer meetings in a given time. The team that has the most phone calls and customer meetings booked wins a certain amount of money that the team can use on their chosen cause. Also, there is a yearly sales competition where branches in all countries compete against each other. The sales targets come from the group management, and the branch that gets the most points wins the competition. With the prize, the branch management organizes an event or activity for their employees. In addition to this, the company has sales competitions for shorter period of time for various services, where the team of the person who makes the sale receives money that the team can use together. The aim of the study is to find out if sales competitions motivate the sellers of commissioning company and which competition model is the most motivating.

### **3.6 Sales goals**

The principle of the commissioning company is that the sales managers have to set sales goals for each salesperson and the sales manager's job is to monitor them and discuss them with the salesperson on a monthly basis. When management sets sales goals, the goals of salespeople at different career stages are considered. The company also has set common goals that require each of the salespeople to attend a certain number of customer meetings. The minimum average number that the company has set is two appointments per day and the outcome is viewed on a monthly basis. If the seller exceeds the 2.3 average on a monthly basis, he will be rewarded with a certain amount of money, with an average of 2.45 the amount of money will increase and with an average of 2.6 the seller can

earn the maximum amount that there is. The aim of the study is to find out whether sales targets have been set for sellers, how they affect their motivation and whether they are achievable from the seller's point of view.

## 4 QUANTITATIVE RESEARCH

### 4.1 Implementation of research

This chapter presents the research method used in the implementation of the study, as well as the selection criteria for that particular method. The chapter also presents the acquisition of material for research. The section discusses how and what data has been collected, as well as why this particular data has been collected and how the data has been analysed. This chapter also discusses the reliability and validity of research.

#### 4.1.1 Research methods

The used method for this study was a quantitative research method. The survey was carried out as an electronically sent questionnaire, which was answered by salespeople in the company. Quantitative research is good method when the subject under investigation is clarified by means of numbers. In quantitative research, research results are often analysed and interpreted using tables and statistics. For example, in a quantitative survey, respondents may be given alternatives to the questions, and the commissioner of the survey wants to know how large a proportion of respondents chose a particular response option.

A quantitative survey was chosen as the research method for this thesis, because the aim of the work is to know which things motivates the sellers. The aim of the survey was to measure the quantities of factors that the sales manager can influence the motivation of his subordinates. With the help of a quantitative survey, it was possible to analyse and compare the factors influencing motivation. The survey mapped out which things increase salespeople 's work motivation the most and which things can reduce salespeople' s motivation. This method was chosen because when supervisors know exactly what motivates the sellers of this company then they know how to take advantage of it.

Although the quantitative survey was chosen as the research method, a small qualitative section was also included in the study. At the end of the survey, the respondent had room to give their own free comments, with the aim of obtaining qualitative information from the respondent along with quantitative information. With the help of free comments, the sellers who responded to the survey were able, for example, to bring up issues that affect the seller's motivation, but did not come up in the survey.

#### 4.1.2 Acquisition of material

The quantitative survey was carried out as an internet survey and the survey was created with Google Forms. Google Form is a tool created for online surveys. With the help of that, the survey can be distributed electronically to the respondents by e-mail. The questionnaire contained 32 different questions selected based on the theory used in the study. The questions had predefined answer options from which the respondent could choose the answer he or she thought was best. Some of the questions were also multiple-choice questions in which the respondent could choose more than one answer option. In addition, at the end of the survey, there was room for the respondent's free comments, which allowed the respondent to present his or her own perspectives and thoughts.

The questionnaire used in the study can be found in Appendix 1.

Before sending the survey to the salespeople, the survey was tested by one of the salespeople in the organization. The testing was intended to ensure that the survey worked as intended and that the survey was clear and easy for respondents to understand. After testing, the survey was sent to salespeople as well to sales managers electronically by e-mail. The survey was open to respondents for 4 days, during which the recipients of the survey had to respond to the survey if they wished to take part in it. The goal was to get more than 25 responses. The questionnaire was sent to 35 different people in the organization and a total of 28 responses were received.

#### 4.1.3 Analysis of the material

The analysis of the survey is made using tables and charts. Based on the responses to the questionnaire, tables and diagrams were made to measure the issues that the questions intended to clarify. The aim of questions 1–4 was to find out the background information of the respondents. Obtaining background information about the respondents ensured that there are many different respondents in the outcome of the survey. The background data revealed that there were many respondents of different ages, the amount of work experience of the respondents varied a lot and among the respondents there were both female and male salesperson.

Questions 5–15 clarified which factors influence the seller's intrinsic motivation. Of these questions, questions 5, 7, and 9 clarified how a supervisor can influence seller's intrinsic motivation. The questions investigated how the supervisor's appreciation of the seller's work, the supervisor's interest in the seller as a person, and as well as supervisor's encouragement affects the seller's motivation. Questions 6, 8 and 10 were

to examine whether the sales managers were implementing these issues in their work from the seller's point of view.

Question 11 examined the effect of encouragement or praise from co-workers on salesperson's motivation and the purpose of question 12 was to find out whether the salesperson is experiencing that colleagues are encouraging or giving praise. The aim of question 13 was to find out how the seller's motivation is affected by the fact that he perceives himself or herself as an individual in the workplace and with question 14 the aim was to find out if they feel they are seen as an individual in workplace.

Question 15 clarified whether the work itself should be rewarding for the salesperson to have a good work motivation or whether compensation alone is enough for a good work motivation. Questions 16–19, on the other hand focused on the external motivations of the seller. Questions 16 and 17 were used to analyse which additional rewards motivate salespeople to work. A table of responses can be used to compare which of these factors work best to motivate sellers. Questions 18 and 19 focuses on different pay models and how they contribute to the seller's motivation.

Questions 20–23 investigated the effect of sales training on salesperson motivation. Questions were used to analyse the impact of sales training on both the new salesperson and the salesperson who has been selling in the company for a longer period. Question 23 also examined whether salespeople would be willing to participate in sales training in their free time if necessary.

Questions 24-28 focused on sales competitions. These questions were used to analyse how sales competitions affects salespeople's motivation. The questions were also used to find out what kind of sales competitions motivate sellers the most.

Questions 29, 30 and 31 examined the effect of sales targets on the seller's motivation. The questions were used to find out how sales targets affect the motivation of salespeople. In addition, the aim was also to find out if the seller's feel that the goals are achievable. The questionnaire also contained question 32, to which respondents could comment freely.

#### 4.1.4 Reliability and validity

The reliability of a study refers to the reliability of the study. The study is reliable if it will produce similar results in different circumstances, assuming nothing else has changed. (Häme University of Applied Sciences, 2019) The reliability of this study is quite good. The commissioning company of the study has not been able to influence what has been answered in the survey, which strengthens the reliability of the study. If

the study were to be repeated with a random group of different sellers in the company, the results would be quite similar.

The validity of a study means whether the study measured exactly what was intended to be measured. (Häme University of Applied Sciences, 2019) The validity of the study is good, as the study measures exactly what was meant to be measured. The quantitative survey used in the study was tested by one of the company's seller and this ensured that the questions in the questionnaire were easy to understand and that they measured exactly what was desired.

## 5 ANALYSIS

This chapter deals with the results of the study. The research results are divided into categories in the same way as the questions used in the survey. The results are analysed using figures and tables based on the survey response rates.

### 5.1 Background information on respondents

The study collected background information on respondents to ensure the diversity of the respondents. The study revealed that out of 28 respondents, 11 respondents were female, and 17 respondents were male. A good number of both sexes were represented in the survey. There were 16 people under the age of 30, 12 people under the age of 50 and there were 0 people above 50. The majority of respondents were under the age of 30 but also included good numbers of people under the age of 50. It can be said that the majority of people working for Academic Work in sales are between 18-49 years old.

1. Gender  
28 responses

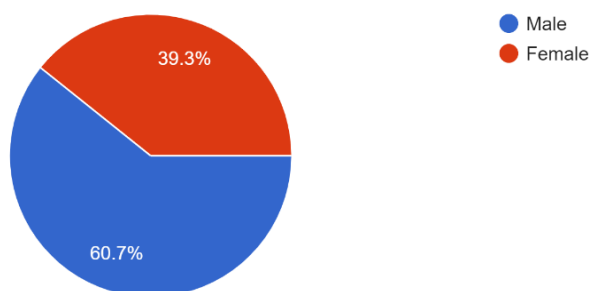


Figure 1. Gender of respondents

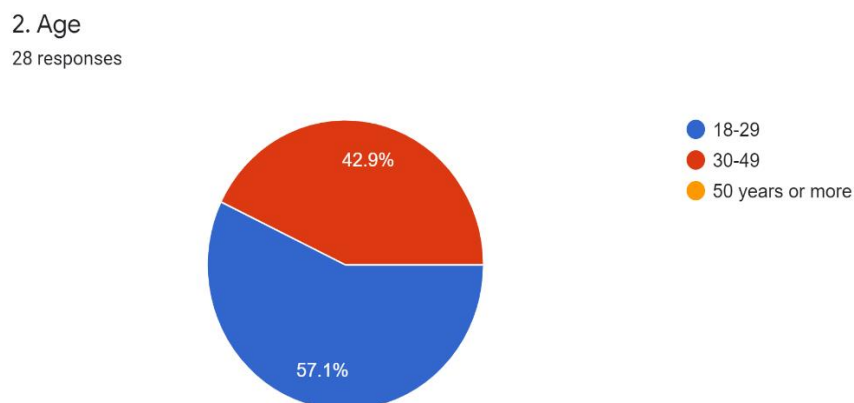


Figure 2. Age distribution of respondents

The background information showed that 78.6% of respondents are working only as salesperson in the company. Study showed that 100% of respondents works in sales but 21.4% of them have managerial responsibilities as well.

The respondents' current work experience in the company they represent is rather limited. The results of the survey showed that 57,1% of the respondents have worked for the company less than 2 years. Only 17.8% of them have over 6 years of sales experience at current company. This is partly explained by the fact that Academic Work has been in Finland for 12 years and a large proportion of respondents are under the age of 30.

## 5.2 Intrinsic motivation

The survey was used to find out how the sales manager can influence the seller's intrinsic motivation with his or her own actions. Table 1 summarizes the opinion of the respondents about the effects of the sales manager's activities on the salesperson's intrinsic work motivation. The table shows the various activities of the sales manager with which he can influence motivation.

Table 1. The effect of manager's actions on the seller's motivation

	Increases my motivation considerably	Increases my motivation moderately	Increases my motivation a little	There is no effect on my motivation
Q5: The appreciation of the manager	46.4%	28.6%	25%	0 %
Q7: Manager's Personal interest in you	32.1%	32.1%	32.1%	3.7%
Q9: Encouragement from your manager	28.6%	39.3%	32.1%	0 %

The study found that the appreciation shown by a manager for a job well done has a big impact on the salesperson's motivation. In terms of numbers, 46.4% of respondents thought it would improve their motivation considerably and 28.6% thought it would impact their motivation moderately. Only 25% thought that the effect on their motivation would be a little and no one thought that it would not affect their motivation.

The personal interest shown by the manager does not have as significant an effect on the respondents as the appreciation. Only 32.1% of respondents felt that the personal interest shown by their manager would affect their motivation considerably. However, it has an impact as 64.2% of respondents felt it had a moderate or a little impact. Only 3.7% of respondents thought it would not affect their motivation at all.

Only 28.9% of respondents thought that encouragement by the manager would increase their motivation considerably and 39.3% felt it would increase their motivation moderately. 32.1% felt it would motivate them a little and no one thought it would not affect their motivation.

In summary, the appreciation has the biggest impact on seller's motivation, but we cannot forget about personal interest and encouragement. They have an impact on the company's salespeople, even though not as strongly as encouragement shown by managers.

Questions 6, 8 and 10 explores whether the factors mentioned in Table 1 were carried out in the company by managers from the sellers' point of view.

Table 2. Realization of mentioned matters in the company

	YES	NO
Q6: Do you think your managers appreciates your well-done work?	88.3%	10.7%
Q8: Does your team manager show personal interest in you?	82.1%	17.9%
Q9: Do you feel that your managers encourage you?	82.1%	17.9%

More than 80% of respondents thought that these three matters were carried out by their managers and under 20% of respondents thought that these matters weren't carried out by managers. It's very important for managers and organization to figure out why that group of their salespeople feel that these issues are not carried out by managers.

In addition to the encouragement received by the managers, the study examined how the encouragement or praise received from co-workers affects the salesperson's intrinsic motivation.

11. How much does the encouragement or praise from co-workers affects your work motivation?

28 responses

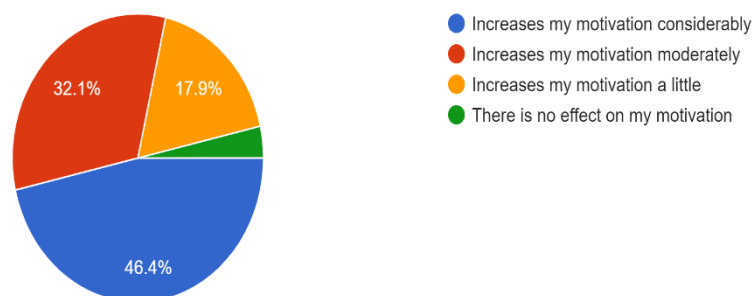


Figure 3. The impact of encouragement and praise from colleagues

46.4% of the respondents thought it would motivate them considerably and 32.1% thought that the effect was moderate. The encouragement or praise received from co-workers has a big impact on seller, it has even greater effect than the encouragement from a manager. Only 3,6% felt it would not motivate them at all. 82.1% of respondents felt that their colleagues encourage or praise them and 17.9% felt that their colleagues did not encourage or praise them.

In addition to this, the aim of the study was also to find out what effect would it have for the seller 's intrinsic motivation that seller perceives himself or herself as an individual in the workplace.

25.% of the respondents feel that experiencing themselves as an individual in the workplace motivates them considerably. 53.6% feel it would motivate them moderately and 21.4% thought it would motivate them a little. In addition to this, 88.3% feel they are seen as an individual in their workplace and 10.7% thought they are not seen as an individual in their environment.

From this it can be concluded that perceiving oneself as an individual also has a moderate effect on the level of motivation of salespeople. The last question in the survey, which focused on intrinsic motivation, sought to get an answer to whether a job itself should be rewarding in order for the salesperson to be well motivated. As many as 92.6% of the respondents think that doing the work itself should be rewarding in order to have a good level of motivation to do the work.

### 5.3 External rewards and pay models

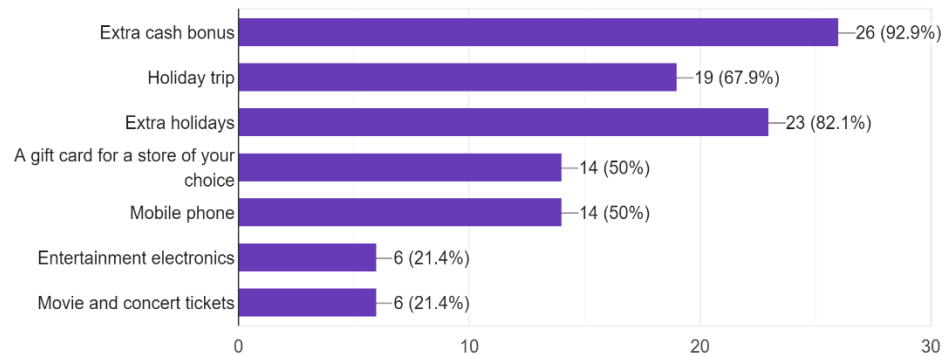
The survey explored how a sales manager can motivate his or her sellers to work better by using rewards as a source of external motivation. Respondents were presented with various rewards that could be distributed to them for a job well done. Respondents could choose from the rewards those that would motivate them to make more effective sales.

The results of the survey show that the extra cash reward for a job well done is definitely the biggest motivator for the sellers who responded to the survey.

Table 3. External awards as a motivator

16. Tick the following additional rewards you think that would act as good incentives for salespeople to work

28 responses



As many as 26 (92.9%) of the 35 respondents believe that the extra cash reward motivates them to sell more effectively. Respondents was also asked to arrange the above external rewards from best to worst. Extra cash reward was chosen as the best reward option and the second-best chosen option was extra holidays which act as a motivating factor for 23 (82.1%) of respondents. Holiday trip serves as a motivator for 19 (67.9%) of respondents. A Gift Card and a mobile phone work moderately as raising motivation. Both options were selected by 14 (50%) of respondents as a motivating reward.

Entertainment electronics, movie and concert tickets serve as motivation for only a small percentage of respondents. Just 6 (21.4%) of respondents believe that these rewards motivate them to do their work more effectively.

In addition to external rewards, the survey explores what sellers think is a motivating pay model.

18. Choose the pay model that would motivate you the most?

28 responses

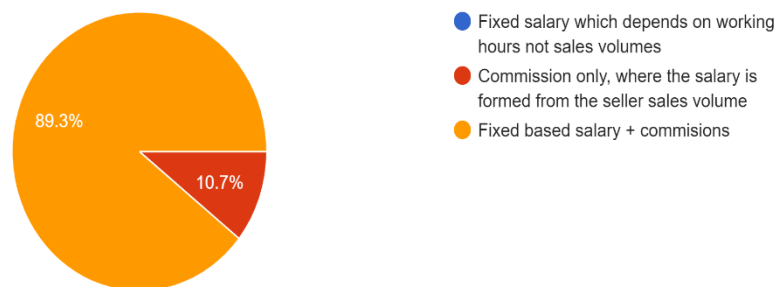


Figure 4. Motivating pay models

The survey revealed that the most popular salary model among sellers is a combination of fixed based salary and commission. This wage model was selected by 25 (89.3%) of respondent indicating that the wage model motivates them the most. A commission salary alone was the most motivating salary option for only 3 (10.7%) of respondents and a fixed salary which depends on working hours was selected by no one.

Respondents were also asked to list the salary models above from best to worst. 25 of respondents felt that fixed based salary included with commissions is the best model and 3 selected it as the second-best model. Commissions alone was selected by 3 people as the best option. 12 of respondents selected commissions alone as the second-best model and 13 respondents chose it as the worst model. Fixed salary based on working hours was selected by no one as the best model. 12 of respondents chose it as the second-best model and 16 people selected this model as the worst.

Analysing the answers, it can be stated that the basic fixed salary + commission is by far the most effective way to increase the seller's motivation level. It can also be stated that fixed salary on working hours is the worst model. The interesting finding was that 12 respondents chose commissions alone as the second-best model and also 12 respondents selected fixed salary based on working hours as the second-best model.

19. Arrange the salary models mentioned in the previous question from best to worst.

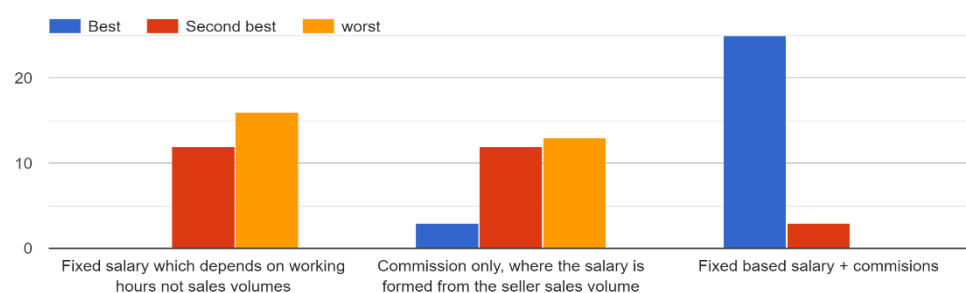


Figure 5. Ranking of pay models

## 5.4 Training salespeople

The survey explores how the provided sales training affects the seller's motivation.

20. How much do you think having sales training affects your work motivation?

28 responses

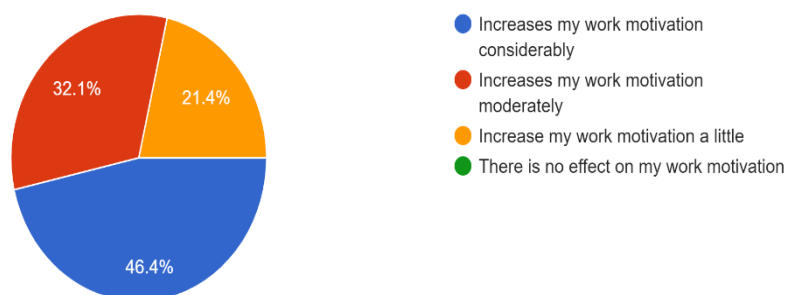


Figure 6. The effect of sales training on motivation

13 (46.4%) of the respondents thought that such training would increase their work motivation considerably. 9 (32.1%) of respondents felt that sales training would increase their motivation moderately and 6 (21.4%) of respondents felt it would have a little effect on their motivation. The aim also was to find out whether the sellers feel that they have received good sales training in their current company. 96.4% of respondents thought they have received good sales training from their current company and one person thought that he or she has not received good sales training. It can be stated that sales training influences seller's motivation since no one thought it would not affect their motivation. Also, the commissioning company has managed well to provide good training to their salespeople.

The surveys also asked whether they think sales trainings should be offered not only to new salespeople but also to salespeople who have worked for the company for a longer period of time. The answers to this question were very clear as 100% of respondents believed sales training should also be offered to salespeople who have worked longer. In addition, the survey asked salespeople if they would be willing to participate in sales training in their spare time. 23 (82.1%) of respondents answered that they would be willing to participate in training in their spare time and 5 (17.9%) of salespeople would not be willing to participate in training in their spare time. This was to measure real intrinsic motivation, as a company cannot force people into such training in their spare time, but it comes from sellers' own interest and will.

23. Would you be willing to participate in sales training in your spare time?  
28 responses

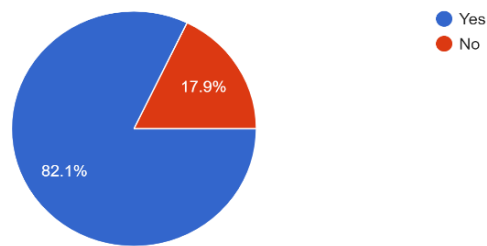


Figure 7. willingness to participate in sales training in spare time

## 5.5 Sales competitions

The survey measured whether different sales competitions affect the seller's motivation. As background information, respondents were asked if they are competitive people. 96.4% of the responding sellers are competitive people and 1 (3.6%) of the respondents did not feel being competitive.

The survey revealed that sales competitions have a big impact on a seller's motivation.

Table 4. Forms of competition

	Increases my motivation considerably	Increases my motivation moderately	Increases my motivation a little	There is no effect on my motivation
Q25: Competing against yourself	50%	50%	0%	0 %
Q26: Competing in a group with team members	39.3%	35.7%	21.4%	3.6%
Q27: Competing as an individual against other individuals	39.3%	46.4%	10.7%	3.6% %

14 (50%) of respondents thought competition against themselves increases their motivation considerably. The remaining 50% of respondents thought competition against themselves increases their motivation moderately.

11 (39.3%) of respondents perceive that group competition increases their motivation considerably and 10 (35.7%) of respondents perceive it as moderately. 6 (21.4%) of respondents felt it increases their motivation a little and one seller thought it would not affect its motivation.

Competing as an individual against other individuals is also motivating. 11 (39.3%) of respondents believe that individual competition motivates them considerably and 13 (46.4%) of respondents feel that it motivates them moderately. 3 respondents believe that it has a little effect on their motivation and 1 respondent felt it that it had no effect on his or her motivation.

Sales competition seems to have a really big impact on the seller's motivation regardless of the form of competition. Nevertheless, it can be said that in the commissioning company, individual competitions are more motivating, because the survey asked whether individual competitions or team competitions is more motivating. 19 (67.9%) of respondents selected individual competitions as more motivating and 9 (32.1%) selected team competitions.

28. Which form of competition is more motivating to you, individual competitions or team competitions?

28 responses

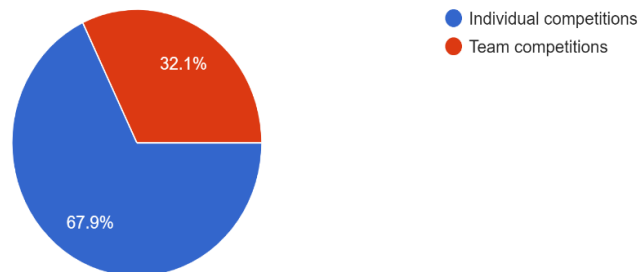


Figure 8. Forms of competition

## 5.6 Sales goals

The last thing in the survey was to measure sales targets. The aim of the survey was to find out how sales targets affect sellers' motivation and how high sellers think targets are set.

As background information, sellers who responded to the question were asked if they had set sales targets. Sales targets have been set for 25 (89.3%) of the respondents and 3 (10.7%) of respondents believed that no targets have been set for them. The aim also was to explore how the set sales target affect their motivation. 23 (82.1%) of respondent believed it would increase their motivation considerably. 4 (14.3%) of respondents believed it would not have any effect on their motivation and one seller believed that set sales goals would decrease his or her motivation.

In addition to this, the aim was also to find out whether the sellers think that the set goals are achievable.

31. Do you think that the set goals are achievable?

28 responses

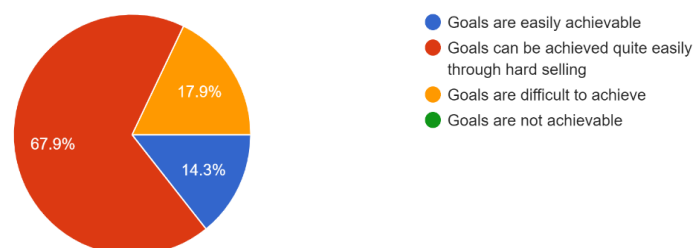


Figure 9. Achievability of sales targets

(14.3%) of respondents feel that set sales goals are easily achievable. On the other hand, 19 (67.9%) of respondents feel that sales goals are quite easy to achieve through hard selling and 5 (17.9%) of respondents feel that sales goals are difficult to achieve. Although the responses to the study suggest that sales targets increase the seller's motivation, managers must be careful with regard to sales targets. The results show that 5 people think that sales targets are difficult to achieve. Sales goals can negatively affect the motivation if goals are not set realistically. Based on the responses, it would be good to set goals so that they would be quite easily achievable through hard selling.

## 6 RECOMMENDATIONS

This section discusses proposals for the commissioning company as well suggestions for further research

### 6.1 Proposals of this study

The study explored that the encouragement received from co-workers motivates a lot the salespeople. Encouragement from managers also affects the motivation of salespeople, but not as much as encouragement from co-workers. Almost one in five salespeople working for Academic Work feel that they are not encouraged by their managers or colleagues. Employees at Academic Work and sales managers should encourage more the sellers in order to increase the motivation level of salespeople. This matter can be improved with quick changes. The company has a very open feedback culture and managers should discuss the matter with their salespeople in their own teams and encourage them to motivate their own colleagues. Here it is important that the manager himself serves as a good example for others and this will result in improvement for the whole sale organization.

For the sellers to be motivated he or she also needs to perceive himself or herself as an individual in the workplace. Most salespeople at Academic Work experience themselves as an individual in their workplace. Also, for example, a manager can monitor the sales activity of his or her team members, with which he or she shows personal interest in the salesperson and can encourage the seller for his or her good performance activities. It is effective to give feedback publicly in front of other employees because it motivates the salesperson to work harder. The work itself must also be rewarding so that the seller has good motivation to work as study shows 92.9% feels that way.

In addition to the seller's intrinsic motivation, the theoretical part of the thesis also talked about the seller's external motivation. In the theoretical part, it was explained that external motivation can be influenced by external rewards given to salespeople for certain performances. The study found that external awards have a lot of impact on seller's motivation. More than 90% of respondents said that the cash prize motivates them the most. The second most motivating award was extra vacation days and the third most motivating award was a holiday trip. It can be said that electronics equipment, movie or concert tickets did not have a huge impact on many seller's motivation.

Academic Work Oy uses a well-proven salary model, which consists of a fixed based salary and commissions. This model was also the best model chosen in the study by company's sellers. However, the company does not distribute other commissions to sellers to motivate them to sell more effectively in addition to the salary model. At Academic Work Oy, salespeople could be motivated to work more effectively by offering salespeople rewards for work well done. Based on the survey, it can be stated that a good motivating reward would be an additional cash reward, additional holidays or holiday trip. Mentioned additional external rewards does not bring additional costs to the company, as the reward can be made achievable when the amount of sales covers the costs generated by the additional reward. For example, awards can be given to the seller based on the results of each quarter or every six months.

The theoretical part found that the training provided to salespeople provides them with better tools to perform in their job tasks, which increases their motivation. The company offers comprehensive training for all salespeople who start their work in the company, and different trainings are designed for salespeople at different career stages. However, it is clear that not all sales issues can be taught in the various trainings designed for salespeople and they require a lot of practice outside of work and on a voluntary basis. Sales managers along with company management can plan for their salespeople a variety of specific sales trainings that salespeople can complete on their spare time. It is important to motivate salespeople so that they understand that it has an impact on their own work and that they can achieve better results from which, for example, they benefit in pay.

Sales competitions have also been studied in this thesis. According to the theory discussed, there are different types of sales competitions and they affect the salesperson's work motivation. The study itself showed that sales competitions really motivate sellers a lot. Most of the salespeople who responded to the survey think they are motivated by sales competitions. The competition models studied in the study were competition against oneself, competition in groups against other groups and competition as individuals against other sellers. Academic Work organizes a team competition twice a week where teams compete with

each other for which team has booked the most customer meetings in a given time. Also, there is every year a competition where different branches compete against each other.

However, there is no competition planned for sellers against their own results. Research shows that 96.4% of a company's salespeople are competitive people, so this would be an important and effective tool for the managers to motivate salespeople for better results. Academic Work needs to organize competitions for different level of sellers against their own and others' results in the shorter term of time. Competitions can be organized for different levels of sellers in their own categories and winners can be rewarded with external prizes. The competition time can be for example, 3 months, 4 months or 6 months. This would motivate salespeople to perform well in the competition and at the same time do more efficient sales work.

In addition to sales competitions, the thesis also focused on sales goals. In Academic Work Oy, the level of motivation of sellers could also be increased by setting sales targets for sellers. The results showed that 10.7% of respondents responded that no sales targets have been set for them. Sales managers need to set sales targets for all of their salespeople because otherwise salespeople don't know what they are working towards and what is expected of them. As the survey shows sales goals increases the level of seller's motivation, therefore it is important for managers to set sales targets individually for each seller: the survey found that over 80% of respondents feel that sales targets increase their work motivation.

Also, 17.9% of respondents felt that set goals are difficult to reach. The manager has to track set goals and results because salespeople who find goals hard to reach can often be found below the results. After that, managers will find these individuals and can help them succeed better by setting more realistic goals for them or offering them more sales training in order to do more sales. It is also important to ask the seller's own opinion about the set goals and then avoid situations where there are sellers who find the goals difficult to achieve because this can lower their motivation. Sellers are set appointment activity goals and sellers receive cash bonuses when they exceed those goals. However, the company does not have a model designed and rewards for individuals who exceed sales targets from a sales perspective. This model is easy to build, and managers can take advantage of external rewards in order to motivate sellers into better sales results.

## 6.2 Proposals for Further Research

Another research proposal is that, as a follow-up research to this thesis. The aim of thesis would be to find out how to motivate sales managers to work more efficiently and to drive the goals set by the company. The research could be carried out by observing the sales director of Academic

Work Oy and how they have been implemented in the organization and comparing his work with the theory of sales management. In addition to this, managers can be interviewed from their perspective and how they have experienced these things.

Also, another further research could be carried out to examine how salespeople can influence their own level of motivation and use this to further develop Academic Work Oy's salespeople's motivation level. Further research would focus on motivation theories and focus on how the seller's own actions affect the seller's motivation.

## 7 CONCLUSION

This chapter discusses the study conclusion. This section discusses how the objectives were achieved, how the research questions were answered, and whether the desired proposals for the company were achieved.

The first goal was to find out why motivation is important from a sales management perspective. The theoretical part examines in depth motivation and its importance in sales management and answers the question. The results of the survey also showed that motivation is really important for salespeople to get better results.

The second goal was to find out what factors influence the seller's motivation. In the theoretical part, a lot of factors that affect the motivation of the salesperson were raised. The study also looked at the motivational factors that are used in the commissioning company in order to motivate their salespeople and on the basis of these two, a survey was conducted, and an answer was obtained. The commissioning company's sales managers and other salespeople need to encourage each other more than at present. Salespeople should feel like individuals in the workplace and in addition to these, the company should launch individual competitions and make more use of external rewards.

The third goal was to find out how these mentioned factors should be implied by the managers in order to improve the motivation of salespeople. This goal was also achieved in the study, as the survey allowed us to find the influencing factors that motivates the company's salespeople the most and the recommendation included answers on how managers can take advantage of them.

All in all, it can be said that the research was successful as it answers the research questions and suggestions for improvement was made to the company.

## REFERENCES

Academic Work, (2020). Nämä tulokset lyömme jälleen ylpeinä pöytään! Academic Workin liikevaihto ja kasvuluvut vuodelta 2019. Retrieved 15 February 2020 from <https://www.academicwork.fi/blogi/tyo-ja-ura/academic-workin-liikevaihto-ja-kasvuluvut-vuodelta-2019>

Donaldson, B. (2007). Sales management. Principles, process and practice. 3rd edition. New York: Macmillan.

Doyle, P. & Stern, P. (2006). Marketing Management and Strategy. 4th edition. Edinburgh: Pearson Education Limited.

Haanpää, S. (2005). Myyntitaito - Motivoidu mestarimyyjäksi. Tampere: Nova Network Oy.

Häme University of Applied Sciences. (2019). Evaluating the rigor and trustworthiness of research. Retrieved 20 April 2020 from [https://learn.hamk.fi/pluginfile.php/56991/mod\\_resource/content/2/Introduction%20to%20RD\\_evaluation%20of%20research\\_Spring%202019.pptx](https://learn.hamk.fi/pluginfile.php/56991/mod_resource/content/2/Introduction%20to%20RD_evaluation%20of%20research_Spring%202019.pptx) or <https://learn.hamk.fi/course/view.php?id=340&section=6>

Harmon-Jones, E. & P. Forgas, J. (2014). Motivation and Its Regulation: The Control Within. New York: Psychology Press.

Honeycutt, E., Ford, F. & Simintiras, C. (2003). Sales Management: Global Perspective. London: Routledge.

Jobber, D. & Lancaster, G. (2009). Selling and Sales Management. 8th edition. Edinburgh: Pearson Education Limited.

Legault, L. (2016). Intrinsic and Extrinsic Motivation. Encyclopaedia of Personality and Individual Differences p.3. Retrieved 20 February 2020 from [https://www.researchgate.net/publication/311692691\\_Intrinsic\\_and\\_Extrinsic\\_Motivation](https://www.researchgate.net/publication/311692691_Intrinsic_and_Extrinsic_Motivation)

Manning, G., Reece, B. & Ahearne, M. (2010). Selling Today: Creating Customer Value. 11th edition. Edinburgh: Pearson Education Limited.

MMA. (2017). Myyntiammatilaisen mediaanipalkka 4 750 euroa. Retrieved 26 February 2020 from <https://lehti.mma.fi/tyo-ura/myyntiammatilaisen-mediaanipalkka-4-750-euroa>

Nieminen, T. & Tomperi, S. (2008). Myynnin johtamisen uusi aika. Helsinki: WSOYpro.

Rantamäki, T., Kauhanen J. & Kolari, Anu. (2006). Onnistu palkitsemisessa. Helsinki: WSOYpro.

Rope, T. (2003). Onnistu myynnissä. Juva: WSOY.

Rubanovitsch, M. & Valorinta, V. (2009). Älykäs myynnin ohjaaminen. Keuruu: Otava

Schermerhorn, J. (2013). Management. Learn & Succeed. 12th edition. USA: John Wiley & Sons, Inc.

Schumann, H. (2017). How to Help Your Staff Fall in Love with Their Job: Extrinsic vs. Intrinsic Motivation. Recognition and Engagement Excellence Essentials. Retrieved 29 February from <https://search-proquest-com.ezproxy.hamk.fi/docview/1953013561?accountid=27301>

Sinokki, M. (2006). Työmotivaatio. Innostusta, laatua ja tuottavuutta. Helsinki: Tietosanoma Oy.

Stewart, G. (1999). Successful Sales Management: How to Make Your Team the Best. Edinburgh: Pearson Education Limited.

Tanner, J., Honeycutt, E. D., & Erffmeyer, R. (2014). Sales Management: Shaping Future Sales Leaders. England: Pearson Education Limited.

Vuokko, P. (2003). Markkinointiviestintä: merkitys, vaikutus, keinot. Porvoo: WSOY.

## RESEARCH QUESTIONS

## Background information

\*Required

\*\*\*

1. Gender \*

Male

Female

2. Age \*

18-29

30-49

50 years or more

3. Role in the company? \*

Account Manager

Sales Team Manager

Both

4. How long have you worked in Academic Work? \*

Less than a year

1-2 years

3-6 years

6-9 years

10 years or more

Internal motivation

5. How much your sales manager's appreciation for a job well done affects your work motivation? \*

- Increases my motivation considerably
- Increases my motivation moderately
- Increases my motivation a little
- There is no effect on my motivation

6. Do you think your managers appreciates your well-done work? \*

- Yes
- No

7. Do you feel that personal interest shown by your sales manager affects your motivation? \*

- Increases my motivation considerably
- Increases my motivation moderately
- Increases my motivation a little
- There is no effect on my motivation

8. Does your team manager show personal interest in you? \*

- Yes
- No

9. How much does the encouragement from your manager affects your work motivation? \*

- Increases my motivation considerably
- Increases my motivation moderately
- Increases my motivation a little
- There is no effect on my motivation

10. Do you feel that your managers encourages you? \*

- Yes
- No

11. How much does the encouragement or praise from co-workers affects your work motivation? \*

- Increases my motivation considerably
- Increases my motivation moderately
- Increases my motivation a little
- There is no effect on my motivation

12. Do you feel that your colleagues encourage or praise you? \*

- Yes
- No

13. How much does the fact that you experience you are an individual in your workplace affects your work motivation? \*

- Increases my motivation considerably
- Increases my motivation moderately
- Increases my motivation a little
- There is no effect on my motivation

#### External rewards and compensation models

15. Do you feel that doing the job or doing well in it should be in itself rewarding in order for you to have a good work motivation? \*

- Yes, the work itself should be rewarding so I have a good work motivation
- No, just enough compensation is enough for good work motivation



18. Choose the pay model that would motivate you the most? \*

- Fixed salary which depends on working hours not sales volumes
- Commission only, where the salary is formed from the seller sales volume
- Fixed based salary + commissions

19. Arrange the salary models mentioned in the previous question from best to worst. \*

	Best	Second best	worst
Fixed salary which depen...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Commission only, where ...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fixed based salary + co...	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Salesperson training

20. How much do you think having sales training affects your work motivation? \*

- Increases my work motivation considerably
- Increases my work motivation moderately
- Increase my work motivation a little
- There is no effect on my work motivation

21. Do you think you have received good sales training in your current company? \*

- Yes
- No

22. In addition to new salespeople, do you think that sales training should be offered to salespeople who have worked for the company for a longer period of time? \*

- Yes
- No

23. Would you be willing to participate in sales training in your spare time? \*

Yes

No

### Sales competitions

24. Are you a competitive person? \*

Yes

No

25. How motivated are you to compete against yourself in which you seek to overcome the goals that are set for you? \*

Really motivated

Moderately motivated

Motivated a little

It does not affect my motivation

26. How motivated are you to compete in groups where team members work to achieve a common goal? \*

Really motivated

Moderately motivated

Motivated a little

It does not affect my motivation

27. How motivated are you to compete as an individual against other individuals? (For example, a sales competition held in a company, where sellers compete against each other as individuals) \*

Really motivated

Moderately motivated

Motivated a little

It does not affect my motivation

28. Which form of competition is more motivating to you, individual competitions or team competitions?

Individual competitions

Team competitions

### Sales targets

29. Has a sales goal been set for you? \*

Yes

No

30. If you have sales goals set, how do the goals affects your motivation? \*

Increases my motivation to sell

Decreases my motivation to sell

Do not affect my sales motivation

31. Do you think that the set goals are achievable? \*

Goals are easily achievable

Goals can be achieved quite easily through hard selling

Goals are difficult to achieve

Goals are not achievable

32. Free comments on the survey

Long-answer text

---