

Research Journal of Pharmaceutical, Biological and Chemical Sciences

Factors Motivating Sales Force in Pharmaceutical Industry: A Literature Review.

Navjot Kaur^{1*}, Navneet Kaur² and Upendra Nagaich³

¹Amity Institute of Pharmacy, Amity University, Noida, Uttar Pradesh, India.

²Lovely Professional University, Phagwara, Punjab, India.

ABSTRACT

The sales force is an asset of any organization. Improving performance of sales force through motivation has always been a prime chore among organisation and researcher. Sales motivation entirely depends on the quality of management provided by the first-line sales controller. With the help of financial and non-financial incentives one can motivate the sales force effortlessly. This study is an attempt to evaluate the factors which affect motivation of sales force in pharma industry. These days, the main target for the sales force is to complete their objectives and quotas which is not that easy for them and for this the main activator is the motivation. The result shows that various factors like job security, wages, interesting work, promotion, appreciation etc are very important to motivate the sales force.

Key words: Motivation, Quota, Sales force, Performance.

**Corresponding author*

INTRODUCTION

In today's era where one individual has so many task to do and has to perform at its best in each area. Every time they need a driving force which help them to perform better. Motivation acts as one catalytic agent which helps to complete the task quicker and better. Self- motivated employees are real boon for the organisation, which these days are rarest of the rare. In this competitive era where companies have to face challenges to achieve their goals. Acquiring and retaining the right work force is important among all. So, the study of motivation forms an integral part of industrial and vocational psychology in which the concept of need, incentive and attitude are discussed extensively than concept of ability and skills.

The Indian pharmaceutical industry is currently in way of growth and complexity because of mergers and take-overs. The sales force has their quotas to complete to get the best rewards. A sales quota is an expected performance objective. Quotas are routinely assigned to sales force which is tactical and tough in nature to achieve. So, motivation is one driving force which continually keeps on pushing the sales reps to achieve their goals timely.

In recent study by J. Paterson (2013), GSK wants their staff to plan their future. They establish high street cafes, bike shop, a sit down restaurants, flower shop, dry cleaners and even gym, to boost their morale and motivation power. Harsha Modha, director U.K benefits at GSK says-“we encourage employees to walk along our streets and have coffee break, work with their laptops and take clients away from their desk. If their manager is satisfied and there is enough cover, staff can also work from home”. The benefits include share, incentive play, performance linked bonuses and trust based defined contribution pension scheme.

Steps in designing motivational plan- In order to achieve the goal and expect fruitful result one has to follow a designed and systematic plan towards motivation. The following are the steps in designing motivation plan-

- Determine sales force and objective.
- Determine major motivational issues
- Implement long and short term motivation plan
- Relate rewards to performance
- Measurement of performance
- Appraise the motivation plan

A mix of activities (quality and quantity) and sales targets works. The percentage of sales activities depends on how well you are able to define the activities. If you know exactly what type of activity (and its frequency), then you can have 60% activity 40% sales target performance. If there is great variation in activity, then this can be reduced. The most de-motivational thing for a sales person is a lack of definition. Even though salespeople love freedom, a lack of clarity in what is expected of them can lead to confusion and de-motivation. Be as clear as possible about what you want the sales person to do and demonstrate this by rewarding appropriately [1].

LITERATURE REVIEW

Motivation

Daft (2005) revealed that motivation refers to the forces, either internal or external to a person, that arouse keenness and determination to pursue a certain course of action [2]. Motivation is a process that initiates, guides and maintains goal oriented behaviours. It keeps the sales force continually stimulated towards the objectives set by the company. Hair et al. (2010) explained motivation as the set of dynamic interpersonal processes that cause the initiation, direction, intensity and persistence of work-related behaviours of a sales force towards the attainment of organisational goals and objectives [3]. Nohria et. al (2008) described that four emotional drives like 'acquire', "bond', 'comprehend' & 'defend' are responsible for employees motivation [4]. Malik & Naeem (2009) conducted a survey of 350 pharmaceutical sales force in Pakistan to identify the complex issue of their motivation that results in identifying three top motivators as pay and fringe benefits, job security, promotion opportunities [5]. The age old belief holds true against the fact that the hygiene factors acts as motivators and are directly linked to the performance of the sales force. Bodla & Naeem (2010) attributed to the fact that financial incentives, raise in pay and fringe benefits are always

linked with performance of sales force. Further, the supervisor plays crucial role in designing motivational plan and assigning jobs to the sales reps [6]. He acts as a motivator for the team. Additionally, motivators such as recognition, work itself, growth and promotion opportunities produces job satisfaction whereas absence of hygiene factors such as job security, compensation package, operating procedures, supervision and relationship with co-workers causes job dissatisfaction of pharmaceutical sales employees [7]. This implies that the absence of motivating factors causes job dissatisfaction among the sales force, while the presence of hygiene factors causes no job dissatisfaction among them. Thus motivators act as satisfiers and the hygiene factors act as dis-satisfiers for pharmaceutical sales-force. The latter definition underlines three pillars of motivation. The first – *arousal* –has to do with the drive or energy that ignites behaviour [8]. It involves the decision to initiate behaviour. As target/quota is given to sales force to activate a task. The second – *direction* – has to do with the type of behaviour that is exerted and whether it is in line with demand or organization goal [9]. It is continued effort towards a target even obstacles exists. Sales force is persistently motivated to achieve their target. The third pillar– *persistence* – deals with the lastingness of behaviour. Though, this factor is of less importance, because persistence can be simply defined as the reaffirmation of the initial arousal and direction processes [10]. It can be seen in the concentration and vigour that goes into persuading a goal. e.g. one sales reps might coast by without much effort, while another will work regularly see the opportunity and complete the target on time.

Motivation and performance

Reena Ali and M. Shakil Ahmed (2009) in their study said that there is a relationship between reward and recognition, motivation and satisfaction respectively [11]. When an employee is rewarded and recognised on personal level it increases the level of success. Similarly, motivation is directly proportional to the satisfaction of the sales force, the key to ensuring motivational programs are effective is to make sure that the employees are satisfied their 'hygiene factors' are met and the administration, incentives and processes are directly linked to the motivation factors of achievement, recognition, advancement, and growth. Farooq, Muahmmad Imran Ullah (2010) highlighted the various aspects necessary for motivating employees to improve their performance [12]. It has been observed from studies that various factors are responsible for motivating employees and their performance. The change in rewards offered to employees necessarily changes the work motivation and performance of employees. Better the rewards, the higher the levels of motivation and greater levels of employee performance.

Although many factors contribute to productivity, job performance is viewed to be the most influential one [10]. Motivation does not determine employee's level of performance, but it does influence his/her effort toward performing the task [13]. The role of motivation in performance can be summarized in the following formula:

$$\text{Performance} = \text{Ability} \times \text{Understanding of the task} \times \text{Motivation} \times \text{Environment}$$

In view of above said formula, for an employee to perform well one need to have the acquaintance and ability for the task to be done well. Secondly, they must be aware of the task to be done; the incomplete understanding of the task can pose a lot more problem for the employee and the organisation. Next, the employees need the required environment to carry out the task well, by allocating the sufficient resources [10]. The multiplication sign in the rule underlines the fact that if motivation becomes zero in this, all the efforts will be of no significance. An energized and highly motivated employee can reach good performance despite having some knowledge gaps [14]. The motivated employee is an asset for the organisation. Motivated employees feel less stress, enjoy their work, and as a result have better physical and mental health [15]. Furthermore, motivated employees are more committed to their organizations and show less insubordination and grievance [16]. They are also more creative, innovative, and responsive to customers, thus indirectly contributing to the long-term success of the organization [17].

Theories of motivation

Abraham Maslow (1954) described human needs from a five-level hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization [18]. As per the study of Maslow, the employee satisfaction is linked with the human needs hierarchy. The employee keeps on motivating and satisfied as we move up in the hierarchy. Maslow suggested that the most basic level of needs

must be met before the employee will strongly desire the secondary or higher level needs. He also coined the term Metamotivation to describe the motivation of people who further go beyond the scope of the basic requirements and make every effort for constant betterment. Herzberg (cited in Ballat, Lionel and Packer, 2010) has shown that factors which can cause dissatisfaction but cannot motivate and factors which can cause positive motivation and the example of Hygiene factors includes physical working conditions, jobs security, salary and interpersonal relationships [19]. Directing managerial attention for these factors as a motivational strategy would bring employee at the highest level but would not result in positive motivation. He concluded that the nature of the work itself allows the people to make some concrete achievement, recognition of achievement, the responsibility exercised by the person, and the interest in the value of the work itself. Vroom has shown that the theories are based on basically three concepts – expectancy, instrumentality and valence. Expectancy represents an individual's belief that a particular level of performance will be followed by particular degree of effort; instrumentality represents a person's belief that a particular outcome is contingent on accomplishing a specific level of performance and expectancy represents to the positive or negative value that people place on outcome. Alderfer (1969) redefined the theory given by Maslow. He recategorized the Maslow's hierarchy of needs into 3 ways- Existence needs, relatedness and growth needs. Existence needs are the Basic survival needs that need to be satisfied to maintain life. Relatedness needs are those needs that draw people into inter-personal contact for social emotional acceptance, caring and status and growth needs involve personal development and a sense of self worth [20].

Theories to factors affecting motivation

The review of the varied theories of motivation revealed various factors that affect the motivation of the sales force. These factors are the attempt to explain that the sales force is motivated by the combination of these few factors. These factors should not be considered the only factors affecting motivation. From literature and experience these factors are drawn to be few primary factors. Basically, these factors are grouped into two divisions of intrinsic and extrinsic factors. Motivation is an internal process that directs the behavior of the employee, the more they intrinsically interested or motivated, the more they are happy and likely to achieve their objective. Moreover, these "intrinsically motivated" people will be happy even if they do not attain the goals, because they also take pleasure from the process of striving towards them [9]. Additionally "extrinsic factors" add more the motivation of the sales force, which ultimately results in the good performance. Intrinsic motivation refers to motivation that is obsessed by an interest or satisfaction in the task itself, and exists inside the individual to a certain extent than relying on exterior pressures or a aspiration for remuneration. Intrinsic motivation occurs when we act without any obvious external rewards. We simply enjoy an activity or see it as an opportunity to explore, learn, and actualize our potentials [21]. Extrinsic motivation comes from outside of the individual. Extrinsic motivation refers to our tendency to perform activities for known external rewards, whether they be tangible (e.g., money) or psychological (e.g., praise) in nature [22]. Some of the factors are self-explanatory, few of them are explained below-

1. **Growth/ career development-** This is an intrinsic factor that relates to the individual growth and career development of the employee. For this a employee must have clear goals and objectives so that they can easily set and achieve them. Employees must keep them open to receive, as well as energetically seeking, relevant feedback. A career development is like a win process for employers and employees. This plan focuses on the employees needs for growth and development and the support of the organization which can provide so that the employee has the opportunity to grow his or her career.
2. **Work/task nature-** It refers to the nature of the task given, the more it is interesting, the more employee will be motivated to accomplish the task. In this way an employee will be happy and satisfied with his work and will easily achieve its quota timely.
3. **Responsibility-** It is an intrinsic factor which refers to the liberty that managers assign to their subordinates. It provides free spirit to the employees to come-up with the ability of their own.
4. **Recognition-** It is an intangible incentive offered which always promote positive association and achievement of the employee. For example- giving trophies to the sales force after completing their desired quotas, thank you letters, plaques etc. In this way a good way of recognition will play a better role in motivating the employees.
5. **Achievement-** Achievement is defined as the sense of something accomplished especially by courage, effort and ability of the individual. A sense of achievement is a behavioral driver, which accentuate the necessity of challenge and personal development at workplace.

6. **Relatedness**- This feeling of belongingness stimulate employee to undertake actions for the growth of the organization despite the personal benefits. It is very important to have a connection between actions and the goals or one can say that here the employee's work will be free of the personal advantage.
7. **Working environment**- It is an extrinsic factor which is regarded as the complete surrounding of the employee at the workplace. It refers to all the physical conditions of the employee. Wherever there will be a soothing and happy environment the work done will be easy and achievable. Proper atmosphere, cleanliness, good staff, good architecture etc. must be needed to motivate the employees.
8. **Interpersonal/team relation**- It is very well said that, "You can succeed best and quickest by helping others to succeed". So it is very much clear that team relations and interpersonal relations are very much important to grow. It refers to the atmosphere of the organization and relates to how people being treated and rules of conduct at an organization.
9. **Salary**- This is one of the most important factor for any employee. If a employee doesn't get enough salary according to his/her work then the final output from that particular employee will not be appropriate. It is common extrinsic and physiological factors which induces an employee to work.
10. **Job security and company benefits**- For any employee security plays a vital role in their life and in their work also. It is another extrinsic and security factor which motivates employee to relate themselves to the organization, though managers cannot induce this factor themselves. If there is a job security then a employee will do work better and simultaneously the company will also get benefitted.

CONCLUSION

Motivation of a sales force is a widely discussed topic among researchers since ages. The pressure is increased with the development since then. But one facet is still same which can induce the sales force to achieve the toughest goal and it is 'motivation'. Motivation is one such trigger that works differently with each new day. Motivation is the individual phenomenon, there is not set formula to apply and get the employee motivated. There can be no one factor that can motivate an individual. The human needs changes with time, one is completed, another arouse.

Thus, varied needs of individuals are to be fulfilled by varied motivation. Though motivation has been a long studied topic among researchers and also various theories have been given from time to time. But with changing working conditions, organisation objective, competitive world, performance pressure, one single theory or factor doesn't fits for motivation. The earlier theory like that of Herzberg and Maslow emphasizing upon fulfilling physiological need first, does not hold true today. They may be applicable at worker's level but not on employees at organisation. Contrasting Maslow, Alderfer consider that an individual could focus on all three groups at the same time without any specific order. But yes, a combination of some factors can keep them induced, and to choose such combinations and to apply it on the sales force is the main and important task of the manager. It should be the smart work of the manager as well as organisation.

The managers should know their team, objective should be clear to the team and incentive plan should be simple and generous. Furthermore, while motivating it should be well thought-out that the reward should be personal, it should be timely; proportional to the level of success and apposite to the work done. Ultimately the managers should know that how they can charge the battery of their sales force every day. It is very well said that-"A salesman is like the battery, with constantly discharging energy, unless he is recharged at frequent intervals".

Following is the figure given to correlate the intrinsic and extrinsic factors with the organisation's work

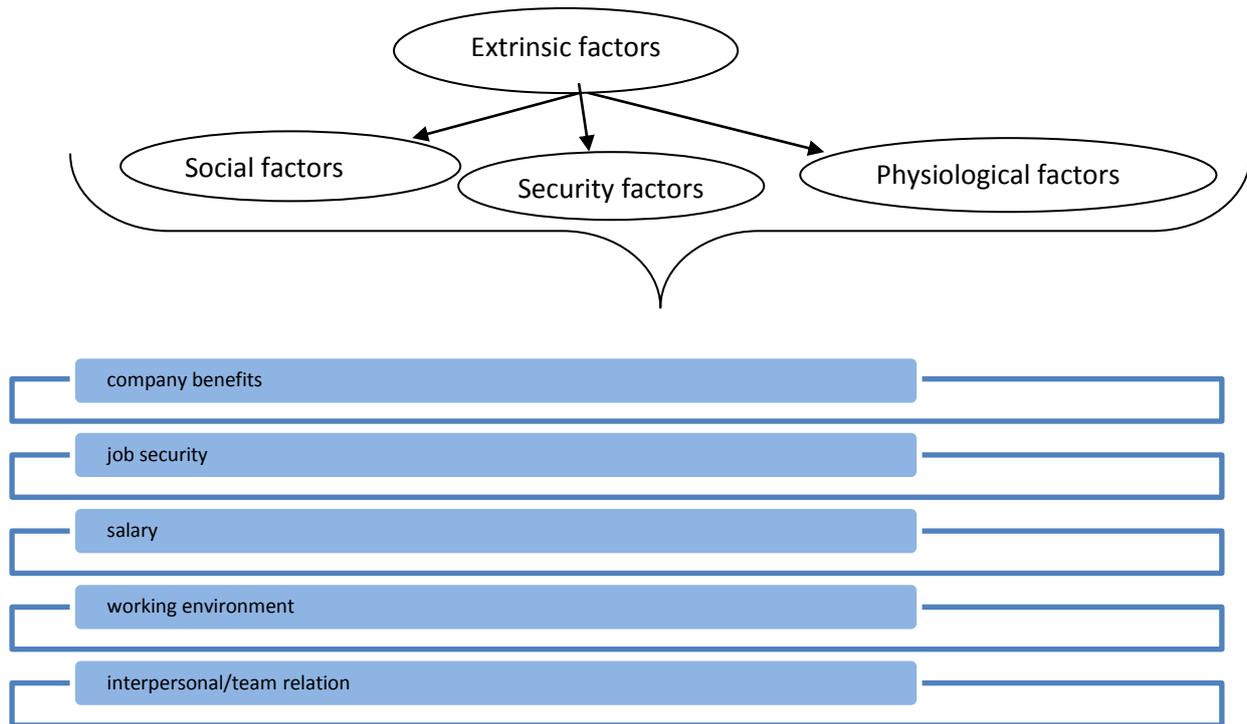


Figure1- Extrinsic factors

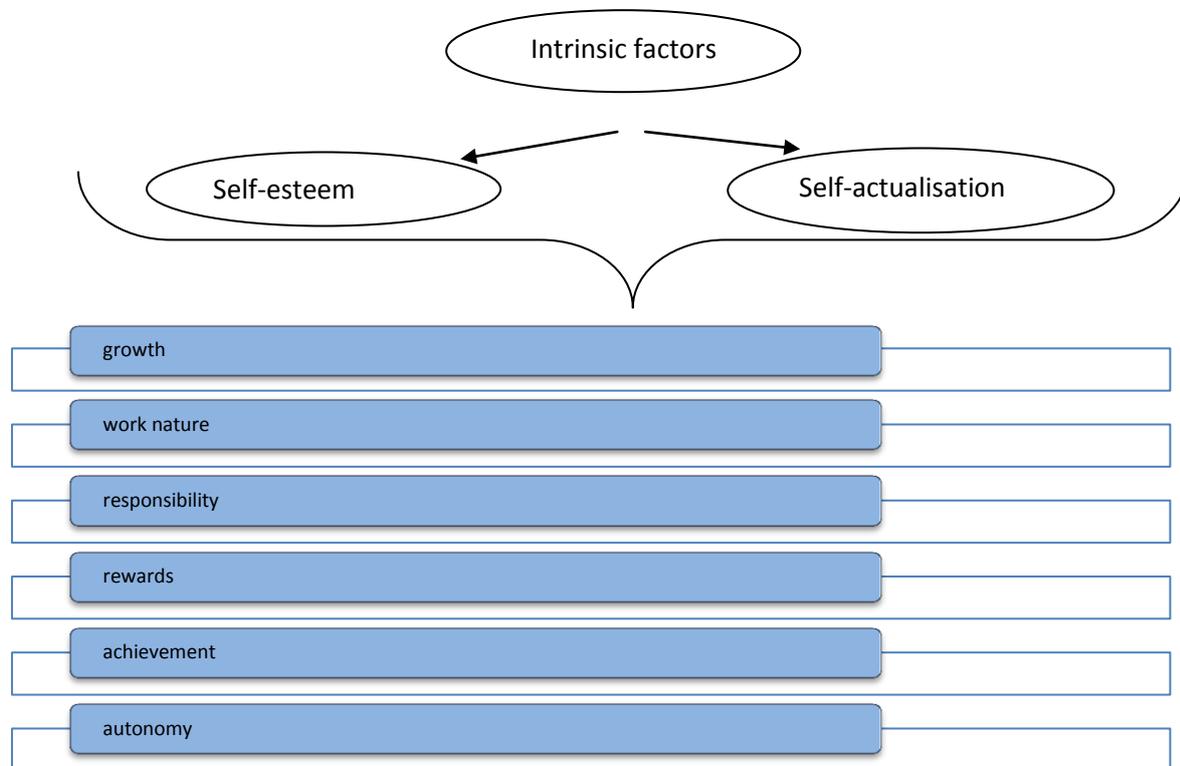


Figure 2- Intrinsic factors

REFERENCES

- [1] Ahmed Ifti, How to motivate (and avoid demotivating) sales staff. Eye for pharma. <http://social.eyeforpharma.com/column/motivate-demotivating-sales-staff-pharma>. Accessed 22 October 2013.
- [2] Daft, R.L., The Leadership Experience (3rd ed.), Canada: Thomson South-Western, 2005
- [3] Hair, J.F., Anderson, R.E., Mehta, R, Babin, B.J, USA: South-Western, 2010
- [4] Nitin Nohria, Boris Groysberg, Linda-Eling Lee., Employee motivation : A powerful new model, Harvard Business Review, http://www.ihrim.org/Pubonline/Wire/Feb11/EmployeeMotivation_HBR.pdf. Accessed July 2008.
- [5] Malik Muhammad Ehsan & Naeem Basharat, Pakistan Economic And Social Review, 2009, Volume 47, No. 1 (Summer 2009), 19-30.
- [6] Bodla, Mahmood Ahmad, Naeem, Basharat, Interdisciplinary Journal Of Contemporary Research Business,2010, 1(12), 73.
- [7] Bodla, Mahmood Ahmad, Naeem, Basharat., Culture & Change Management, 2008, 8, 145-150.
- [8] Greenberg, Jerald, & Baron, Robert A, 8th ed., Prentice-Hall,2003.
- [9] Robbins, Stephen P., Judge, Timothy A, 2008, 13th ed., Prentice-Hall.
- [10] Mitchell, Terence R. The Academy of Management Review, 1982, 7(1), 80-88.
- [11] Ali Reena, Ahmed M.Shakil, The Impact Of Reward And Recognition Programs On Employee's Motivation And Satisfaction: An Empirical Study, International Review of Business Research Papers. <http://www.bizresearchpapers.com/22.Reena.pdf>. Accessed June 2009.
- [12] Khan, K. U., Farooq, S. U., Ullah, M. I., Research Journal of international studies,2010, 14, 37-52.
- [13] Ahlstrom, David, Bruton, Garry D., South-Western Cengage Learning, 2009.
- [14] Landy, Frank J. Conte Jeffrey M., 3rd ed., McGraw Hill,2010.
- [15] Robison, Jennifer, Disengagement Can Be Really Depressing, Gallup Management Journal website, published, <http://gmj.gallup.com/content/127100/disengagement-really-depressing.aspx>. Accessed 2 april 2010.
- [16] Jurkiewicz, Carole L., Massey, Tom K. Jr., Brown, Roger G, Public Productivity & Management Review,1998, 21(3), 230-250.
- [17] MANforum, It's Always About The Boss, 2009, Issue 03/2009, pp.10-13.
- [18] A.H. Maslow, Motivation and Personality, New York: Harper & Row, 1954.
- [19] Ballat P.S et al, Journal of Sales Management,2010, 36-50.
- [20] Alderfer, Clayton P., Organizational Behavior and Human Performance, 1969,4,142-175.
- [21] Coon, D. & Mitterer, J. O., CA: Wadsworth,2010
- [22] Brown, L. V, New York: Nova Publishers,2007.