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**DETERMINANTS OF SALES PERFORMANCE IN INSURANCE
INDUSTRY:
A CROSS-CULTURAL COMPARISON BETWEEN THE UK AND
MALAYSIA**

**NIK KAMARIAH NIK MAT
Doctor of Philosophy**

**THE UNIVERSITY OF ASTON IN BIRMINGHAM
May 1995**

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The University of Aston in Birmingham

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SUMMARY

This thesis is concerned with an empirical investigation of the factors that predict a successful salesperson, using a cross-cultural comparison of two countries: the UK and Malaysia.

Besides collecting quantitative data, qualitative data on organizational, environmental and cultural factors were also collected through interviews, personal and case observations. The quantitative data consist of sixteen independent factors and three dependent factors. The independent variables include self-efficacy, self-esteem, locus of control, self-monitoring, extrinsic motivation, intrinsic motivation, experience, training perception, role ambiguity, role conflict, role inaccuracy, gender, age, education, race and religion. The dependent variables are performance target achieved, performance earnings and performance ratings. Questionnaires were distributed to about 500 salespersons in each country, from three insurance companies in the UK and two insurance companies in Malaysia. Response rates were 75 and 50 percent from the UK and Malaysia respectively.

The survey results indicated that a salesperson's performance in the UK is predicted by self-efficacy, internal locus of control, self-esteem, extrinsic motivation, experience, training perceptions, role conflict and gender. In Malaysia, a salesperson's performance is predicted by self-efficacy, self-monitoring, experience, role conflict, role ambiguity, education, gender, race and religion. Self-efficacy, experience, role conflict and gender are common predictors of salespersons' performance in both cultures. The likely explanation for these results is culture differences, i.e. UK has a homogeneous culture, while Malaysia has a heterogeneous one. Results from the case observations, such as organizational and environmental factors, give supporting evidence in explaining the empirical results.

Implications from the findings are discussed from two aspects: (1) theoretical implications for divergence/convergence theory, Hofstede's model, Churchill's model, and (2) managerial implications for selection, training, motivation and appraisal.

Key words: sales, performance, personality, self-efficacy, self-esteem, self-monitoring, locus of control, role perceptions, role conflict, role ambiguity, experience, training, cross-cultural, management, selection, motivation, appraisal.

Dedication

To my Beloved Parents, (*Nik Mat Ali and Halimah Daud*) and My Eight Brothers and Sister, (*Nik Hashim, Nik Hassan, Nik Taib, Nik Azhari, Nik Noraini, Nik Hanafi, Nik Yusof and Nik Ali*).

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CHAPTER ONE

INTRODUCTION

"Ideal sales agents are those who have integrity and enthusiasm" (Benedict, 1988).

1.1 Chapter Overview

This chapter presents the research problems that are prevalent in the field of sales management and formulates the research objectives for the study. It also gives some justification for conducting this research. Finally, it outlines the topics discussed in remaining chapters.

1.2 Research Problems

- (a) Few attempts have been made in past studies to identify a reasonably exhaustive set of factors predicting sales performance or to specify their interrelationships. The earlier studies in sales management were relegated to "second-class" status, and were mainly experiential and unsophisticated. Past studies have also produced very inconsistent results (Churchill, Ford, Hartley and Walker, 1985) and inconclusive evidence (Tyagi, 1982). In view of these problems, this study attempts to investigate all the possible variables predicting a salesperson's performance by adapting and developing the comprehensive framework of predictors of salespersons' performance suggested by Churchill, Ford and Walker, (1987).
- (b) Over the years there has been little published theory and even less empirical research, concerning variables influencing salespersons' performance from a cross-cultural perspective. Therefore, a further aspect of this study will investigate and compare predictors of sales performance in two distinct cultures. There is reason to believe that these predictors of sales performance will differ across cultures.

- (c) Until very recently, sales managers received little information or guidance on how to motivate and direct the performance of their sales force from marketing academics. Due to this lack of scientific evidence, sales managers had to rely on traditional practices, intuition and personal experiences when performing the tasks of selection, hiring, motivating, training and evaluating salespersons. This research will attempt to incorporate psychometric measures (validated and new) on every variable selected for the study. The main purpose of the study is to produce results based on scientific evidence.
- (d) Few firms have actually expended any effort on behavioural studies of their own salespeople. However, most of the studies done by academic researchers have collaborated with marketing firms. The present study has obtained full cooperation and involvement of five insurance firms, three firms from the UK and two firms from Malaysia. These firms are very enthusiastic about the outcome of the forthcoming results, indicating these firms have realised the importance of analysing their own sales force.

1.3 Research Objectives

This study has two facets. One, is to investigate what factors make a successful salesperson, and the other is to observe these phenomena in two cultural settings. A comprehensive examination into the possible factors that can predict sales performance of insurance salespeople, and the impact these factors have in two different cultures -Malaysia and UK - will be explored in detail.

The main objectives of this study can be stated as follows:

- (a) To carry out an empirical investigation on a comprehensive set of factors that show some relationships with sales performance of salespeople, by using systematic psychometric measures that are appropriate for the factors selected for study.
- b) To identify factors that support the model in each country, to answer the

question, "What predicts selling success in insurance companies (i) in the UK, and (ii) in Malaysia?"

- (b) To carry out a comparative analysis on five insurance companies in two countries, in order to understand the cultural, organizational and environmental influences on sales performance. This cultural understanding may be important for the formulation of an international marketing strategy in the insurance industry in particular.
- (c) To make suggestions to management about implications for recruitment and selection, motivation, training, evaluation and appraisal systems based on the findings from the two countries.
- (d) To make a contribution to the cross-cultural theory regarding the debate between universalist and divergent theory (see discussion in chapter three).

1.4 Justification of the Study

From the discussion of the research problems, it can be seen that there is still room for further research in this area.

- (a) Considerable research on determinants of sales performance has been carried over the past 80 years (Churchill et al., 1985). However, these studies have focused mainly on one or a few limited predictors of sales performance, for example, motivation. The present research does not simply look at isolated factors, instead it adopts a more holistic approach. A further purpose of this research is to add to the existing research, (some of which is now outdated). Furthermore, the empirical evidence produced in these studies with respect to the factors that influence sales performance is relatively inconsistent and the strength of the relationships in some cases is relatively weak i.e. by demonstrating small correlation values (Churchill et al., 1985). The status of research in this area, therefore, justifies further investigation. This study

intends to carry out a comprehensive examination of the determinants of sales performance, using validated psychometric scales as well as including some new personality factors. The researcher intends to investigate the relationships among seven major predictor variables, (personality, motivation, role perceptions, skill level, personal, organizational, and environmental factors) and sales performance. Sales performance is regarded as the criterion variable where several methods of measuring sales performance will be used (see detail discussion on framework in chapter four).

- (b) Besides taking a comprehensive approach, this study gathers data from two countries, bringing cross-cultural factors into perspective. There are several reasons for taking a cross-cultural perspective on determinants of salespersons' performance. First, there are still very few cross-cultural studies in the field of sales management. Many of the existing studies in this area were carried out in American firms (Tyagi 1985; Barling and Beattie 1983; Matteson, Ivancevich and Smith 1984; Dubinsky and Yammarino 1985; Dubinsky and Hartley 1986). Very few relevant studies were carried out in the U.K (Shipley and Kiely 1986), and none in Malaysia. Secondly, cross-cultural studies can contribute to international market information in the insurance industry, to understandings about culture and to enrich the existing literature.

Thirdly, the findings of this research may be important to the development of sales forces in industry in the Far East, where little such research has been carried out before. The life insurance industry in Malaysia has shown a marked improvement in its business performance over recent years (Update 1989). The dynamic future of this industry is demonstrated with the acknowledgement by the government, that the insurance industry will move closer to the forefront of Malaysian economic activities. In order to capitalise on these opportunities, the industry will need to generate marketing strategies to promote growth in sales as well as to serve the customers more effectively. One of the marketing strategies that the insurance industry will

need to enforce is that of improving sales force management.

To ensure continuous growth in the industry, the sales performance of the salespersons will need to be monitored carefully by their respective life insurance companies. This research hopes to contribute to the effectiveness of sales force management in Malaysia so that the continuous dynamic growth of this important sector of the financial market is ensured. Finally, it is interesting to determine whether the research model used supports a universalist (convergence theory) or cultural relativity (divergent theory) perspective on cross-cultural theory (see discussion in chapter three).

- (c) Life insurance companies were chosen as the research samples for several reasons. Firstly, they represent *professional* salespersons who handle typical selling activities, such as prospecting, communicating, selling, servicing and information gathering. Professionalization of selling brought about by the combination of strategic human resources management and government legislation might greatly improve the conduct and quality of selling in future (Morgan 1990). Second, life insurance is also considered as a market that requires concern, patience, and silence while the customer does the talking; a term called the "soft sell", (Landes 1990) as opposed to the traditional "hard-sell" methods where the salesperson will do all the talking during the sales presentation. By studying some of the personality factors such self-monitoring (see chapter two p. 39), some "soft sell" techniques among life insurance salespersons can be identified which will contribute to the field of sales management as a whole.

Thirdly, there are two essential characteristics in marketing life insurance today, which are understanding and caring (Pradhan, 1989). Continuous attempts to study factors that contribute to successful selling personalities and methods among insurance companies will be essential for greater improvements and success. Fourthly, salespersons in the life insurance industry are often considered to be marketing complex services (Crosby,

Evans, and Cowles, 1990). This is because insurance salespeople are involved in long-term commitment and a continual stream of interaction between buyer and seller. It is sold by an agent who is the primary contact person and on whose advice buyers rely in finding a suitable policy. After the sale, agents provide follow-up service, helping customers make policy changes in response to changing needs. This would justify the importance of continuous research to satisfy the customers in this dynamic marketing industry. Finally, life insurance salespersons are involved in a challenging job because they are exposed to a high degree of rejections and failures by customers. Expectations from employers are usually high and salespersons have to meet targets and deadlines when performing their tasks.

1.5 Layout of the Remaining Chapters

Chapter Two deals with the general review of relevant past studies from the field of occupational psychology and sales management, especially those investigating possible relationships between determinant factors and sales performance. This chapter covers a comprehensive and wide range of possible determinants of sales performance. Since this particular study also intends to be carried out from a cross-cultural perspective, Chapter Three proceeds to review the literature on culture in general, the cultural differences between the two countries, and the cultural background of the insurance companies which form the core organizations for this study. Chapter Four summarises all variables selected for this study as well as justifying why certain variables were or were not included in the study. Chapter Five outlines the methodology and analysis of the study. The results of the study are presented in Chapter Six, (which is divided into two parts). Part one of Chapter Six presents the results from the case description analyses, while part two of the same chapter presents the results of the survey analyses. Chapter Seven discusses the results of the study, and finally, Chapter Eight presents the conclusion of the study and evaluates its implications.

CHAPTER TWO

A REVIEW OF THE LITERATURE ON DETERMINANTS OF SALES PERFORMANCE

"Self-motivation is a quality that salespeople should strive to acquire" (Huffstetler, 1988).

2.1 Chapter Overview

This chapter will review the studies of the determinants of sales performance that have been carried out in the past. The literature reviewed will include relevant studies that were performed in sales settings, and other business organizations, as well as cross-cultural studies. In some instances, where studies in these areas were few or negligible, more general related studies will be reviewed to throw some light on the subject.

2.2 Determinants of Salespersons' Performance

Over the years, explorations and investigations of the determinants of salespersons' performance have been considerable but diverse. The first empirical study was carried out to examine the relationship between aptitude and performance (Oschrin, 1918). Since the 1950s, there has been an increase in empirical studies, but much of the work was considered exploratory and unsophisticated (Churchill et al., 1987), whereby, one or a few factors were taken separately to influence sales performance (e.g., Meranda and Clarke, 1959, Mosel, 1952). It was not until the mid-1970s, that research was performed to establish a better understanding of factors that are critical to salespeople's performance (for e.g., Lamont and Lundstrom, 1977; Churchill, Ford and Walker, 1979b). There is still no single comprehensive study on factors that determine sales performance, and few attempts have been made to find holistic explanations.

2.3 The Model of The Determinants of Sales Performance

A comprehensive model of determinants of sales performance (see figure 2.1) was first developed in an article by Walker, Churchill and Ford, (1977) and was originally derived from the application of expectancy theory to organizational behaviour; the latter states that:

"the strength of the tendency to act in a certain way depends on the strength of an expectancy that the act will be followed by a given consequence (or outcome) and the value or attractiveness of that consequence (or outcome) to the actor" (Vroom, 1964, p. 45).

Working from this idea, a job performance model was later re-published by Churchill et al., (1987). The model predicts that a worker's ultimate performance on different job dimensions, occurs when his or her levels of motivation are combined with other determinants of performance (e.g., aptitude).

The model hypothesizes that a salesperson's performance is a function of five basic components: (1) aptitude, (2) motivation, (3) role perceptions, (4) skill level, (5) organizational factors, environmental factors and personal factors. Figure 2.1 presents the Churchill et al., (1987) overall model. The arrows indicate that all five components play an important role in influencing sales performance. The model also suggests that the components combine multiplicatively to influence performance, i.e., if the salesperson is deficient in any of these factors, the individual could be expected to perform poorly. Although empirical research is somewhat equivocal about whether the factors do combine multiplicatively, it is fairly certain that the determinants are not independent. There are substantial interaction effects, even though very little is known about the form and magnitude of these interactions.

Consequently, the model does provide a convenient and comprehensive framework for examining factors that may predict sales performance in the present study. These will now be discussed.

Figure 2.1: Model of Determinants of Salespersons' Performance



Source: Churchill, Ford and Walker (1987) p.298

2.4 Aptitude Components

In sales management, aptitude refers to one's ability to perform the job. When we say that a person has an aptitude for sales, it means that s/he has the right personal characteristics, the right personality and right mental capabilities for selling. Aptitude, in this sense, is associated with three dimensions. The first dimension, personal characteristics, can refer to her/his physical appearance, height, weight, or age. The second dimension is personality. Psychologists have tried to define personality using different approaches. One of the definitions of personality is:

"the distinctive and characteristic patterns of thought, emotion and behaviour that define an individual's personal style and influence his or her interactions with the environment (Atkinson, Atkinson, Smith and Bem, 1993).

Some of the personality characteristics associated with salespersons are *empathy*, *ego strength*, *sociability*, *aggressiveness* and *dominance* (Bagozzi, 1978; Lamont and Lundstrom, 1977; Sager and Farris, 1986). The third dimension is mental abilities such as verbal intelligence and mathematical ability. Mental abilities are frequently referred to as *achievement* in psychology (Atkinson et al., 1993). Various tests have been designed to measure mental abilities especially in education and child psychology. Achievement tests have also been used frequently during selection and hiring purposes in many jobs, for example, cashiers, accountants, marketing employees and managerial jobs.

Marketing scholars and sales management executives have recognized the importance of aptitude components, especially in giving some guidance for the selection and hiring of staff. In sales management in particular, aptitude components may indicate whether a person is suitable for the demanding job of a salesman or not. As many people admit "not everybody can be a salesman or saleswoman".

It is of no surprise, therefore, that historically, aptitude and its impact on sales performance have received the greatest amount of research attention. Numerous

empirical studies have attempted to predict variations in sales performance using one or more of these aptitude variables. Some of the aptitude factors that have been examined in relation to sales performance in past studies were: verbal intelligence; sociability, extroversion, adaptability, other-directedness; dominance, ego-drive, need for achievement, aggressiveness, empathy, self-esteem etc. (e.g. Greenberg and Mayer, 1964; Zdep and Weaver, 1967; Howells, 1968; Ghiselli, 1969). These aptitude variables were most frequently examined before the mid-70s (for a review, see Churchill et al., 1987). The research findings of most of these studies were characterised by inconsistent findings and weak significant relationships between aptitude and sales performance. Weak relationships means that the correlation r is generally very small. For example, a meta-analysis on 116 studies showed that the mean r is less than 0.4 which means that only about 4% of the variation in salesperson performance is associated with a single predictor of that performance (Churchill et al., 1985). Some of the problems surrounding these studies were: (1) different research methods and procedures had been used to measure personality traits e.g. dominance was measured using the Jackson Personality Inventory (1976) or 16PF (Cattell, 1957) (2) different measures of sales performance had been used e.g. annual dollar sales volume (Bagozzi 1978), managerial ratings, annual sales volume, quota, and compensation (Lamont and Lundstrom 1977), (3) variations in the accuracy and reliability of the measures used, (4) task-specific nature of aptitude, whereby, a broad measure of aptitude may fail to capture the task-specific nature of the construct, or (5) maybe aptitude just does not predict performance that much?

After the theoretical framework for the determinants of sales performance was first published by Walker et al. (1977), there were several studies that attempted to investigate the hypothesized links between possible determinant factors and sales performance. One such study was conducted by Lamont and Lundstrom (1977), who examined the relationships between several personal factors and personality variables and sales performance of 71 industrial salespeople. The personality variables examined in the study were empathy, endurance, social recognition and ego strength. The result indicated that endurance and social recognition were significantly and positively related to performance while empathy and ego strength were found to be

negatively related to performance. The research evidence from the study performed by Lamont and Lundstrom (1977) indicated that salespersons with a high endurance level and a need for social recognition tended to be more successful salespeople. They argue that salespeople with a high endurance levels were better performers, because salespeople were viewed as devoted to their professional career and so they strive to attain high goals for themselves.

Self-Esteem

Another relevant empirical study investigating aptitude-sales performance relationships was conducted by Bagozzi (1978). His study investigated the cause and effect model of (among others), general and specific self-esteem and verbal intelligence upon sales performance. Generalized self-esteem was defined by Bagozzi (1978) as the global self-attributions of overall competence with everyday life situations, and broad feelings of personal regard for the self. Specific self-esteem is the particular self-attributions and self-regard with respect to actual job performance (e.g., perception of ability to achieve one's potential, self-confidence in dealing with customers, and so on). High self-esteem is when a person believes s/he has positive traits, such as talents and excellent qualities, as opposed to low self-esteem which is when a person feels untalented and lacking in attractive qualities (Baron, 1986). A sample of 135 industrial salespeople selling steel and plastic strapping was taken, and generalized self-esteem was measured using a 20-item Jackson Personality Inventory (1967), while verbal intelligence was measured by a 30-item Word Association Form (Borgatta, 1971). The results indicated that specific self-esteem had a significant, positive effect on sales performance (actual annual sales volume in dollars), while verbal intelligence had a significant, negative effect on sales performance (Bagozzi 1978, 1980).

The strong relationship between specific self-esteem and sales performance suggests that management should hire persons high in self-esteem while continuing to build self-esteem of existing workforce through training programmes. One possible explanation for the inverse relationship between verbal intelligence and sales performance was that those high in verbal intelligence found the sales job boring

and unchallenging, thus less time and energy was devoted to the job. Bagozzi (1980), observed that two subjects in the study, identified as among the very best of salespeople in the company, spent an unusual amount of time in extra-company pursuits, for example, one individual used normal working hours to complete M.B.A course while the other, to evaluate sites for an investment venture.

Self-esteem seems to be a popular aptitude variable to be compared with performance. Self-esteem has been found to be a significant positive moderator variable for the satisfaction and performance link (Jacob and Solomon 1977). Jacob and Solomon's (1977) findings implied that high self-esteem among 89 managers and 162 salesmen seemed to increase the satisfaction-sales performance relationship. Sales performance was measured supervisors' ratings and self-esteem was measured through the Texas Social Behaviour Inventory (Helmich and Stapp, 1975). Weiss and Knight (1980) performed a study on male psychology undergraduates to examine the relationship of self esteem (measured self-esteem using Rosenberg, 1965 scale), with performance (problem solving efficiency). The results indicated that self-esteem was significantly and negatively related to problem solving efficiency. This implied that low self-esteem individuals performed better at problem solving. Other research findings in non-selling occupations also indicate that persons high in self-esteem often demonstrate higher levels of job satisfaction, motivation, and actual productivity than persons low on this dimension (Tharenou, 1979; Adler, 1980; Yukl and Latham, 1978).

Other Personality Factors

Other studies reported narrative results (either based on non-statistical observations or personal experience) where the main concern was to identify possible aptitude characteristics for sales success, and not to establish empirical relationships with sales performance. For example, Sager and Ferris (1986), who applied the 16PF Questionnaire to 96 retail salespersons of pharmaceutical products, found that excellent sales performers tend to be warm, easy-going, cooperative, dominant and shrewd. Coveny (1988), indicates that high producers are identifiable through personality profiling such as self-starters, self-sufficient, and self-motivated. Five

characteristics were found to be important for selling success: desire to succeed, self-confidence or self-esteem, goal orientation, knowledge and persistence (Dreyfeck 1986).

From the literature reviewed so far, it can be seen that aptitude components have been investigated in a fragmented and diverse way. The results were very inconsistent indeed. Many of the aptitude variables have been found to show insignificant relationships with sales performance. Only a few aptitude variables had shown some empirical evidence of significant positive relationships with sales performance: to name a few - endurance, social recognition, self-esteem, height (refer page 30), while others such as empathy, ego strength and verbal intelligence had exhibited negative relationships with performance (see pages 30-32).

More contemporary research in the 1980s on aptitude-sales performance relations have changed the focus of attention to other aptitude variables, specifically more on personality dimensions. Although, there are many approaches to personality theory (Atkinson et al., 1993; Mischel 1993), it seems that the most popular approach taken by researchers is the trait approach. Under the traits approach, Allport and Odbert (1936) identified 4,500 personality terms derived from 18,000 words that refer to characteristics of behaviour in English dictionary. Later Catell (1957, 1966) identified 16 factors of personality through factor analytic methods. Eysenck (1953), presented the extroversion,introversion and neurotism personality traits.

The Big-Five Personality Factors

The most recent trait personality taxonomy in the field of personality psychology is called the "Big Five"- neurotism, extraversion, openness to new experience, agreeableness and conscientiousness (Digman and Inouye, 1986; Goldberg, 1991; John, 1990; McCrae & Costa, 1985,1987). This generally accepted taxonomy for classifying personality attributes, closely resembles similar dimensions initially proposed by Norman (1963). A robust five-factor model was suggested as a meaningful personality taxonomy and it consisted of extraversion, emotional stability, agreeableness, conscientiousness and openness to experience (Digman

1990). The big-five factors have been used to find relationships between extroversion and police performance (Cortina, Doherty, Schmitt, Kaufman, and Smith, 1992). A meta-analysis of 162 samples (out of which 17% are sales) obtained from 117 studies, was performed to find the relationship of this big-five model to job performance across occupations. The findings indicate that only conscientiousness and extraversion are valid predictors for performance in sales occupations. Job performance was measured by job proficiency (performance ratings and productivity data); training proficiency, (training performance ratings and training productivity such as time to complete training results); and personnel data (salary level, turnover, status change and tenure), (Barrick and Mount 1991).

Conscientiousness is expected to be related to job performance because it assesses personal characteristics such as persistent, "planful", careful, responsible, and hard working, which are important attributes for accomplishing work tasks especially in sales. Extraversion, on the other hand, has shown positive relationships to sales performance, perhaps, because salespersons still need to be sociable, gregarious, assertive, talkative, active, ambitious, impetuous, exhibitionist and expressive in performing their jobs well. A more recent study by the same authors indicates that autonomy among managers moderates the relationships between the big-five personality dimensions and supervisor ratings of job performance (Barrick and Mount, 1993).

In this study, a sample of 146 managers from a training programme measured the extent of managerial autonomy in their job, and their big-five personalities. Supervisors also rated the subjects' job autonomy, as well as their performance. The results indicate that managers with higher scores on conscientiousness and extraversion performed better in jobs with high autonomy compared with those managers in jobs low in autonomy. One possible explanation for this result could be that conscientious and extroverted managers perform better when given a great deal of discretion in selecting the appropriate work behaviours to be performed.

Extraversion/Introversion

The characteristics of extraversion/introversion have consistently been associated with salespersons' performance. This is partly due to the stereotyped image of salespersons who are often regarded as sociable, persistent, fast-talking smoothies, who will tell anybody anything to close a sale. Negative images of salespersons have been traditionally portrayed to the public by the release of films such as "The Death of a Salesman" and "The Music Man".

Despite the assumed association of extraversion to sales performance, there are very few recent empirical studies in the field of sales management per se (Russell, 1989; Barrick and Mount, 1991). The investigation conducted by Barrick and Mount (1991) was a meta-analysis of big five personality dimensions and job performance for five occupational groups (professionals, police, managers, sales, and skilled/semi-skilled). This study reported that extraversion was a valid predictor of performance for sales occupation.

Even though the theories of extraversion/introversion developed by Eysenck (1953), have been discussed widely in psychology, unfortunately, Eysenck's studies and empirical investigations were conducted in non-selling occupations. There is also no new replication of Eysenck's theories in contemporary sales-setting studies, perhaps, because of the complexity of the measuring instrument.

Other recent studies investigating the extraversion personality variable, have used Myers-Briggs Type Indicator in other fields such as health services and management science (Kevin, 1993; Lavasseurs, 1991; O'Connor, Shewchuk and Raab, 1992). For instance, Russell (1989) proposed the use of the Myers-Briggs Type Indicator which includes extraversion-introversion, sensing-intuition, thinking-feeling, and judging-perceiving, to identify the individual personalities of insurance agents and to improve communication between salespeople and the customers. Russell's research was conducted in a relevant field of insurance agents, but it was not empirically based.

Taking into consideration that extraversion might be difficult to measure (due to complexity of measuring scale), this personality variable will not be investigated in the present study.

Some other personality factors, again taken individually, which were investigated repeatedly in contemporary selling-occupation studies were: (1) Type A Behaviour Pattern (TABP), (2) self-monitoring, (3) locus of control, and (4) self-efficacy.

Type A Behaviour Pattern

Type A Behaviour Pattern (TABP) is one of the personality variables that has received considerable research interest. An individual is said to have Type A behaviour pattern (TABP) when s/he seemed to work under great pressure, was hard-driving and super-competitive, highly achievement-oriented and work involved, impatient and aggressively involved in a chronic struggle to achieve more and more in less and less time (Friedman and Rosenman, 1974). Conversely, the absence of these traits characterizes the Type B Behaviour Pattern (TBBP). It is believed that the motivational arousal generated by the TABP is likely to create a high sales effort and performance (Howard, Cunningham and Rechnitzer, 1977). For example, the Type A person has been found to expend more effort and out-perform Type B persons in challenging situations (Matthews, 1982). Chesney, Black, Chadwick, and Rosenman, (1981) note that TABP has been found to correlate with higher occupational status, more rapid career achievement, longer work weeks, and greater job travel. Type A's in clinical psychology studies tend to be more persistent in achieving a particular goal (Friedman, Byers, Diamant and Rosenman, 1975; Glass 1977; Glass, Krakoff, Contrada, Hilton, Kehoe, Manucci, Collins, Snow and Elting, 1980). But TABP are more likely to experience stress because of their competitive nature. Type A's in the academic settings (students and lecturers) have been found to be better performers than their Type B counterparts (Ovcharchyn, Johnson and Petzel, 1981; Waldron, Hickey, McPherson, Butensky, Gruss, Overall, Schmader and Wohlmuth, 1980; Matthews, Helmreich, Beane and Luckner, 1980; Taylor, Locke, Lee and Gist, 1984).

TABP relationships with sales performance have been examined in several studies. For example, in a study of life insurance sales personnel, Matteson, Ivancevich and Smith, (1984) reported no significant relationship between TABP scores and three measures of sales performance (policy amount, premium income, and total policies). Similarly, Lee and Gillen (1989) found TABP was not related to sales performance (% of dollar sales quota, supervisor's subjective performance ratings) among sales representatives of a manufacturing industry. Bartkus, Peterson and Bellenger, (1989) also failed to find any relationship between TABP of salespeople and performance (actual number of sales) in a real estate company. One study however has found that the positive dimensions of Type A- achieving striving, is positively related to sales performance (number of policies sold) while impatience-irritability was found to be unrelated to sales performance (Bluen, Barling and Burns, 1990). It seems that combining all the dimensions of Type A may not be predictive of sales performance because of its positive and negative properties.

On the whole, studies which were specifically carried out in sales settings have failed to find any support for a positive relationship between TABP and sales performance (Barling and Beattie 1983; Matteson et al., 1984; Lee and Gillen, 1989; Bartkus et al., 1989). Although Type A behaviour pattern has been suggested for salespeople, it is unlikely that it relates to sales performance.

Self-Efficacy

Another personality factor investigated recently in sales settings is self-efficacy (Lee and Gillen 1989; Barling and Beattie 1983; Kendall and Korgeski 1979). Self-efficacy refers to people's judgements about their capabilities to execute particular courses of action (Bandura, 1977). As Barling and Beattie (1983) pointed out,

"self-efficacy are expectations of personal mastery, i.e., the belief that if sufficient effort is expended, successful performance will follow".

Consequently, self-efficacy must not be underestimated as Bandura (1988) explains further that:

"People who have a strong belief in their capabilities think, feel and behave differently from those who have doubts about their capabilities. People who doubt their capabilities shy away from difficult tasks. They have low aspirations and weak commitment to the goals they choose to pursue. Failure wrecks their motivation.... They give up quickly in the face of difficulties and are slow to recover their confidence following failure or setbacks"

Self-efficacy is also referred to as a "cognitive behaviour modification" technique (e.g. self-instruction, covert rehearsal) suggested to have relevance in organization behaviour context (Brief and Aldag, 1981). In this sense, self-efficacy can be a very important factor for salespersons to have in order to cope with the challenging and complex job in insurance sales (refer page 24).

The perceived self-efficacy/sales performance link has received much attention and theoretical analysis (Gist and Mitchell, 1992). An article entitled "No self-efficacy, no performance" clearly supports the relationship of self-efficacy with performance (Mager, 1992). Stanton and Buskirk (1978) have identified several attributes of sales success, two of which are consistent with Bandura's (1986) concept of self-efficacy: (1) a habit of perseverance; (2) a high level of energy (Lee and Gillen, 1989).

Self-efficacy has been found to be correlated positively to sales performance in two studies (Lee and Gillen, 1989; Barling and Beattie, 1983). Lee and Gillen, (1989) reported that self-efficacy (measured using Bandura's scale 1986), among 160 sales representatives of a manufacturing corporation, was significantly and positively related to performance quality (supervisor's subjective ratings) but self-efficacy was not related to performance quota. Barling and Beattie (1983) conducted an investigation on 97 life insurance agents, using a 46-item self-developed questionnaire specially tailored for insurance sales personnel. The findings showed that self-efficacy expectations were significant (positive) predictor of sales performance (number of calls or visits per week; number of policies sold; sales revenue based on value of policies sold). One possible explanation of the positive relationship between self-efficacy and sales performance in Barling and Beattie's (1983) study may be the objective measures enables the salespeople to exercise

personal control. This supports social learning theory that suggests that self-efficacy influences the initiation, persistence and strength of behaviour. Thus, self-efficacy appears to be a relevant and potentially important personality variable for predicting sales performance of salespeople e.g. life insurance agents.

Studies in non-selling situations have also examined and supported a positive relationship between self-efficacy and individual performance (Locke, Frederick, Lee, and Bobko, 1984; Taylor et al., 1984). Taylor et al., (1984) noted that self-efficacy was positively related to research productivity among university faculty members.

Other studies have found support for the relationships between self-efficacy and other dependent variables such as strategy and motivation (Wood, Bandura and Bailey, 1990; Bandura and Cervone, 1986). Self-efficacy has been found to be positively related to the effective use of analytical strategies for discovering optimal managerial rules and level of personal goals which contributed to successful organizational performance (Wood et al., 1990); and self-efficacy has also been found to be positively related to cognitive motivation (Bandura and Cervone, 1986). Self-efficacy is also postulated to be related to one's motivation and skill level (Gist, Stevens and Bavetta, 1991; Tannenbaum, Mathieu, Salas, and Cannon-Bowers, 1991). These findings indicate that there is evidence of other possible interactions between self-efficacy and alternative determinants of sales performance.

Self-Monitoring

Self-monitoring is another personality factor that has been investigated in selling occupations. The theory of self-monitoring (Snyder 1979) suggests that individuals have a consistent pattern in terms of the degree to which they alter their self-presentation in response to situational cues. In other words, high self-monitors are persons who can readily adjust their behaviour in any situation so as to produce positive reactions from others - they almost seem to be different persons in different situations (Snyder, 1987). Low self-monitors, on the other hand, tend to do the same in all situations and do not make any adjustments in their behaviour as the situation

demands. In selling situation, self-monitoring or salesperson adaptability is necessary for improved sales performance (Spiro and Weitz, 1990). As Weitz (1981) notes:

"[Prior] research has ignored the unique advantage of personal selling in a company's marketing mix communication. Salespeople have the opportunity to match their behaviour to the specific customer and situation they encounter. They can consider each interaction individually and present themselves and their product so as to be maximally effective in that interaction" (Weitz, 1981, p. 89).

While Snyder (1974) sought to assess five hypothetical components of the self-monitoring construct: (1) concern for appropriateness of social behaviour, (2) attention to social comparison information, (3) ability to control or modify self-presentation, (4) use of this ability in particular situations, and (5) cross-situational variability of social behaviour. Others have contradicted this assumption. Instead, self-monitoring is said to yield three tendencies: extraversion, sensitivity and adaptability (Briggs and Cheek, 1988; Lennox and Wolfe, 1984).

Sauers, Hunt and Bass, (1990) presented a behavioural approach to self-control for salespeople called 'Behavioural Self-Management' (BSM) techniques. This self-control technique is believed to be useful for salespeople whose nature of work is that of independent worker, fierce competition, bargaining with customers, uncertainty, rejections and disappointment (Bagozzi 1986). BSM can be achieved by practising *self-monitoring*, goal-setting, stimulus control, consequence management, rehearsal, and self-contracting. However, this theoretical framework has not been supported by any empirical evidence.

From the above discussion, it can be seen that self-monitoring is potentially an important indicator of sales performance. As such, several empirical studies have examined the relationship between self-monitoring and job performance in sales management literature (Caldwell and O'Reilly 1982; Dubinsky and Hartley 1986a, 1986b; Spiro and Weitz, 1990). For example, Caldwell and O'Reilly (1982), investigated 129 field sales representatives of a large franchise organization, and discovered that self-monitoring (Self-monitoring scale by Snyder, 1974) is positively

related to job performance (measured by company's performance evaluation forms). Dubinsky and Hartley (1986a, 1986b), investigated the relationship between self-monitoring and job performance among two samples: retail salespersons and insurance agents.

Their findings, however, failed to find any relationship between self-monitoring and sales performance. This inconsistency may be due to the type of sales jobs performed. For example, in the first study by Dubinsky and Hartley, (1986a), the direction of relationship between self-monitoring (25-item of Snyder, 1974) and performance (percent of department sales) was negative and not significant, because they used samples from retail salespersons whose job tasks do not exactly require adaptive sales behaviour such as self-monitoring. Weitz (1981) offers a potential explanation of this finding when he hypothesizes that adaptive sales behaviour will be unrelated to performance when (1) an individual purchase decision by a customer has little effect on salesperson's performance; (2) the salespersons does not expect future business from the customer; and (3) the salesperson-customer relationship is poor and characterised by conflict. All three conditions are likely to be present in a retail-sales position. For the second study by the same authors (Dubinsky and Hartley, 1986b), which was carried out on insurance sales agents, the results also showed a lack of association (negative and insignificant) between self-monitoring (25-item of Snyder, 1974) and job performance (prior year total earnings). Dubinsky and Hartley (1986b) accounted for the results by measurement errors such as: (1) the path analysis method used in the study does not allow a correction for attenuation, as causal modelling would, due to unreliability in measurement; (2) both independent and dependent variables are self-reported measures from the same person and thus likely to create a common method variance so that the strengths of the relationship may be overstated; and (3) the scale used was that of Snyder, (1974) which may not be appropriate for selling situations, as some researchers have questioned the reliability and validity of the scale (Lennox and Wolfe, 1984).

In contrast, Caldwell and O'Reilly (1981), used 129 boundary spanners salespeople (i.e. field representatives for a large franchise organization whose job duties involved

servicing franchise) who were characterised by:

"individuals who are able to respond to a variety of informational and social stimuli, both inside and outside their organizations. The success of a boundary spanner is therefore, likely to be influenced by the degree to which individuals can accurately perceive and adapt to a variety of social situations. In short, if an individual is sensitive to and can respond to a variety of possibly divergent social cues, that individual should be more effective performer" (Caldwell and O'Reilly 1982, p.124).

In the studies mentioned above, the 25-item scale developed by Snyder (1974) was used to measure self-monitoring. Several attempts have been made to modify Snyder's scale to suit the selling contexts and work organizations (Snyder and Gangestad, 1986; Lennox and Wolfe, 1984). Spiro and Weitz, (1990) has used the scale modified by Lennox and Wolfe, (1984), to investigate the relationship between self-monitoring (measured by modified self-presentation, sensitivity to others, and cross-situational validity) and performance (measured by self-report and a manager-provided assessment) among 268 salespeople from 10 divisions of a major national manufacturer of diagnostic equipment and supplies. The results indicated that the relationship between self-monitoring and performance was inconclusive. It was found that only self-monitoring measured by ability to modify self-presentation was positively related to self-rated performance, while self-monitoring was not related significantly (some negative trends were observed) to managers' ratings performance. In the same study, adaptive selling was measured as a separate variable from self-monitoring. However, it could be argued that the scale was measuring some aspects of self-monitoring (Spiro and Weitz, 1990). Adaptive selling was found to be positively related to self-rated performance but not related to performance as rated by managers. Again adaptive selling and self-monitoring do not show consistent results to their relationships with sales performance.

Fine and Gardial, (1990) investigated the relationship of self-monitoring with salesperson's inferential processes, using experimental methods. Inferential processes are the cognitive inferences made by the salesperson about the buyer or about what

behaviours will produce desired outcomes in the specific situation. Their results indicated that there were positive correlations between self-monitoring and inferential processes. In other words, high self-monitors were significantly more confident than low self-monitors that they would make a sale.

Bagozzi, (1978) investigated the relationship between 'other-directedness' and sales performance on industrial salespeople, and found that other-directedness (measured by scale developed by Collins, Martin, Ashmore and Ross, 1973) is not related significantly (but suggests a positive direction) to sales performance (prior year dollar sales volume). Other directedness used in this study seemed to point to the concept of self-monitoring, whereby other-directedness is defined as:

"... a means for the self-monitoring of behaviour and the adjustment of one's actions to meet goals better... [other directedness] seemed to help them adjust easily to a constantly and widely varying line of products and to customers of widely varying beliefs. They seemed skilled at probing for and discovering other people's opinions and at using these opinions to establish quick rapport with new acquaintances. If they did not have someone else's opinions to lean on, however, they seemed uncomfortable and at loose ends" (Rodgers, 1959, p. 238).

In another study carried out by Hollenbeck and Williams, (1987), investigated the relationship of self-focus (17-item developed by Fenigstein, Scheier and Buss, 1975) with sales performance (actual and future performance levels) was investigated among 143 salespersons employed by a retail sales department. The self-focus scale was found to correlate significantly and positively with self-monitoring scale developed by Snyder (1974) which suggests that persons high in self-focus are generally high self-monitors (Carver and Glass, 1976). The results indicated that self-focus on its own was not related to actual and future performance, but there was a significant positive relation with performance when self-focus, goal level and goal importance interacted with one another. The findings suggest that there is an overall tendency for high goals to be associated with high performance, and the relation is particularly strong for individuals high in self-focus and goal importance i.e. high self-monitors.

In summary, it seems that some aptitude variables, such as self-monitoring, may have been investigated in early years but were confused by terminology definition. Self-monitoring appears to be related to performance in tasks that require clear communications (Larkins, 1987) and boundary spanning tasks (Caldwell and O'Reilly, 1985). From the above discussion, self-monitoring/performance linkages have shown inconclusive results, therefore, this relationship deserves further investigation.

Locus of Control

The last personality variable which has received substantial attention in sales-related studies, is locus of control. Locus of control is where people place their beliefs about the causes of the outcomes of their behaviours. Internal locus of control is when a person believes that the outcomes stem from internal factors such as their own efforts, ability and decisions. 'Internals' tend to be promoted more quickly, earn more money, report higher levels of job satisfaction (Adrisani and Nestel, 1976), and cope better with higher levels of stress (Anderson, 1977; Lefcourt, Martin and Saleh, 1984). From the viewpoint of the organization, Internals tend to make better employees because they can make their own decision and can face failures. Since Internals can determine their own outcomes, they are generally highly motivated (Teas, 1981; Lawler, 1970) and tend to be high performers. The other extreme is the external locus of control, when individuals believe their outcomes are determined by external causes such as fate, luck, and the actions of others (Rotter, 1966). Externals have low motivation and low task performance, due to their belief that outcomes are determined by forces beyond their control (Baron and Greenberg (1990).

Past studies in sales settings to find relationships between locus of control (internally or externally oriented) and a salesperson's performance, have reported positive results. For example, Avila and Fern (1986), carried out a study using a sample of 197 salespeople from a large multinational computer manufacturing company, selling both large and small system computers. The results implied that there was a positive relationship between internal locus of control (29-items from Rotters, 1966) and

sales performance (percent quota attained, overall job performance - managers' ratings, and unweighted sum of subjective measures) for salespeople selling large computer systems, while for those selling small-system computers, external locus of control was positively related to all performance measures.

The possible explanation for this outcome, is that, in a large system selling situation, the task seems to require careful planning, presentation, and diagnosis, so, the salespeople should believe that they are accountable for their failures. The individual needs to introspectively evaluate the potential causes of failure and make necessary changes. In doing so, the more 'internal' the salesperson, the better the sales performance, thus the positive relationship between internal locus of control and sales performance. Alternatively, in small system situations, the salesperson normally faces the time pressures and repeated failure in selling, therefore, it is dysfunctional to devote much time and energy to introspection. Rather, it would be more beneficial for a salesperson to attribute failure to luck and fate (being external), because they can forget about the failures and get on with the job at hand. Therefore, the more 'external' a salesperson, the better the sales performance.

Spiro and Weitz (1990) found that locus of control (Rotter, 1966) of 268 salespeople was positively related to self-rated performance, but not related to managers' performance ratings. Miller and Toulouse (1986), examined the relationship of locus of control (Rotter, 1966) to Chief Executive Officers' (CEOs') performance indicated by several measures of company performance: relative profitability, relative sales growth, 5-year growth in sales, growth in net income, and return on investment (ROI). It was found that CEOs' internal locus of control seemed to be associated positively with sales growth and ROI. This finding suggests executives who feel that they have control over the destinies of their firms, and their environments, take an active role in bringing about change, (usually in the form of innovation). Innovation and locus of control were also found to be both related to net income growth and new product sales in the dynamic companies. It seems that locus of control works partly through innovation to influence performance in a dynamic setting. Some studies suggested that sales superstars and CEO's who work with focus intensity or

internal locus of control, will eventually achieve top success or become successful managers (Johnson 1990; Cox and Cooper, 1989).

Locus of control has also been shown to have significant positive association with motivational antecedents, expectancy and instrumentality estimates (Teas 1981). This finding supports the hypothesis that an internal-control-oriented individual will perceive stronger performance/outcome relationships (instrumentalities) and effort/performance relationships (expectancies) - see definition under *motivation* - (Lawler 1970; Sims, Szilagi and McKemey, 1976; Lied and Pritchard, 1976). Internals believe they have greater control over their jobs, and consequently, believe they have more control over instrumentality (performance/outcome) and expectancy estimates (effort/performance). The notion that motivation is affected by locus of control was earlier supported and discussed by Baron and Greenberg, (1990).

Other studies have explored the relationships of locus of control with some organizational factors such as goal commitment and work influence. For example, high internal locus of control was also found to be correlated positively with goal commitment (Hollenbeck and Klein 1989). Spector (1988) suggested that work locus of control of retail salespersons and employees of a department store, was related positively with perceived influence at work. He used a work locus of control scale consisting of a 16-item measure of locus of control, which was developed specifically for an "organization work domains" and therefore more suitable for organizational research than Rotter's (1966) Internal-External (I-E) scale (Spector 1988).

A study investigated by Frucot and Shearon, (1991) found the impact of locus of control on managerial satisfaction was not significant. This result contradicts earlier findings, which indicated that those with internal locus of control exhibit more job satisfaction (e.g., Behrman and Perreault, 1984). Several studies have investigated the relationship between internal locus of control and job stress. Their results indicate a negative correlation: that is, the higher the internal locus of control, the lower the stress level (Saleh and Desai, 1990; Newton and Keenan, 1990). These

findings support earlier assumptions that those with internal locus of control can cope better with higher stress levels (e.g. Cooper, Sloane and Williams, 1988). From the review of the literature on locus of control above, it seems that internal locus of control is related positively with performance on most occasions, thus suggesting that the more internal a salesperson, the more successful s/he will be.

From the discussion of the literature in the 1980s, it can be concluded that some personality variables have potential as indicators of successful performance while others do not. For example, self-efficacy has been shown to have a significant positive relation with sales performance in many studies. Internal locus of control also seems to be related positively with sales performance. Self-esteem and self-monitoring have been found to show inconsistent results, while the Type A behaviour pattern seems to have no impact on sales performance. Extraversion, conscientiousness, and endurance have also indicate positive relationships with sales performance.

Intelligence and need for social recognition has shown a negative impact on performance, whilst there are other factors like ego-strength, empathy, aggressiveness etc. which have shown insignificant relationships with sales performance in past studies. The question now is which personality variables should be included in the study? To include all personality variables is not practically feasible, given the limited time and resources available for this research. Furthermore, personality variables only form a subset of the numerous independent variables to be investigated in this present study. Selection of a few appropriate personality variables is therefore essential. The selection and justification of personality variables for inclusion in this research will be discussed in detail in chapter four.

2.5 Motivation Components

In the field of organizational behaviour, Baron and Greenberg (1990) define motivation as:

"the set of processes that arouse, direct, and maintain human behaviour toward attaining goal".

In sales management, motivation is defined as:

"the amount of effort the salesperson desires to expend on each activity or task associated with the job, which will lead to some level of performance achievement" (Churchill et al., 1987).

Many theories of motivation have been developed over the years in organizational psychology, for example: need theory (Maslow, 1970; Alderfer, 1972); reinforcement theory, equity theory (Adams, 1965; Martin and Peterson, 1987; Greenberg, 1987, 1988) and expectancy theory (Vroom, 1964; Porter and Lawler, 1968). Expectancy theory has mainly been the most dominant approach to the field of organizational motivation research, although other motivation approaches such as Herzberg's Dual Factor theory have been utilised to measure motivation among industrial salespeople (e.g. see Shipley and Kiely, 1986). Expectancy theory appears to be preferred, perhaps because in part, the theory has shown important implications for organizational practices (Baron and Greenberg, 1990). It is more relevant here because it looks at motivational processes not content. Content i.e. needs are more likely to differ across cultures. It is appealing because of its pragmatic usefulness in predicting work behaviour in sales management (Oliver, 1979). In sales management, expectancy theory is regarded as particularly meaningful, because of its ability to explain the cognitive processes by which behaviour is initiated, directed, and sustained (Campbell, Dunnette, Lawler and Weick, 1970; Tyagi, 1982). Other theories simply specify identification of the variables that influence behaviour, but not the process by which they do it.

Expectancy Theory

Expectancy theory's first major appearance in organizational psychology was presented in 1964 in Vroom's book, "Work and Motivation". Building on some earlier work by Georgopoulos, Mahoney and Jones, (1957), Vroom described expectancy type models for prediction of occupational choice, effort on the job, and

job satisfaction (Mitchell, 1974). Several theorists subsequently expanded the original theory to predict the level of job performance (Galbraith and Cummings, 1967; Porter and Lawler, 1968).

Interest in motivation as one of the determinants of a salesperson's performance is relatively recent. It was not until the 1950s that researchers empirically explored motivation as a predictor of sales performance (Churchill et al., 1985). However, the studies on motivation have since received extensive attention by marketing researchers, perhaps, because motivation has been recognized as an important factor in sales force management (e.g. Bagozzi, 1980; Ingram, Lee and Stevens, 1989; Teas, 1981; Tyagi, 1985).

There are three aspects that have been studied empirically. From the model developed by Churchill et al., (1987), motivation can be seen as (1) influencing performance (Dubinsky and Hartley 1986; Ingram et al., 1989; Korman 1971; Tyagi 1985; Churchill, Ford and Walker, 1979a), (2) being influenced by personal, organizational and environmental factors (Teas, 1981; Bagozzi 1980; Tyagi 1982; Shipley and Kiely, 1986; Apasu, 1987), and (3) influencing satisfaction (Churchill and Pecotich, 1982; Futrell and Parasuraman, 1984).

The Walker, Churchill and Ford, (1977) model of sales force motivation and performance indicates, in keeping with Vroom's original model (1964), that motivation (M) to perform is a function of:

- | | |
|-----------------------|---|
| a. expectancy (E) | The salesperson's belief that his/her efforts would lead to a given level of performance. |
| b. instrumentality(I) | the belief that a given level of performance would lead to an outcome; and |
| c. valence(V) | the importance of outcome to the salesperson. |

Following the expectancy theory formulation, salesperson's motivation is generally expressed as:

$$M = f \left[E_j \times \sum_{k=1}^n (I_{jk} \times V_k) \right] \dots \dots \dots (1)$$

source: Tyagi (1982)

where:

- M = the individual salesperson's motivation,
- j = the performance level,
- k = the outcome as a result of the performance level j,
- n = total number of outcomes,
- E_j = the salesperson's subjective estimate that his or her efforts will lead to performance level j,
- I_{jk} = the instrumentality of the performance level j required for the second level outcome k, and
- V_k = the valence of the second-level outcome k.

In more recent studies, components of motivation are further delineated into intrinsic and extrinsic outcomes (Deci, 1971; Oliver 1974; Tyagi 1982, 1985; Ingram et al., 1989). This approach has been regarded as particularly applicable in the sales management context (Churchill et al., 1979a; Walker et al., 1977). This expanded expectancy model is meaningful because it allows for micro examination of salesperson's motivation. The valence and instrumentality components of an individual's motivation are further divided on the basis of an *intrinsic* versus *extrinsic* outcomes dichotomy. Intrinsic outcomes are internally induced, i.e., the individual rewards him/herself. They involve such outcomes as feelings of accomplishment, self-competence, and personal growth. Extrinsic rewards are part of the job situation and are given by others. They are externally mediated and include financial incentives, promotions, and compensation packages.

Consequently, *intrinsic motivation* (M_i) can be expressed mathematically as:

$$M_i = \left[E_j X \left(\sum_{k=1}^{ni} I_{jki} X V_{ki} \right) \right] \dots \dots \dots (2)$$

source: Tyagi (1985)

and similarly, *extrinsic motivation* (M_e) is expressed mathematically as:

$$M_e = \left[E_j X \left(\sum_{k=1}^{n_e} I_{jke} X V_{ke} \right) \right] \dots \dots \dots (3)$$

source: Tyagi (1985)

where all symbols in equation 2 and 3 are the same as in equation 1 except that subscript i and e denotes variables related to intrinsic and extrinsic outcomes respectively.

The intrinsic and extrinsic models of motivation on sales performance have the ability to predict performance successfully (Oliver 1979; Teas 1981; Tyagi 1982, 1985; Ingram et al., 1989). For example, studies in sales settings investigating the relationship between motivation and sales performance, have obtained some evidence of the posited linkages (Tyagi, 1985; Hackman and Oldham, 1975; Ingram et al., 1989). Tyagi (1985) notes that intrinsic and extrinsic motivation had a strong positive influence on a salesperson's work performance in terms of self-ratings. In this study, a sample of 168 life insurance salespersons completed a self-developed scale to measure valence (12-item scale); instrumentality (10-item scale) and expectancy (10-item scale). Both intrinsic and extrinsic motivation are positively related to performance, but, intrinsic motivation, (as compared to extrinsic motivation), was shown to produce a relatively greater impact on work performance. These results are consistent with a number of previous studies (Hackman 1977, Hackman and Oldham, 1976), where intrinsic motivation was shown to be a more important factor than extrinsic motivation in increasing employee's performance.

Ingram et al (1989), attempted to investigate the relationship between motivation and performance of 231 industrial salespeople, by utilizing the expectancy model

(Vroom, 1964). Motivation was measured using 3-item expectancy estimates (Tyagi, 1985); 12-item instrumentalities (Tyagi, 1985) and 12-item valence (Kohli, 1985), while performance was measured by a 6-item self-report scale (Behrman and Perreault, 1982). It was found that salespeople's intrinsic motivation was positively related to performance but extrinsic motivation was unrelated. The finding on intrinsic motivation is consistent with earlier findings presented by Tyagi (1985), where intrinsic motivation was found to have a positive impact on sales performance, except the results for extrinsic motivation were not supported. Table 2.1 summarizes the findings of past studies. It can be seen that the intrinsic and extrinsic dichotomy produced quite consistent results with regards to their relationships with performance. Therefore, motivation when delineated into these two dimensions can be better indicators for performance.

Other studies have examine this relationship (motivation-performance) using other measures of motivation. One of the common measure of motivation is *work motivation*, a six item scale developed by Hackman and Oldham (1976). However, several studies that used this measure found inconsistent results (see table 2.1) as to the relationship between motivation and performance (Dubinsky and Skinner, 1984; Dubinsky and Yammarino, 1985; Dubinsky and Hartley, 1986a, 1986b; Hampton, Dubinsky and Skinner, 1986). Dubinsky and Hartley (1986a) found that work motivation is negatively related to retailing performance, but Oliver, (1979) found a positive relationship, while others (Dubinsky and Hartley, 1986b; Dubinsky and Skinner, 1984, Hampton et al., 1986; Dubinsky and Yammarino, 1985) found no relationship. Futrell, Parasuraman and Sager, (1983), examined the relationship of motivation (measured by effort level) with performance (measured by supervisor's rating). The findings indicate that effort (motivation) is positively related to performance.

Investigations in the non-selling occupations have consistently found a positive motivation-job performance linkage (Korman, 1971; Campbell and Pritchard, 1976; Heneman and Schwab, 1972). An experimental study by Korman (1971) among college students; and low, medium and high level office employees (e.g. Federal

government officials, university, and bank staff) found that expectancies were positively related to job performance, regardless of the source of the expectancy or the characteristics of the receiver of the expectancy (see table 2.1).

Other studies in sales settings have investigated the impact of motivation on other variables (Teas, 1981; Bagozzi, 1980). For example, Teas (1981) performed a study on 171 industrial salespersons to establish the empirical relationships between *individual characteristics*: locus of control, self-esteem, self-perceived ability and experience/job tenure, and *motivational antecedents*: instrumentality and expectancy estimates. The results indicate that self-esteem was related positively with expectancy estimates, while internal-control-orientation (also called internal locus of control) was found to be related positively to instrumentality estimates. Bagozzi (1980) measured achievement motivation (values towards specific outcomes, tangible and intangible rewards) using a causal modelling method, found that achievement motivation had a positive impact on job satisfaction among 122 industrial salespeople, where an 8-item five-point Likert scale was used as the measure of achievement motivation. In this study, it was hypothesized that individuals would evaluate job outcomes (achievement motivation) differently, and strive for different quantitative performance goals (measured by annual dollar sales volume) and that those factors, in turn, would influence performance and job satisfaction. The findings implied that the greater the value placed on job outcomes (indicated by achievement motivation), the higher the level of satisfaction with the attainment of subsequent rewards. Apparently, salespeople are motivated by the anticipated satisfaction that comes with performance, more than they are by the performance itself. From the discussion above, motivation component can be measured in many different ways and the results of the motivation-performance linkages varies with the measures used.

Table 2.1
Summary of Past Research Examining Relationships between Motivation and Performance

Motivation Variable	Direction of r	Researchers	Subjects	Performance Measures
Intrinsic Extrinsic	+ve +ve	Tyagi(1985)	Life insurance	Self-report ratings
Intrinsic Extrinsic	+ve +ve	Hackman and Oldham(1975)	Business employees	Supervisor's ratings
Intrinsic Extrinsic	+ve -ve (NS)	Ingram et.al (1989)	Industry sales	Self-report ratings
Work motivation	-ve	Dubinsky & Hartley(1986a)	Insurance agents	Prior year total earnings
Work motivation	-ve(NS)	Dubinsky & Hartley(1986b)	Retail Sales	% of department sales
Work motivation	+ve (NS)	Dubinsky and Skinner(1984)	Retail sales	Yearly Sales volume
Work motivation	+ve	Oliver,1979	Sales managers	Percent sales achieved
Work motivation	-ve(NS)	Hampton et al, (1986)	Retail sales	self-report
Work motivation	-ve(NS)	Dubinsky & Yammarino(1985)	Insurance agents	Supervisor's ratings
Expectancy	+ve	Korman,1970	Students, Clerks, Computer technicians Civil-servants	Creative task assessment, self-report work-motivation, Supervisors' ratings

It seems that motivation measured by expectancy theory has produced supportive evidence for the relationship. Therefore, for the present study, expectancy theory will be utilised where motivation will be measured by intrinsic and extrinsic factors.

2.6 Role Perception Components

Role perception is an individual's understanding of the demands, expectations, and the pressures communicated to salespeople by the individuals around them (Anderson, Hair and Bush, 1988). Sales managers should be aware of three problems that may arise in regard to a salesperson's role perception. They are role accuracy, role conflict and role ambiguity. Role accuracy refers to the degree to which the salesperson's perceptions of his or her role partners' demands - particularly company superiors - are accurate. Role conflict arises when a salesperson believes that role demands of two or more of his or her role partners, like company superiors, family members and customers, are incompatible. Role ambiguity occurs when the salesman feels s/he does not have the information from her/his role partners necessary to perform his job adequately.

Role Ambiguity and Role Conflict

Research interest in role perceptions as predictors of salespeople's performance is quite recent. Although role perceptions have been investigated in connection with organizational stress (Kahn, Wolfe, Quinn, Snoeck and Rosenthal, 1964), empirical studies using role as predictor of sales performance did not appear until the early 1970's. Kahn et al., (1964) attempted to measure role conflict and role ambiguity objectively, from the focal person and the role sender perspective (intersender conflict), but unfortunately, this measure has not been used excessively in sales studies. This is probably because the method used to measure role conflict and role ambiguity was time-consuming since it involves two parties. Similarly, Ford, Walker and Churchill, (1975) developed a measure for perceived role conflict of role-partner dyads where, summated difference scores were calculated. While independent construct measures of perceived role conflict and ambiguity are considered more reliable, and are therefore more widely used [e.g. Rizzo, House and Lirtzman,

(1970)], some criticisms still exist such as these constructs are perceived measures and not objective measures because 'actual' levels of the variables are not assessed (Franke, Behrman and Perreault, 1982).

Recent studies in sales settings have examined the role perceptions/performance linkages, and have generally found negative relationships between role ambiguity and sales performance, and between role conflict and sales performance (Bagozzi, 1978, Dubinsky and Mattson 1979; Dubinsky and Yammarino, 1985). For example, Bagozzi (1978) who examined the relationships of role ambiguity and role conflict (or job-related tension) with sales performance using industrial salespeople as samples, found that both role ambiguity (12-item developed by Ford et al., 1975) and role conflict (15-item developed by Kahn et al., 1964) were negatively related to sales performance (prior year sales volume in dollars).

These findings were supported by Dubinsky and Mattson (1979) who investigated the relationships between role ambiguity (24-item modified from Donnelly and Ivancevich, 1975) and role conflict (24-item modified from Ford et al., 1975) with sales performance (self-rating scale developed by Pruden and Reese, 1972) among retail salespersons. Dubinsky and Yammarino's (1985) study of insurance sales agents, also found that role ambiguity (6-item developed by Rizzo et al., 1970) was related negatively with sales performance (supervisor's ratings) which suggested that the less role ambiguity among them, the higher the levels of performance.

However, Dubinsky and Skinner (1984) found that only role ambiguity (measured by 6-items Rizzo et al., 1970) among retail salespeople, was negatively and significantly related to sales performance (measured by year-to-date sales volume), while role conflict (measured by 8-item Rizzo et al., 1970) was unrelated (but still in negative direction). Other studies mostly support the negative relationship between role ambiguity and sales performance (Franke et al., 1982; Dubinsky and Hartley, 1986a, 1986b) except for one study which found that role ambiguity was positively related to sales performance in a retail sales setting (Dubinsky and Hartley, 1986b). This may have occurred because retail selling might be considered

more mundane than field selling positions because their activities are relatively routine and not complex. If retail salespeople are unclear about how to perform the job, ambiguity may create a situation that challenges salespeople. That is, rather than being an obstacle to good performance, role ambiguity may be considered a veiled opportunity whereby salespeople can engage in a variety of activities.

Besides the normal convention of negative relationships between role conflict and sales performance, other studies have also reported positive relationships (see table 2.2) (Behrman and Perreault, 1984; Franke et al., 1982; Behrman, Bigoness and Perreault, 1981; Hampton, Dubinsky and Skinner, 1986; Dubinsky and Hartley, 1986). For example, Behrman and Perreault (1984) found that role conflict was positively related to self-rated performance. It is argued that because role conflict is a basic and unavoidable characteristic of the selling, effective performance depends on the salesperson's confronting and coping with that conflict, i.e. managing conflict (Franke et al., 1982). Franke et al., (1982) examined the relationship of role conflict with sales performance, and found that role conflict (measured by 18-item scale developed by Rizzo et al., 1970) was positively but not significantly related to sales performance (31-item self-rated scale developed by Behrman and Perreault, 1982). The results of role conflict and performance found by Franke et al., (1982) although insignificant, are consistent in direction with the findings by Behrman and Perreault, (1984). These similarities can be accounted for by the same instruments used to measure role conflict, and performance in the two studies (see table 2.2). Other studies have found role conflict to be insignificantly but positively related to sales performance (Dubinsky and Hartley, 1986a, 1986b; and Hampton et al., 1986). Apparently, the findings contradict the normal convention that role conflict is negatively related to sales performance, which perhaps can be explained by the situation that role conflict increases competition and challenge among salespeople, and thus increases sales performance.

Table 2.2
Measures Used for Role Conflict which Has a Positive Relationship with Sales Performance

Researchers	Roles Conflict Measures	Performance Measures
Franke et al, (1982)	18-item (Rizzo et al, (1970)	31-item self-rated
Behrman & Perreault, (1982) (Industrial salespeople)	"	"
Behrman & Perreault, (1984) (Industrial Salespeople)	"	"
Dubinsky & Hartley (1986a) (Retail salespeople)	6-items (Rizzo et al, 1970)	% of department sales
Dubinsky & Hartley (1986b) (Insurance salespeople)	"	Prior year earnings
Hampton et al., (1986) (Retail salespeople)	8-items (Rizzo et al., (1970)	4-item self-reported (Pruden and Reese, 1972)

A number of researchers have criticised the construct validity of role ambiguity and role conflict scales developed by Rizzo et al.'s (1970) (for e.g. Tracy and Johnson, 1981; King and King, 1990; and McGee, Ferguson and Seers, 1989). However, Rizzo et al., (1970) measures were further evaluated and found that the constructs are satisfactory measure of role ambiguity and role conflict (House, Schuler and Levanoni, 1983; Jackson and Schuler, 1985; Harris, 1991).

Walker, Churchill and Ford (1975) posit that role conflict and role ambiguity can indirectly impair a salesperson's performance through their interaction with certain organizational factors. In their study, using the role conflict and role ambiguity scales developed by Ford et al., (1975), it was found that organizational factors like closeness of supervision, and time in position (experience) have a positive influence upon role conflict and ambiguity.

Role ambiguity is also found to be positively related to role conflict in most of the studies above. This can be explained by the fact that role ambiguity and role conflict both measure the negative aspects of role concepts. If a lot of role ambiguity exists in an organization, role conflict is expected to increase and vice versa. Role ambiguity and role conflict are also regarded as stress factors in some studies (e.g. Behrman and Perreault, 1984; Lysonski, Nilakant and Wilemon, 1989; Smith and Peterson, 1994), which might explain the negative relationships of these roles perceptions with performance. A summary of past studies which examine the relationship of role ambiguity and role conflict with performance is illustrated in table 2.3.

A study among retail salespersons indicated that role ambiguity was positively related to performance (Dubinsky and Hartley, 1986). The reason given was due to the nature of retail work being routine and not complex, thus, role ambiguity creates a situation that provides a challenge to salespeople. Therefore, rather than being an obstacle to performance, role ambiguity may be considered a veiled opportunity whereby salespeople can engage in a variety of activities.

Table 2.3
Summary of Past Research Examining Relationships between Role Perceptions and Sales Performance

Role Variables	Direction of r	Researchers	Subjects	Performance Measures
Role ambiguity	-ve	Dubinsky & Yammarino (1985)	Insurance agents	Supervisor's ratings
Role ambiguity	-ve	Bagozzi (1978)	Industrial Salespeople	\$ sales volume
Role conflict	-ve			
Role ambiguity	-ve	Dubinsky & Skinner (1984)	Retail Salespersons	Yearly sales Vol
Role conflict	-ve(NS)			
Role ambiguity	-ve	Franke et al, (1982)	Ind sales	self-report
Role conflict	+ve			
Role ambiguity	-ve	Dubinsky & Hartley (1986a)	Insurance sales	Prior year income
Role conflict	+ve			
Role ambiguity	+ve	Dubinsky & Hartley(1986b)	Retail sales	% department sales
Role conflict	-ve(NS)			
Role ambiguity	-ve	Behrman & Perreault(1984)	Ind. sales	self-report
Role conflict	+ve			
Role ambiguity	+ve(NS)	Hampton et al., (1986)	Retail sales	self-report
Role conflict	+ve(NS)			
Role ambiguity	-ve	Dubinsky Mattson (1979)	Retail sales	self-report
Role conflict	-ve			

Another recent study examined gender differences in role conflict and ambiguity and sales performance outcomes (Schul and Wren, 1992). The results indicated that there were few gender differences in salespeople's role perception, for instance, role conflict and role ambiguity, and performance outcomes.

Another study investigated the relationship between *reciprocal trust* (i.e. the amount of trust in doing their work the salespeople have towards sales managers and vice versa) and role conflict among managers and salespeople (Lagace, 1991). It was found that salespeople with higher reciprocal trust will have lower conflict with their sales managers. However, a similar study conducted by Jaworski and Young (1992) could not establish causes for person - role conflict - *dysfunctional behaviour* (i.e. subordinate actions which attempts to manipulate elements of an established control system for his own purposes) links between sales managers and salespeople. The results did not support the hypothesis which stated that an increase in role conflict would lead to an increase in dysfunctional behaviour.

Other contemporary sales studies on role conflict and role ambiguity attempt to find a relationship between these role tensions and other dependent variables such as turnover (Dubinsky, Dougherty and Wunder, 1990, Yammarino and Dubinsky, 1990; Hafer and Moerer, 1992; Klenke-Hamel and Mathieu, 1990); organizational factors (Shenkar and Zeira, 1992; Erera, 1991); buyers' role perceptions (Tadepalli 1991a, 1991b); and satisfaction (Lumpkin and Tudor, 1991, Netemeyer, 1990).

The positive aspect of role ambiguity or *role clarity* has also been studied in the past. The relationship between role clarity and performance has been found to be positive in several studies (Jaworski and Kohli, 1991; Busch and Bush 1978; Doyle and Shapiro, 1980). Jaworski and Kohli, (1991) in their investigation among retail automobile salespeople, found that role clarity is related positively to sales performance. Similarly, Busch and Bush (1978) indirectly compared male and female industrial salespersons on aspects of role clarity and performance, even though women were found to have a lower role clarity than men, their performance was equalled to that of men. Doyle and Shapiro, (1980) found that role clarity is an

important aspect of sales performance, because task clarity makes it easier to measure and report sales results and makes a good measurement system possible.

Role Inaccuracy

Perceived role inaccuracy refers to the degree to which the salesperson's perception of his/her role partner's demands - particularly company superiors - are inaccurate. Does the salesperson's perceptions of what his/her superiors want him/her to do correspond to his superior's actual expectations and demands? (Churchill et al.,1987). A salesperson has inaccurate role perceptions when s/he inaccurately understands what his/her role partners (also include customers, subordinates from other departments) expect when performing the job. Role accuracy involves considerations like whether the salesperson correctly thinks s/he can make sales presentations, negotiate on prices, promise shorter delivery time than normal, and handle back charges and adjustments for customers.

Role inaccuracy can arise with respect to almost any job dimension that can also give rise to role ambiguity and role conflict. Role inaccuracy differs from role ambiguity in that, with role inaccuracy, the salesperson feels fairly certain what should be done except that s/he is wrong, while with role ambiguity, s/he feels uncertain about how to do a specific task because of inadequate information. Role inaccuracy differs from role conflict. As with role inaccuracy, the salesperson does not see any inconsistencies in the expectations and demands communicated, while with role conflict, the salesperson can see that there are inconsistencies in expectations and demands communicated.

Role inaccuracy differs from both role ambiguity and role conflict, in that role inaccuracy is unrealised, i.e. the salesperson does not know that the perceptions s/he holds are inaccurate, while with role ambiguity and role conflict, the salesperson realises that those perceptions exist within each individual. From the definitions, role inaccuracy seems quite difficult to measure because the salesperson cannot perceive that role inaccuracy exists between him/her and role members (i.e. superiors, other departments, customers).

In the present study, role inaccuracy between salespersons and his/her immediate superiors will be investigated. Role inaccuracy with other role partners such as customers or subordinates from other supporting departments will not be included in the present study, because there are too many variables already included which would make the questionnaire too long. Furthermore, this study will concentrate only on relationships between role inaccuracy and sales performance measured within the organizations and not by customers, which would involve relationships outside the organization.

Despite the literature that suggests that role inaccuracy is negatively related to sales performance, empirical research is scarce, especially in the area of perceived role inaccuracy of salespersons with performance (although see Deutscher, Marshall and Burgoyne, 1982; Lambert, Marmorstein and Sharma, 1990; Price, White and Arnold, 1990). Deutscher et al., (1982) investigated the reasons for the lack of emphasis of salespeople on new account development. Using samples of 400 salespeople and sales managers, it was found that one reason for this lack of emphasis, was that salespeople did not know what it took to perform these activities successfully. Differences in priorities were found between sales representatives and sales managers, thus role inaccuracy existed between the two parties. This role inaccuracy decreased sales performance as measured by number of new account calls.

Other studies on role inaccuracy have been conducted in the area of banking and education (Price et al., 1990; Biddle, Rosencranz, Tomich and Tyman, 1966). Price et al., (1990) pointed out some major problems related to poor business development performance in banking. They were role perception problems which included role inaccuracy, role conflict and role ambiguity; motivational problems; aptitude problems and skill level problems. Potential causes for role perception problems include dimensions of the job itself, management style and present job experience. Biddle et al., (1966), examined the existence of shared inaccuracies in the role of public school teachers as perceived by school officials, parents and pupils. The result showed that parents and pupils had inaccurate role perceptions about teachers and school officials' roles.

From the discussion of the above literature, it can be concluded that role inaccuracy is potentially an important factor for performance indicator, but because it has been under-researched, not much evidence can be found to support the role inaccuracy-performance linkage. Since, a measure of role inaccuracy was not found in past research, an attempt will be made to develop a measure of role inaccuracy in this study (more will be discussed in chapter five).

2.7 Skill Level Components

Skill level refers to the individual's learned proficiency at performing the necessary tasks. The skills needed for good sales performance include sales skills, interpersonal skills, and technical skills. Sales skills are activities like prospecting for customers, opening sales, sales presentation, and closing sales. Interpersonal skills or communication skills involve knowledge on problem solving strategy, persuasive skills, body language, negotiation strategy. Technical skills include skills on product knowledge, customer relations, market/industry and company orientation, time and territory management, account management, etc. (Churchill et al., 1987). Skill level has also been acknowledged as one of the major problems among bank personnel, especially in seeking new customers and in attempting to satisfy and cross-sell existing customers (Price et al., 1990).

Sales training should be designed to achieve certain objectives such as to provide training for new sales representatives, to provide marketing training for existing sales representatives, to reduce sales turnover, to develop new markets, to introduce new products, to integrate advertising and promotional goals and to locate new distribution (Gopel, 1977). Due to the on-going and time-consuming nature of training, large amounts of money are usually allocated to sales training. Management need to justify training activities and benefits because of the high costs involved.

To evaluate the sales training programme may have been difficult, but the following criteria for measure of sales training seem appropriate for evaluation: (1) Reaction: How well did the trainees like the program? (2) Learning: To what extent did the

trainees learn the facts, principles, and approaches that were included in the training? (3) Behaviour: To what extent did salespeople's job behaviour change as a results of the programmes? and (4): What performance results were achieved? (Catalanello and Kirkpatrick, 1968). These perceptions of sales training programmes are a very important indicator of skill level acquired by salespeople as a result of the training programme.

Another indicator of skill level is perhaps the experience of salespeople. The length of time a salesperson is employed is expected to improve his/her skill level. The longer the experience, the better skill s/he obtains and therefore, may increase his productivity and sales performance. Experience allows the accumulation of skills and knowledge that make an employee productive and valuable. During work experience, people can make contacts, learn new skills, and gather information that promotes future performance potential (Bergmann, 1986). These two variables, training perceptions and experience represent the skill level component to be investigated in the present study. Each measure of skill level will be discussed in the following paragraphs and a skill-related variable which has been studied repeatedly in past studies, skill variety, is also reviewed.

Training Perceptions

As discussed in preceding paragraphs, a possible method of measuring skill level is training perceptions by salespeople. However, while the literature indicates that the importance of training methods is acknowledged by many researchers, (Gist, 1989; Gist et al., 1991; Latham and Frayne, 1989; Levasseur, 1991) a specific measure for training perception has not been found. Smith, (1979) suggested T-group training methods, where trainees are encouraged to talk specifically about one another's behaviour, for improving skills of working with people. Tannenbaum et al., (1991), investigated trainees expectations by examining the relationship of training motivation (using Lawler's (1981) scale), with training performance (test performance, inspections, honours and demerits). The results indicated that training motivation is related positively with test performance only.

Kabanouf and Bottger, (1991) examined the relationship of creativity training (measured by Creative problem-Solving Program-CPS developed by Parnes, Noller and Biondi, 1977) with creative performance of MBA students measured by fluency and flexibility and originality. The results showed that creativity training has no significant advantages over non-training for either fluency and flexibility, but the training effect for originality is positive and significantly related to creative performance.

From the discussion above, it suggests that there is a deficiency in studies that investigate the relationship between training perceptions and sales performance, therefore this variable will be examined in the present study. A training perceptions scale will be developed based on the training evaluations given by Catanello and Kirkpatrick, (1968). This will be discussed in detail in chapter five.

Experience

Experience in terms of length of employment with the company has been studied in connection with sales performance in several instances (Behrman and Perreault, 1984; Caldwell and O'Reilly, 1982; Cravens, Woodruff and Stamper, 1972; Teas, 1981). These studies reported mixed findings. Some studies report a significant positive relationship between experience and performance (e.g. Behrman and Perreault, 1984), while others had found no relationship (e.g. Teas, 1981).

Cron and Slocum (1986), however, found that job performance was related positively to different career stages of salespeople. Research in sociology, clinical psychology, and vocational psychology suggests that one's career can be viewed as a series of four stages - exploration, establishment, maintenance, and disengagement. It was found that performance is lower for salespeople in the exploration stage than for those in other career stages. But at the disengagement stage, sales performance was lower than at the establishment and maintenance stages. Other studies have examined the relationship of experience with role clarity and closeness of supervision, and the results support the hypotheses that less experienced salespersons need closer supervision while experienced salespeople are

not related to closer supervision (Kohli, 1989). These results were supported by earlier study by Churchill, Ford and Walker, (1976).

Experience seems to be a popular and simple yardstick by which to measure job knowledge or skill level, therefore, it will be included in this study.

Skill Variety

Past empirical studies determining skill level-performance linkages have been quite limited. The only skill variable found in the literature is skill variety (Hackman and Lawler, 1971; Hackman and Oldham, 1975; Sims et al., 1976). Skill variety refers to the degree to which a job requires a variety of different activities in carrying out the work, which involves the use of a number of different skills and talents of the employee (Hackman and Oldham, 1975). Research in a sales setting investigating the relationship of skill variety with sales performance (self-rated method) has found a positive and significant relationship (Tyagi, 1985). Tyagi, (1985) measured skill variety among life insurance salespeople using the scale developed by Hackman and Oldham, (1980). He defined skill variety as the extent to which a job offers the salesperson a chance to use his/her skills and abilities, and calls for the individual to engage a wide range of behaviour. The results from Tyagi, (1985) study implied that skill variety should be increased so that one's interpersonal skills in managing and maintaining the relations with client can be developed, which will further increase sales performance. Becherer, Morgan and Richard, (1982) examined the relationship of skill variety (scale developed by Hackman and Oldham, 1974) among industrial sales personnel, with internal motivation and satisfaction.

The results indicated that all relations were positively significant, implying that the job which requires more different things to be done or different talents and skill to be performed, will motivate the salesperson more. Also, the more skill variety a salesperson has, the more satisfied the salesperson will be. From the discussion on skill variety, it seems that skill variety does not exactly measure the level of skill one has, instead it measures the variety of skills one possesses. Therefore, it is felt that skill variety would not measure skill levels correctly, so, this variable was

excluded from the present study.

2.8 Personal Factors

Personal variables are intra-individual factors that might be related to salespeople's performance, but which are not part of the aptitude, skill level, motivation, and role perception components. Past studies have included such factors as the salesperson's age, height, sex, weight, race, appearance, education, marital status, number of dependents, club memberships, political affiliation and other personal characteristics (Morgan, 1990; Bragg, 1988; Lamont and Lundstrom, 1977; Cravens and Woodruff, 1973; Bass and Turner 1973). Lamont and Lundstrom, (1977) have examined several personal factors i.e. age, height, weight, formal education. It was found that only height is positively related to performance (incentive earning/compensation). One explanation for taller people being successful salespersons was that physical characteristics such as height may favourably impress customers on their first initial contacts. Formal education was found to be significantly, but negatively, related to incentive earnings/compensation. This result implied that the less educated salespeople performed better. Apparently, in the sales jobs, the level of education is not very important for sales success.

Age

A meta-analysis study on 96 independent studies that reported age-performance correlations, revealed that age and performance were unrelated (McEvoy and Cascio, 1989; Lamont and Lundstrom, 1977). However, Cron and Slocum, (1986) found that age is related negatively to performance at an earlier career stage but related positively at a later career stage. Cron's results suggested that age influenced the performance of some, but not all, salespeople. At earlier career stage, the younger salespeople seem to perform better, perhaps because they are fresh graduates or school leavers therefore, they are more enthusiastic about their first job. During later career stages older salespeople seem to perform better, possibly because they are relatively more experienced and more skilled workers than the younger salespersons.

Gender

Historically, women have experienced a lack of opportunity in selling. Studies in the '60s and '70s indicated that women have received unequal opportunities in sales jobs especially in employment and pay (Costello, 1975; Schwartz, 1969). This research has indicated that selling remains a male occupation. It was widely believed at that time that women were generally too emotional and lacking aggressiveness and self-confidence to be effective salespeople (Churchill et al, 1987).

However, recent studies have showed that these negative attitudes towards women have changed for the better (for examples, Spain and Bianchi, 1983; Swan, Rink, Kiser and Martin, 1984). Women have a definite career opportunity in selling (Schul and Wren, 1992; Kanuk, 1978; Robertson and Hackett, 1977; Busch and Bush, 1978). Worldwide job opportunities for women have improved, especially with the implementation of Equal Employment Opportunities Act (1972) in U.S and Sex Discrimination Acts (1975, 1986) in the U.K. For example, the employment statistics of the UK as at September 1993, indicate that 52 per cent of the work force were men and 48 per cent were women (Monthly Employment Gazette, UK, 1993).

Despite considerable anecdotal discussion of female versus male salespeople's performance capabilities, little substantive research has been conducted on gender differences in job performance among salespeople. One recent study investigated the impacts of gender on industrial selling performance, where gender differences - in supervisory evaluations of salespeople, and in congruence between self and supervisory performance ratings were empirically examined (Schul and Wren, 1992). Performance was measured by both self-rating scales and supervisory ratings. The findings indicated that sales managers rated women higher than male salespersons. This implied that saleswomen were performing at or above the performance levels of their male counterparts. The other empirical study was conducted by Busch and Bush (1978), which found women's self-evaluation of performance to be similar to those of their male counterparts.

There have been studies that acknowledged a growing involvement of women in

sales jobs. A study carried out in the U.S. indicated that on average, the percentage of women in industrial selling have increased from 2.6 per cent of total sales force in 1972 to 9.3 per cent of total sales force in 1977 (Kanuk, 1978). In the same study, women have been found to perform equally as well as men in this area, and the sales jobs are compatible with married women or with women having children under 5 years of age. Several other studies supported these findings about women performing equally as men in sales jobs. These studies found that there was no significant difference between the abilities and performance of women and men in selling jobs (Scanlon, 1973; Robertson and Hackett, 1977; Busch and Bush, 1978).

However, there were also studies which found that there is a significant differences between performance of male and female employees, i.e. women received ratings slightly lower than those received by men (Sackett, DuBois and Noe, 1991). It implied that on one hand, there is a definite career opportunity open to women in the field of industrial selling, since such a career can be very challenging, offer excellent opportunities for advancement, and provide good financial rewards (Kanuk, 1978), but on the other, there are still differences in performance ratings given by superiors (Sackett et al., 1991).

Ethnic Origin/Race

Studies about racial differences in sales performance in sales settings have received little attention, perhaps because it is a sensitive issue. However, empirical studies in other occupations have steadily increased. For example, an empirical study conducted on blue-collar and clerical jobs based on archival data, examined race differences in performance, and found that the performance ratings of blacks is significantly different from whites. The results implied that on average, blacks received ratings considerably lower than whites (Sackett et al., 1991).

Another study examined the effect of race on performance among black and white bank tellers in a large metropolitan state in the US showed that the mean differences in performance measures (supervisor's ratings, attendance figure, adjusted salary increased and error data) between black and white employees were statistically

significant, but generally small (Bass and Turner, 1973). This study implied that race was significantly and positively related to both supervisor's ratings and objective measures for part-time employees, and primarily to the objective measures for the full-time employees.

In almost every case white employees exhibited higher average scores than did the black employees, although the magnitude of these racial differences is relatively small. This is probably the case because black people may have an inferiority complex since they are of a minority group. These findings were supported by recent study which investigated simulation scores and performance ratings among employees of telecommunications companies (Motowidlo, Dunnette and Carter, 1990).

Apparently, all the studies discussed above mainly differentiated performance between black and white employees in the U.S. There were a few studies on ethnic origin differences in Malaysia, though they do exist in other disciplinary areas, such as management education and banking (Ibrahim Zahari, 1983; Zabid Abdul Rashid, 1989). The study in management education found that decisions made by library managers are influenced or motivated by their cultural backgrounds and beliefs (Ibrahim Zahari, 1983). This study investigates how the Malays, Chinese and Indians make decisions when performing their tasks. It was found that the Chinese disliked discussing problems with their colleagues and felt there was not enough information available for decision making while the Malays and Indians preferred to discuss problems before making decision and felt there was enough information for decision making.

These findings may suggest that Chinese are more secretive, like to work alone, and appear to have the eagerness to learn. This way of decision making may be derived from their cultural background, for example, working independently due to the immigrant status they may still have felt or working hard to obtain goals. The Malays and Indians, on the other hand, felt collective discussion is important before decision making perhaps, because they are surrounded by extended families where

elders' opinions, group decisions and sharing are much respected. This may imply that the Malays are more interdependent. The Malays also are easily satisfied with the information they have to make decision because the trusting nature they have been taught in their culture.

The other study was concerned with the racial differences on perceived unethical practices (Zabid Abdul Rashid, 1989). It was found that the Indian managers have a lower tolerance for unethical practices than Malay and Chinese managers. This implies that Indians are more honest in their dealings than the other races. Malay managers for example, were found to have lower tolerance in actions such as exposing personal error. This may related to the cultural values of the Malays, particularly to the concept of embarrassment or shyness ('malu'). This will be discussed in depth under cultural factors.

The present study intends to compare race differences in sales performance within each countries under study, for e.g. between Black and Whites in the U.K. and between Malays, Chinese and Indians in Malaysia. Studies to differentiate performance levels of different races have not been found in the Malaysian literature or in the UK.

Religion

Religion and races are closely related in Malaysia, in that, the Malays are predominantly Moslems, the Chinese are traditionally Buddhist and the Indians are usually Hindus. As will be discussed in the preceding chapter, religion of salespersons may have some influence on their sales performance because religious beliefs form the main culture of that particular race of people. For example, on the issue of selling insurance, Islam has controversial opinion on its operation since it is sometimes related to gambling. The present study investigated whether the Moslem salespersons differed in their performance as compared to the Buddhist and Hindu ones. Similarly, in the UK, the impact of whether this view would exist in a society where the majority of the population is white and traditionally Christian was also addressed. No empirical research in sales settings has addressed the issue

on religion impacts on sales performance. The relationship of religion with sales performance will form a special novelty investigation for the present study.

2.9 Organizational Factors

The organization a salesperson works for can play a major role in that person's sales performance. Organization variables that can have direct impact on sales force performance include organizational climate, organizational commitment, organization structure, job characteristics, and organization culture (Anderson, Hair and Bush, 1988). Organizational climate represents the worker's perceptions of his objective work situation, including the characteristics of the organization and the nature of his/her relationships with others. Some of the variables categorised under 'organizational climate' are: (1) the amount of autonomy given the individual in performing his job, (2) the amount of structure imposed upon a position and the person who occupies it, (3) reward orientation-management's philosophy concerning how to motivate employees, and (4) the nature of interpersonal relationship-the amount of warmth, conflict, etc. in relations among employees and their supervisors (Churchill et al., 1976).

A substantial number of studies have been carried out to determine the relationship between organizational factors and sales performance (Tyagi 1985; Chonko, 1986; Doyle and Shapiro 1980; Walker et al., 1975; Farris 1969). For example, organizational commitment is said to be important in assuring good sales performance (Chonko 1986; Dubinsky and Yammarino, 1985). Dubinsky and Yammarino (1985) in investigating the organizational commitment among insurance sales agents by using a four-item scale developed by Hrebiniak and Alutto, (1972) found that organizational commitment was indirectly related to performance through its positive relationship to autonomy. Doyle and Shapiro (1980) identified two organizational commitment factors that lead to motivation which presumably lead to good sales performance. They were task clarity and good management. Chonko, (1986) postulated that organizational commitment can explain the behaviour of the determinants of sales performance, by increasing individual commitment which can

be identified by examination of personal characteristics.

Tyagi, (1982) investigated the relationship between organizational climate with intrinsic and extrinsic motivation. Organizational climate was measured using Jones, James, Bruni, Hornick and Sells, (1977) study where the perceived organizational climate of salespersons was represented by a composite of seven climate dimensions: job challenge and variety, job importance, role overload, leadership consideration, organizational identification, task conflict and management concern and awareness (Tyagi, 1982). The findings indicated that all organizational climate variables (job importance, leadership consideration, organizational identification and management concern and awareness) were significantly and positively related to intrinsic motivation except for job challenge and variety which was unrelated. Role conflict and role overload were negatively related to intrinsic motivation. On the contrary, only three organizational variables were related to extrinsic motivation (job importance, task conflict and organizational identification) which were significantly and positively related to extrinsic motivation. These findings implied that managers should take steps to improve organizational climate (e.g., make jobs more challenging, offer more variety, avoid task conflict) to enhance the level of corresponding motivational components.

Tyagi, (1985) also examined the relationship of job dimensions (skill variety, autonomy, task importance, task identity, feedback and agents feedback) with performance. Job dimensions were measured using Hackman and Oldham (1980) and performance was measured using self-reported scale. The results indicated that job dimensions are related positively to sales performance. Among the job dimensions examined, autonomy and feedback were positively and significantly related to performance. The explanation for these relationships is that salespersons prefer, and work more effectively, in autonomous environments and also use the feedback provided by the job to improve performance.

Consideration and participation are two organizational factors found to have a significant positive relationship to instrumentality estimates (performance/rewards

linkages), (see expectation theory, p. 49), (Teas, 1981; Greenhaus and Badin, 1974). Research has suggested that salespersons who have considerate supervisors are more likely to believe that good performance will result in direct performance rewards such as increased pay, increased opportunity for influencing the supervisor's decisions, and performance recognition from the supervisor and company management. Other studies have investigated the relationship between organizational climate (job characteristics and motivation) and performance or productivity (Hackman and Oldham, 1975; Becherer et al., 1982). A study by Churchill et al., (1976) has focused on relationships between organizational climate and satisfaction. It was found that closeness of supervision was related positively to salespersons' satisfaction. Company policy was found to be the most common dissatisfier among salespersons' job performance (Shipley and Kiely, 1986). Farris, (1969) has found low but statistically significant and positive associations between organizational factors such as involvement in work, number of subordinates and salary and performance among engineers.

An organization structure is an arrangement of activities involving a group of people. The goal in designing an organization is to divide and coordinate activities in such a way that the group can accomplish its common objectives better, by acting as a group than by acting as individuals. Organization structure also provides the effective integration and coordination of selling efforts throughout the firm (Churchill et al., 1987). There are different types of organization structures practised by selling companies, like geographic, product-oriented, customer-oriented and functional structures (Churchill et al., 1987). The impact of various organization structures on performance has not received much attention from empirical investigators.

Sales organizations must be structured either vertically or horizontally in order to define clearly the managerial position and the authority of the managers in carrying out specific sales management activities. In designing an effective and productive vertical structure, two questions must be answered: (1) how many levels of sales managers should there be?, and (2) how many people should each manager

supervise (span of control)? These questions are related in that for a given number of sales people, the greater the span of control, the fewer the levels of management needed. Although there are major differences in opinion regarding the optimum number of management levels with span of control, Churchill et al., suggested that the span of control should be smaller and the number of levels of management should be larger when (1) the sales task is complex, (2) the profit impact of each salesperson's performance is high, and (3) the salespeople in the organization are well paid and professional.

Newton (1969) examined the relationship between the span of control and sales performance. The findings suggested that span of control was generally smaller in firms that have more complex and difficult sales tasks. The above finding was supported when it was found that the median span of control for field sales managers was generally smaller in firms that sell relatively complex and expensive industrial goods, than in firms that sell consumer products or services (Shapiro, 1979). The findings suggested that the more difficult and important the sales job, the greater the management support and supervision that should be provided to the salespeople. Therefore the sales performance of salespeople is influenced by the number of management levels and span of control.

Organizational culture is generally defined as a complex set of values, beliefs, assumptions and symbols that define the way in which a firm conducts its business (Deal and Kennedy, 1982; Peters and Waterman, 1982). Recent views about organizational culture have been presented in many ways:

"Organization culture is a product of four attributes: ecological context, differential interaction, collective understandings, and reproductive and adaptive capacity". (Van Maanen and Barley, 1985)

"Organization culture consists of underlying assumptions of humanity's relationship to nature, the nature of reality and truth, the nature of human nature, the nature of human activity and the nature of human relationships". (Schein, 1985).

"Culture is organization which can appraised by symbols, myths, stories and rituals that happen in an organization". (Smircich (1985).

The first two definitions see culture as something an organization *has*, which leads to an analytic approach and a concern with change and predominates among managers and management consultants. The latter sees culture as something an organization *is*, which supports a synthetic approach and a concern with understanding (Smircich, 1983; Pondy, Frost, Morgan and Dandridge, 1983).

Despite the various definitions, there has been no one standard definition for organization culture. The term 'organization culture' is used synonymously with 'corporate culture'. 'Corporate culture' is a set of visible beliefs which are known, understood and shared by most people in the organization. It is usually reinforced by formal personnel policies, procedures, recognition, rewards, rituals and ceremonies (Plant, 1984). The topic of culture in organizations has become fashionable among managers, consultants and academics. To complicate matters, there is no standard approach of measuring organization culture. More often, organization culture was measured by qualitative methods which usually means case study or soft data, e.g. "IBM means service".

From the qualitative point of diagnosing culture, an organization's culture can be determined by (1) business environment: nature of company business, e.g. insurance, manufacturing or retail; (2) heroes or the founder; (3) values i.e. what defines success; (4) rites and rituals: formal and daily routines, for e.g. of a insurance salesperson range from regular meetings and wage and salary negotiations to the more ceremonial occasions such as salesperson's presentation, annual chairman's statement, retirement parties, Christmas celebrations; and (5) the cultural network: how communication is passed (through computer network or written memos).

Quantitative studies of organizational cultures are few and far between and not necessarily very convincing (Hofstede, 1991). To overcome this problem, Hofstede (1991) suggested using a semi-hard data collection method i.e. - the use of both qualitative and quantitative data. Hofstede (1991) further proposed six dimensions of organizational culture: (1) process oriented vs results oriented, (2) employee

oriented vs. job oriented, (3) parochial vs professional, (4) open system vs. closed system, (5) loose control vs tight control, and (6) normative vs pragmatic. Based on the six dimensions of organization culture, Hofstede, (1991), developed a measure for strength. A 'strong' culture was interpreted as a homogeneous culture, i.e. one in which all survey respondents gave about the same answers on the key questions, regardless of contents. A weak culture was a heterogeneous one, i.e., this occurred when answers among different people in the same unit varied widely.

Other empirical studies on organization culture have suggested their own theory and emphasized different interpretation of organization culture. For example, Harrison, (1975) divides organization culture into four orientations: power, role, task and self. He formulates 15 questions to indicate the culture of an organization. Barney (1986) reiterates that organizational culture should have three attributes in order for a firm to sustain competitive advantage: valuable, rare, and imperfectly imitable. Hunt et al., (1989) suggested that a strong corporate culture is important to sustain performance of its subordinates. Hunt and his colleagues measured corporate culture by ethical values. Jaeger, (1983) proposed organizational control can be evaluated using organization culture which was differentiated by Type A (traditional Americans), Type Z (modified Americans) and Type J (Japanese) organizations (Ouchi and Jaeger, 1978). Smith and Peterson (1988), suggested the importance of organization culture for creating a model of leadership which gives adequate coverage to the context of the leaders' action.

From the above discussion, it can be seen that views on organization culture are still divided. Empirical research evidence of the influence of organizational culture on sales performance is still limited so organization culture is potentially an interesting variable to be included in the present study. Hofstede's (1991) six components of organization culture will be used and collected through a questionnaire, as well as using qualitative elements of diagnosing organization from the case studies. In sales organizations where performance is highly competitive, it is expected that a 'strong' organization culture will make the salespeople perform better. Signs of weak cultures are either, (1) there are no clear beliefs or values about how to succeed in

their business, or (2) they have many such beliefs but cannot agree among themselves on which are most important, or (3) different parts of the company have fundamentally different beliefs (4), having a disruptive heroes of the culture (5) having a disorganized or contradictory rituals of daily life (Plant, 1984).

2.10 Environmental Factors

A salesperson's performance can be affected by external factors in the environment which are often beyond his or her immediate control. There are many variables in the environment that may influence sales performance which include competition, market position, territory allotment, social and cultural factors. For instance, the ability of the salespersons to reach a given sales target, can be affected by market demand for the product or services being sold, the number and aggressiveness of competitors, the health of the economy and the social elements in the environment.

Past empirical studies have concentrated in finding relationships between a few environmental factors (territory potentials, strength of competition, market share and market demand) and sales performance or other performance determinants (Teas, 1981; Shipley and Kiely 1986; Weitz 1978; Gatignon and Hanssens 1987; Cravens and Woodruff 1973; Ryans and Weinberg 1987; Beswick and Cravens, 1977). Ryan and Weinberg, (1987) postulate that territory sales response models can help sales managers evaluate salesperson performance. In their model, territory potential was positively correlated to sales volume. In a study to find the determinants of US Navy sales force effectiveness, it was found that advertising support and a hostile environment increases sales force effectiveness (Gatignon and Hanssens, 1987). An earlier study by Cravens et al., (1972), however, contradicts these findings whereby advertising expenditures, market share and length of employment (experience) were found to have no significant effect on performance level according to territory.

Walker et al.,(1977) hypothesized that the salesperson's perceptions of environmental constraints would be related negatively to sales performance. They suggested important aspects of this environment are economic conditions, strength

of competition, sales territory potential, social and cultural constraints. Environmental constraints as perceived by salespersons, were measured by a series of items concerning the salesperson's perceptions of the company's sales territory potentials, general economic conditions and policy price competitiveness (Teas, 1981).

For this study, external environmental factors such as social and cultural condition, strength of competition and economic conditions faced by the companies will be evaluated from case study results.

2.11 Performance Indicators

Performance is viewed as the execution of a deed or one's talent. Performance is usually associated with attainment of a goal. Sales performance is extremely important to sales managers in implementing the sales programmes, as well as in the evaluation and control of salespersons. Sales performance standards are designed to measure the performance of activities that the company consider important. Some of the standards can be quantitatively measured; while others require the manager's judgement and experience.

Objective sales performance is commonly measured as follows:

- a) Sales volume can be in currency and in units for the quarter, semi-annually or annually.
- b) Quotas are quantitative objectives expressed in absolute terms assigned to each salesperson. Quotas specify desired levels of accomplishment for sales volume, gross margins, net profits, and expenses (Still, Cundiff and Govoni, 1988).
- c) Selling expense ratio is the relation of selling expense to sales volume.
- d) Frequency of calls is the number of personal contacts per day or per customer class on existing customers.
- e) Number of new accounts opened means the number of new customers

contacted and sold to the period specified.

- f) Number of demonstrations or presentations performed for customers in a certain period.
- g) Annual earnings or income obtained from sales activities such as salary, bonus, commissions, other financial benefits.

Objective performance measures can be further delineated into two types, those which control for externalities and those which do not. Objective measures obtained from company data that control for externalities include such items as sales, as a percentage of quota or market potential, sales corrected for economic conditions, or the salesperson's route difficulty. Objective measures from company data that are not corrected for externalities include such items as total sales volume, expenses, number of total calls or new account calls, or the number of demonstrations. Some of these measures reflect salesperson inputs (e.g., number of calls) and some reflect outputs (e.g., sales) (Churchill et al., 1985). Presumably, objective performance measures can be quantified and may reduce perceptual bias, but, the major disadvantage of this measure is that it only reflects performance at a certain time or period. It also may vary from year to year and therefore may not reflect the actual performance of experienced salesperson.

Past studies have used quantitative or objective measures such as prior year sales volume: currency and unit sales (Bagozzi 1978; Bartkus et al., 1989; Dubinsky and Skinner, 1984); prior year total sales to quota (Weitz 1978); and prior year total income (Dubinsky and Hartley 1986a; Ingram and Bellenger, 1983; Oliver 1974); number of calls, number of policies sold (Barling and Beattie, 1983). Prior year total income can reflect job performance more accurately if all respondents were on a straight compensation programme (Dubinsky and Hartley, 1986a), such as salary plus bonus in the UK and commission in Malaysia.

More subjective performance measures are used for appraising performance characteristics that affect sales results, especially over the long run, and whose degree of excellence can be evaluated only subjectively (Still et al., 1988). For

example, Behrman and Perreault (1982) developed a six-item scale to measure subjective performance of sales persons to be rated on a ten point scale by their supervisor on customer relations, controlling expenses, sales representation effectiveness, providing information to and effective communication with management, planning and management of time in carrying out selling activities and technical knowledge related to the firm's products, competitors' products, and customers' needs. The disadvantage of subjective ratings, is that superiors can be biased about their ratings of subordinates. The advantage of this measure is that it is not a short term performance measure, so it is more representative of the overall recent performance of the salesperson.

Superior's ratings have been used as subjective evaluations of salesperson performance (Ingram et al., 1989; Behrman and Perreault, 1982; Dubinsky and Yammarino 1985). For example, a ten items criteria of various dimensions using a five-point scale ("excellent" to "poor") was used as a performance measure (Dubinsky and Yammarino 1985).

Self-rating performance measures are items which are rated by the samples in a study. For example, job performance was measured using a self-report job performance of salespeople, based on 31 items which tap: success in achieving quantity and quality sales objectives, development and use of technical knowledge, providing information, controlling unnecessary expenses, and making effective sales presentations (Behrman and Perreault, (1982). These self-rated measures are used in several recent studies (Behrman and Perreault, 1984; Franke et al., 1982). Other measures of four point scale previously tested and used by Pruden and Reese (1972) and Heneman, (1974). This measure have been used in sales settings by several researchers (Hampton et al., 1986; and Dubinsky and Mattson, 1979; Busch and Bush, 1978). The self-rating scale by salespersons is sometimes necessary when anonymity is agreed with the company. Such an approach to measure salesperson performance has been used in previous sales management studies (Churchill et al., 1979b; Oliver 1974, 1979; Tyagi 1985). For example, Tyagi (1985) asked salespeople to first recall performance goals set for the previous years for the

various types of insurance sales. They were then asked to indicate whether they fell short by x%, met, or exceeded by x% their sales volume goals. The data were collected about a month after the previous sales year had expired to assure accuracy of the data. Self-rated performance measures may also contain bias element, probably an upward bias. The salesperson may rate himself/herself high in order to impress the reader. Systematic errors may occur in the analysis of such data. Self-rated performance measure is easy to administer and obtain because it does not revealed company secrets. The salespersons just give an indication of their performance through Likert-scale items therefore, self-rated measures might not portray the true performance of an individual.

From the various ways of measuring sales performance, no specific measures of performance can be said to be a better measure. For some studies, self-report measures of performance produce lower average associations with predictor variables than do more "objective" measures. Busch and Bush (1978) have reviewed literature pertaining to employing self-rated, subjective measures of performance and found strong support for their use. The general conclusion from meta analysis results of dependent variable measures used in past studies, however, indicates that there is no basis for generalisations that higher correlations can be expected when particular types of performance measures are used as criteria (Churchill et al., 1985). Tables 2.1 to 2.3 present some forms of performance ratings that have been used in past studies when relationships between motivation, role ambiguity and role conflict were investigated. For performance measures used with personality variables, see table 4.1 in chapter four.

For the present study, percentage of quota (obtained from company records) and yearly earnings (self-reported) represent the objective performance measures and immediate supervisors performance ratings form the subjective ratings. Self-rated subjective performance measure is not used to reduce systematic errors such as upward bias.

CHAPTER THREE

A REVIEW OF THE LITERATURE ON CULTURE, CULTURAL SETTINGS AND THE INSURANCE INDUSTRIES OF THE UNITED KINGDOM AND MALAYSIA

"O mankind! Lo! We have created you male and female, and have made you nations and tribes that ye may know one another". (Koran: 49:13)

3.1 Chapter Overview

This chapter is divided into two parts. The first part of this chapter presents the theories of culture, such as the definitions of culture, values and national culture. Reviews and arguments on cross-cultural research strategies and cross-national research strategies are presented. The second part of this chapter outlines the cultural settings of countries under study, i.e. United Kingdom (UK) and Malaysia and also outlines the background of the insurance industry in both countries.

CHAPTER THREE: PART ONE

CULTURE THEORIES

3.2 Introduction

From the readings on national culture, it seems to suggest that the definition of culture is complex and problematic. Culture can mean many things to different people, depending on how one perceives or expresses it. The first common identification of culture is through the physical features and nationality of individuals. It is easy to distinguish a white English person from a Sikh, or a Pakistani from a Malaysian, by the way they dress and their features. But nationalities and features do not always differentiate cultures. For example, we do not know a British person from an American because physically they look alike. In

this sense, this identification of culture is inadequate. Other common ways to distinguish culture is by customs, race, religion, beliefs, values and language. There are more subtle factors that distinguish culture such as knowledge and education, behaviours, personality, attitudes, habits, morals, art, human interactions etc.

Culture definitions will be more important when a study is conducted in two or more different countries (a cross-national situation) or a study conducted between different sub-groups in one or more countries (a cross-cultural situation). Both situations require that the term culture to be understood and defined in conjunction with the situation and objectives of study. In view of these complexities and problems, some definitions of culture will be reviewed to present a consensus of cultural dimensions that will be used in this study.

3.3 Culture

The oldest meaning of culture is "to cultivate" meaning cultivation of the soil, and originally referring to agricultural techniques. Culture commonly means "civilisation" or "refinement of the minds" which features education, art, music and literature.

There have been many definitions of culture, but, there has been no agreement on the definitions of culture by sociologists, anthropologists and psychologists alike. Its origin and significance is a mystery, which is made worse by the confusion about its meaning which have been proposed from time to time.

One of the classical definition of culture was proposed by anthropologist Tylor:

"that complex whole which includes knowledge, belief, art, morals, customs and other capabilities and habits acquired by *man* as a member of society". (Tylor, 1924)

By this definition, Tylor rejects the theory of the "evolution" of the species which established that human beings are part of the animal world and people can explain

the human behaviour from observing some aspects of "animal nature" (Jones, 1980). Tylor specifies culture only to humankind which encompasses all activities of individuals and derived biological properties of human beings.

American anthropologist Kroeber, however, opposed the notion of culture as biologically inherited, instead he defines culture as:

"*learned* and transmitted through groups and individuals in societies."
(Kroeber, 1952).

He and his colleague (Kluckhohn) further add to the above definition:

"culture consists of patterns, explicit and implicit, of and for behaviour acquired and *transmitted* by symbols, constituting the distinctive achievement of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (historically derived and selected) ideas and especially their attached values; culture systems may on the one hand, be considered as products of action, on the other as conditioning elements of further actions". (Kroeber and Kluckhohn, 1952)

Kroeber and Kluckhohn (1952) stress the importance of humankind's ability to communicate through symbols such as language, and the importance of culture as determinants of human action. They also emphasise the function of integrating the individual into the group or distinct cultural patterns and structure.

Others have attempted to define culture from the aspects of religious beliefs, kinship arrangement and material culture. Such theories, however, have received little consensus. Religion, for example, is not included as a cultural element on its own, even though there were studies of beliefs, customs and practices as systematic wholes using the structuralist-functionalist assumptions of Durkheim (1971).

Sociologists claim that culture is synonymous with society. Thus, their interpretation of culture is from the social structure or functions of the society. For example,

Parsons conceptualises culture as:

"social systems...social actions by individuals which result in social institution, involves choices based on values and norms." (Parsons, 1968).

From the sociology point of view, to understand culture we need to understand the beliefs, values and customs of the society. Durkheim (1971) terms "values and norms" as "morality". In short, sociologists believe in the use of common-sense meanings of culture.

Modern theorists seem to define culture more implicitly to describe the symbolic meaning of culture. For example, Williams defines culture as:

".. 'an abstraction and an absolute' emerged 'as a recognition of practical separation of certain moral and intellectual activities' from the rest of the society, and as an attempt to create ultimate values at which to aim and by which to judge other social and economic activities (Williams, 1963).

Here, culture seems to stress on economic factors, industry, cultural consequences of modernization, democracy and freedom. Recent studies on culture in America have followed this definition (Levine, 1988; Buhle, 1987; Bellah, Madsen, Sullivan, Swidler and Tipton, 1985; Riesman, 1964; Kumar, 1978).

Barnouw, viewed culture as "a way of life." This theory is similar to the universal view of the Islamic religion: "Islam is a way of life" (AbdulWahid, 1989). Barnouw states that:

"A culture is the way of life of a group of people, the configuration of all the more or less stereotyped patterns of learned behaviour which handed down from one generation to the next through the means of language and imitation" (Barnouw, 1973).

Another recent approach toward culture, which deviates from treating culture as

simply the inheritance of everyone in society, is viewing it as a product of human action. It analyses culture from the "institutional" approach and cultural production. The issue of cultural production is linked closely to the matter of social power. It is closely related to "action" orientations in sociology theory, and especially to attempts to overcome sharp dualistic divides between action-oriented and structural analysis (Calhoun, 1989). Culture, in this sense, includes the whole range of social actions which determine access to cultural processes which mediate between subgroups.

This school of thought draws on the works from various disciplines, for example, Williams, (1981); Wolff, (1981); Becker, (1982); and is similar to the "institutional approach" (Keesing, 1974), which analyses culture from the view point of institutions and structural systems (Child, 1981; Child and Tayeb, 1983). An example of institutional approach to cross-national organizational study was furnished by Maurice, Sorge and Warner, (1980). In this study, Maurice and his colleagues investigated the distribution of jobs, skills, professional qualifications, and reward structures within firms matched for size and industry and located in France and West Germany. The findings indicated that the differences between French and German firms could be explained by the existence of two "national" types of wage structures and job differentiation and the social division of labour could be explained by their educational and occupational training systems (Maurice et al., 1980).

While the understanding of the concept of culture is central to understanding cross-cultural research in organizations, the debate on the use of the workable definitions of culture for cross-national studies has always been controversial (Child and Tayeb 1983; Child 1981; Roberts, 1970). Anthropologists and psychologists have attempted to develop a theoretical foundation of culture without much success (Roberts 1970).

However, Keesing (1974) has distinguished culture into two theories: ideational and institutional. Ideational theory regards culture as comprised of cognitive, structural and symbolic systems. Most management researchers subscribe to the ideational view of culture: that is they conceptualise culture as a set of ideas, values, symbols

and meanings shared by members of a human group (Hofstede, 1980; Jaeger 1986).

Institutional or adaptive systems regard culture as a way of life by which communities have survived and adapted in their ecological settings. The adaptive culture definition runs parallel to most anthropologist approaches to culture (Nanda 1991, Otterbein 1977; Barnouw 1973).

The present study complies better with the ideational approach of culture because the study will identify the ideas, values, traditions, symbols and meanings shared by the people of Malaysia and of the U.K.

National Culture

It seems that there is a never-ending quest as to the definitions of culture. This increases the complexity of culture. Quite recently, culture has been defined from the point of view of national culture. Hofstede (1980) presented culture as what people, groups and nations think and believe which indicate culture to be:

"the collective programming of the mind which distinguishes the members of one human group from another". (Hofstede, 1980).

Hofstede, (1991), differentiates culture in the way people think, feel and act to solve common problems. The patterns of thinking, feeling and acting were learned throughout their life. This process of learning and unlearning is called mental programming, or culture. The mental programmes are conditioned in people by learnt values. Values and norms have appeared in most definitions of culture and formed an important element of culture, therefore, 'values' will be discussed at length in the following section.

Values

As mentioned earlier, values formed the core of culture. Everybody has some values in them, either conscious or unconsciously acquired. Values will differentiate the conduct of a person. Values can be defined as:

"a conception, explicit or implicit, distinctive of an individual or characteristics of a group, of the desirable which influences the selection from available modes, means, and ends of actions." (Kluckhohn, 1951).

"to say a person 'has value' is to say that he has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence." (Rokeach, 1972).

"a broad tendency to prefer certain states of affairs over others" (Hofstede, 1980).

Values are implanted in individuals from the time they are children, sometimes as young as 10 years old or probably younger. Once values are firmly in place, it may be difficult to change. Values are influenced by factors such customs, religion, social system, race and education.

Values have direction, for example, values can be described as evil vs good, dirty vs clean, ugly vs beautiful, unnatural vs natural, abnormal vs normal, paradoxical vs logical, irrational vs rational (Hofstede, 1991). Besides having direction, values also have intensity, for example, it is relevant to have money (intensity), but the direction of whether it is good to have more money, or bad to have little money depends on different values of individuals.

Values also need to be differentiated between the desirable and the desired values. The desirable and the desired can be distinguished by the norms involved. Norms are the standards for values that exist within a group or category of people. The desirable is what people think ought to be desired, described in the form of right and wrong, agree/disagree or virtue vs sin. For the case of the desirable, the norm is absolute and relates to ideology. An example of the desirable in British culture is "we have the right to freedom of speech". The desired is what we consider important and what people actually desire. The norm indicates the choices actually made by the majority and relates to pragmatic issues. For the case of the desired, an example would be "freedom of speech is important for me". The two nature of values -

'desirable' and 'desired' are important when interpreting people's statements about values and when conducting value studies, especially in measurement issues. Values as desirable are measured by such word as agree-disagree, expressing evaluation only and refer to people in general. Values as desired are measured by such words as important-unimportant, expressing activity as well as evaluation and usually refer to the respondent in the first and second person. Interpretations of value studies which neglect the difference between the desirable and the desired may lead to paradoxical results. Hofstede (1991) illustrates this phenomenon when the two natures produced diametrically opposed answers:

"Employees in different countries were asked their agreement or disagreement with the statement "Employees in industry should participate more in the decisions made by management". This is a statement about the desirable. In another question people were asked whether they personally preferred a manager who "usually consults with subordinates before reaching a decision". This statement is about the desired. A comparison between the answers to these two questions revealed that employees in countries where the manager who consults was less popular, agreed more with the general statement that employees should participate more, and vice versa; maybe the ideology served as a compensation for the day-to-day relationship with the boss" (also see Hofstede, 1980, p. 109; 1984, p. 82).

The universe of all human values is unknown, therefore, values are not easy to measure. There are many different variations of values depending on the field and samples investigated. For example, Eysenck (1954), measures political values as radicalism-conservatism and tough-mindedness/tender mindedness. Values can also mean beliefs, attitudes and personality, or authority, self-restraint, equality and individuality (Rokeach, 1972, 1973).

In the present study, values will also be taken into consideration when analysing the data. Values of the Malaysian are derived from observations and self-experience of the researcher. Values of the British society will be derived from observations and current literature on the subject (Klein, 1970; Britain, 1992).

3.4 National Culture Revisited

One of the modern approaches to national culture is presented by Hofstede (1980, 1991). He defines culture as the mental programming of the mind and in his latest book describes it as the "software of the mind". Culture, according to Hofstede, is national culture which consists of four main dimensions: individualism-collectivism, power distance, masculinity-femininity, and uncertainty avoidance.

Individualism-Collectivism

Individualism-collectivism is the term used to reflect the relations between an individual and other individuals in a culture. Individualist pertains to societies in which the ties between individuals are loose, the individuals only look after their own interests or maybe the interests of their immediate families. Individualist organizations are characterised by individuals who give importance to personal time, freedom and challenge. Collectivist, on the other hand, pertains to societies in which people are integrated into strong, cohesive ingroups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty (Hofstede, 1991).

In organizations, 'collectivist' refers to individuals who place their importance on training opportunities, good physical working conditions and make full use of skills and abilities. From Hofstede (1983, 1991), it appears that a country's individualism is statistically related to that country's wealth (GNP per capita). The evidence shows that the wealthy countries are more individualist and poor countries are more collectivist. The findings from Hofstede (1991) study indicate that Malaysia is high in collectivism (ranked 36/53) and U.K. is high in individualism (ranked 3/53). Table 3.1 summarises the key differences between Malaysia and the U.K. on this dimension.

Table 3.1
Major Key Differences between Malaysia (Collectivist) and the
U.K.(Individualist)

Malaysia (Collectivist)	The U.K. (Individualist)
People are born into extended families or other ingroups which continue to protect them in exchange for loyalty.	Everyone grows up to look him/herself and his/her immediate/nuclear family only.
Identity is based in the social network to which one belongs. Children learn to think in terms of "we". Harmony should always be maintained and direct confrontations avoided.	Identity is based in the individual. Children learn to think in terms of "I". Speaking one's mind is a characteristics of an honest person.
High context communication.	Low context communication.
Purpose of education is learning how to do. Diplomas provide entry to higher status.	Purpose of education is learning how to learn. Diplomas increase economic worth and/self-respect.
Relationship employer-employee is perceived in moral terms, like a family link.	Relationship employer-employee is a contract supposed to be based on mutual advantage.
Hiring and promotion decisions take employees' ingroup into account.	Hiring and promotion decisions are supposed to be based on skills and rules only.
Management is management of groups.	Management is management of individuals.
Relationship prevails over task.	Task prevails over relationship.
Private life is invaded by groups.	Everyone has a right to privacy.
Opinions are predetermined by group membership.	Everyone is expected to have a private opinion.
Ideologies of equality prevail over ideologies of individual freedom.	Ideologies of individual freedom prevails over ideologies of equality

Source: Hofstede (1991), p. 67.

Power Distance

Power distance is related to the power relationships in organizations between the boss and the subordinate. Subordinates will try to reduce the power distance between themselves and their boss will try to maintain or enlarge it (Mulder's power distance reduction theory). Power distance also reflects the degree of inequality between individuals or societies. In organizations, the level of power distance is related to the degree of centralization of authority and the degree of autocratic leadership. Power distance index (PDI) deals with perceptions of superior's style of decision-making, the colleagues' fear to disagree with superiors, and with the type of decision-making which subordinates prefer in their bosses. Power distance dimension could bear a considerable degree of relevance to the salespersons reactions to their superiors in sales organizations reflected by role perceptions and organizational influences. From Hofstede's (1991) findings, power distance is related to collectivism globally, that is collectivist countries always show large power distance, but individualist countries do not always show small power distance. Comparing Malaysia and the U.K. on the power distance index, Malaysia has the highest power distance (ranked 1/53), while U.K. has a low power distance (ranked 42/53). The key differences between high (Malaysia) and low (the U.K.) power distance are summarised in table 3.2.

Masculinity-Femininity

The third dimension is labelled 'masculinity-femininity'. The fundamental issue involved is the division of roles between the sexes in the society. Masculine societies show preference for achievement, heroism, assertiveness and material success; as opposed to femininity which refers to the preference for relationships, modesty, caring for the weak, and the quality of life. Hofstede (1983), identified Japan as the most masculine country, indicating that the Japanese societies value performance, achievement and material success above others. Britain was described as high in masculinity (ranked 9/53) and Malaysia was moderate between masculinity and femininity (ranked 25/53). The main differences between masculine and feminine society is summarized in table 3.3.

Table 3.2
Major Key Differences between Malaysia (Large) and the U.K. (Small)
Power Distances.

Malaysia (Large Power Distance)	The U.K. (Small Power Distance)
Inequalities among people are both expected and desired.	Inequalities among people should be minimised.
Less powerful people should be dependent on more powerful; in practice, less powerful people are polarised between dependence and counterdependence.	There should be, and there is to some extent, interdependence between less and more powerful people.
Parent teach children obedience.	Parent treat children as equals.
Children treat parents with respect.	Children treat parents as equals.
Teachers are expected to take all initiatives in class.	Teachers expect initiatives from students in class.
Teachers are gurus who transfer personal wisdom.	Teachers are experts who transfer impersonal truths.
Students treat teachers with respect.	Students treat teachers as equals.
Both more and less educated persons show equally authoritarian values.	More educated persons hold less authoritarian values than less educated persons.
Hierarchy in organizations reflects the existential inequality between higher-ups and lower-downs.	Hierarchy in organizations means an inequality of roles, established for convenience.
Centralisation is popular.	Decentralisation is popular.
Wide salary range between top and bottom of organization.	Narrow salary range between top and bottom of organization.
Subordinates expect to be told what to do.	Subordinates expect to be consulted.
The ideal boss is a benevolent autocrat or good father.	The ideal boss is a resourceful democrat.
Privileges and status symbols for managers are both expected and popular.	Privileges and status symbols are frowned upon.
Might prevails over right: whoever holds the power is right and good.	The use of power should be legitimate and is subject to criteria of good and evil.
Skills, wealth, power and status should go together.	Skills, wealth, power, and status need not go together.
The powerful have privileges.	All should have equal rights.
Power is based on family friends, charisma, and ability to use force.	Power is based on formal positions, expertise, and ability to give rewards.

Source: Hofstede (1991) p. 37 and 43

Table 3.3
Major Key Differences between Malaysia (Femininity) and the U.K. (Masculine).

Malaysia (Femininity)	The U.K. (Masculine)
Dominant values in society are caring for others and preservation.	Dominant values in society are material success and progress.
People and warm relationships are important.	Money and things are important.
Everybody is supposed to be modest.	Men are supposed to be assertive, ambitious, and tough.
Both men and women are allowed to be tender and to be concerned with relationships.	Women are supposed to be tender and to take care of relationships.
Both boy and girls are allowed to cry but neither should fight.	Girls cry, boys don't; boys should fight back when attacked, girls should not fight.
Sympathy for the weak.	Sympathy for the strong.
Friendliness in teachers appreciated.	Brilliance in teachers appreciated.
Boys and girls study same subjects.	Boys and girls study different subjects.
Work in order to live.	Live in order to work.
Managers use intuition and strive for consensus.	Managers expected to be decisive and assertive.
Stress on equality, solidarity, and quality of work life.	Stress on equity, competition among colleagues, and performance.
Resolution of conflicts by compromise and negotiation.	Resolution of conflicts by fighting them out.
Small and slow are beautiful.	Big and fast are beautiful.
A relatively large number of women in elected political positions.	A relatively small number of women in elected political positions.
Dominant religions stress the complementarity of the sexes.	Dominant religions stress the male prerogative.

Source: Hofstede, (1991), p. 96 & 103

Uncertainty Avoidance

According to Hofstede (1991), uncertainty avoidance is concern with uncertainty about the future, which we try to cope through the domains of technology, law and religion. Weak uncertainty avoidance societies are characterised by natural acceptance of future uncertainty, accept each day as it comes, take risks easily, tolerant of behaviour and opinions different from their own, do not feel threatened, and have low level of anxiety. Strong uncertainty avoidance societies socialise their people into trying to beat the future, show high levels of anxiety, greater nervousness, emotionality and aggressiveness. Members of an organization may feel uncomfortable with uncertainty and ambiguity, which leads them to support beliefs promising certainty and to maintain institutions protecting conformity. They avoid risk and try to create security through technology, law and religion (Hofstede, 1983).

Uncertainty avoidance is particularly relevant in a job such as a salesperson's, where role ambiguity and role conflict are perceived to be recurring. Also the influence of religion can be investigated to explain the behaviour of salespersons. Hofstede (1991) indicates that both United Kingdom and Malaysia have an almost similar uncertainty avoidance level i.e. quite weak uncertainty avoidance (ranked 47/53 and 46/53 respectively) (see table 3.4).

Hofstede's (1980) study has received worldwide recognition and criticisms. One of the criticisms is that although Hofstede's research into national cultures was carried out in 50 countries, it was conducted in only one multinational corporation. Therefore generalization of the results into national cultures may not be very accurate. Other critiques on Hofstede's work can be found in preceding section under complexity of cross-cultural studies.

Hofstede's (1980) study, has prompted several other studies in the same area. One such study was performed by the Chinese Culture Connection, (1987) on students of 23 national cultures. They found that four factors emerge from the factor analysis, three of which overlap with Hofstede, i.e. integration with collectivism, human-heartedness with masculinity, moral discipline with high power distance. The fourth

factor, they called it 'Confucian work dynamism' does not relate to any of Hofstede culture dimensions, but was proposed to be added to Hofstede's four dimension as the fifth dimension, so as to make culture classification more less biased toward Western values (Smith and Bond, 1993).

Another recent study evaluates culture into ten value-types: universalism, benevolence, tradition, conformity, security, power, achievement, hedonism, stimulation and self-direction (Schwartz and Bilsky, 1987, 1990). This finding represents a refinement rather than a contradiction to earlier work (Hofstede, 1980, Chinese Culture Connection, 1987). For example, self-direction, stimulation and hedonisms fall within Hofstede's concept of individualism; security, tradition and conformity represent collectivism; achievement versus universalism represent masculinity versus femininity; and power and benevolence represent power distance (Smith and Bond, 1993). Most interestingly, according to Schwartz's (in press) most recent analysis, he classified the Malays as scoring highest in collectivism, while, Hofstede (1991) classified Malaysia as scoring highest in power distance (largest power distance).

3.5 Cross-Cultural versus Cross-National Studies

Brislin, Lonner and Thorndike, (1973) suggested a working definitions for cross-cultural studies as:

"the empirical study of members of various cultures, that is, groups who have different experiences that lead to predictable and significant differences in behaviour."

Brislin et al., (1973) follow several criteria suggested by Triandis (1969), to answer the question, "What makes a study cross-cultural?" These criteria are (1) studies that used concepts and theories developed in Western countries and investigated them in non-Western countries, (2) studies involving replication of Western based experiments in other cultures, often with modifications, (3) studies that investigate

Table 3.4
Major Key Differences between Weak Uncertainty Avoidance (Malaysia and U.K) and Strong Uncertainty Avoidance

Weak Uncertainty Avoidance (Malaysia & U.K.)	Strong Uncertainty Avoidance
Uncertainty is a normal feature of life and each day is accepted as it comes.	The uncertainty inherent in life is felt as a continuous threat which must be fought.
Low stress: subjective feelings of well being.	High stress; subjective feelings of anxiety.
Aggression and emotions should not be shown.	Aggression and emotions may at proper times and places be ventilated.
Comfortable in ambiguous situations and unfamiliar risks.	Acceptance of familiar risks; fear of ambiguous situations and of unfamiliar risks.
Lenient rule for children on what is dirty and taboo.	Tight rules for children on what is dirty and taboo.
What is different is curious.	What is different, is dangerous.
There should be more rules than is strictly necessary.	Emotional need for rules, even if theses will never work.
Time is a framework for orientation.	Time is money.
Comfortable feeling when lazy; hard-working only when needed.	Emotional need to be busy; inner urge to work hard.
Precision and punctuality have to be learned.	Precision and punctuality come naturally.
Tolerance of deviant and innovative ideas and behaviour.	Suppression of deviant ideas and behaviour; resistance to innovation.
Motivation by achievement and belongingness prevails over esteem. Few and general laws and rules.	Motivation by security and esteem prevails over belongingness. Many and precise laws and rules.

Source: Hofstede, (1991), p. 125 & 134

certain aspects of human behaviour in different culture, and (4) studies to test certain constructs designed and standardized in one culture to be administered in another eg. intelligence, personality and interests.

Following the above definition, the present study easily qualifies as a cross-cultural study, since the conceptual framework used in this study was initially developed in the U.S. and investigated in Malaysia (Non-Western country) and the U.K (Western country).

But, can this study be categorised as cross-national study as well? The term, cross-culture is usually used synonymously with cross-national in many culture studies (Hofstede, 1980, 1991; Bhagat and McQuiad, 1982; Smith and Peterson, 1988). The reasoning given for this interpretation was (1) many countries have multiple subcultures, (2) some basic cultural characteristics transcend particular countries, (3) differences between countries can be found that are significant for organizational research, but which are better described in other terms besides 'culture', and (4) 'modern management' in general, or an organizations's particular history, provides countervailing cultural forces which compete with a member's prior cultural identity (Smith and Peterson, 1988). For these reasons, terms like culture, nations and country are often used interchangeably.

The categorization of cross-national research as opposed to cross-cultural research can also be distinguished by the level of culture studied. Cross-cultural can mean a study of a culture group or society within a country, whereas this study is concerned with the study of the whole system of human societies that comprises the population of a country or a nation. As Jahoda (1970) differentiated between the two:

"Cross-cultural research should be confined to people contrasting sharply in modes of life and ecology such as Ashanti and Scots, excluding comparative studies of culturally similar populations like French and English which are probably called 'cross-national studies'".

In this sense, the present study is justified as a cross-national study, since, it is a study which hopes to make comparisons between the British and the Malaysian, two nations, which have great differences in terms of its demographic, geographic and culture settings.

Analysis of the literature indicates that cross-national studies on organizations are still very few - for example, it was found that 6 per cent of published articles in management journals from 1981-1987 were cross-national studies (Peng, Peterson and Shyi, 1991), as compared to 3.6 per cent as reported by Adler (1983) during the 1970s. Indeed, this finding is found to be quite true in the field of marketing and sales management, where cross-national perspectives are relatively rare (Davis, Douglas and Silk, 1981). Therefore, the present study is deemed necessary for the improvement of cross-national as well as cross-cultural research literature.

3.6 Complexity of Cross-Cultural Studies

Researchers have acknowledged the complexity of executing cross-cultural research (Brislin et al., 1973; Hofstede, 1980; Peng et al., 1991; Roberts, 1970; Sekaran 1983). The main problem areas in conducting cross-cultural research are (1) etic and emic distinction, (2) cross-cultural equivalence and ethnocentrism.

The terms 'etic' and 'emic' originate from the words phonetics and phonemics which means general and specific, respectively (Pike, 1966). The objective of an 'etic' approach is to study a phenomenon in order to construct a universal law that can identify commonalities and differences across cultures using equivalence concepts. Etic approach enables comparisons across cultures. The objective of an emic approach is to study a phenomenon with specific concepts used in a particular culture. When taking an emic approach, a researcher is only able to do unicultural rather than comparative research. The choice between these approaches creates a dilemma in cross-cultural strategy studies (Adler, 1984; Hofstede, 1980; Peng et al., 1991).

The most commonly used solution to the dilemma is the 'pseudoetic' approach , which presumes that emically developed theories (e.g. Western based theories) are etically adequate for testing in a different cultural setting (Triandis, Malpass and Davidson, 1971). Another alternative solution to this dilemma is to form a multinational research team, which encourages a hybrid etic framework to be designed which reflects the emic bases of researchers of different cultures (Triandis, 1972). Hui and Triandis (1985) suggested a combined etic-emic approach to reconcile this dilemma, which involves three phases: (1) identify an etic construct that appears to have cross-cultural status (2) formulate emic ways of measuring the construct, and (3) 'the emically defined etic construct' can be used in making comparisons across culture (Davison, Jaccad, Triandis, Morales, and Diaz-Guerrero, 1976). This method permits the researcher to make cross-cultural comparisons at a relatively general or 'meta' level (Hui and Triandis, 1985). The suggestion made by Hui and Triandis (1985) will be complied with in the present study, where both etic and emic approaches will be synchronised to gain a better insight into the cross-cultural findings at the end of the study.

Cross-cultural equivalence is a prerequisite for valid statistical comparisons across cultures, (Hui and Triandis, 1985). Berry and Dasen (1974) defined three types of equivalence: functional, conceptual and metric equivalence. Functional equivalence exists when similar activities have similar functions in different cultural settings. One way to fulfil functional equivalence is to employ matched samples (Sekaran, 1983). Matched samples can be justified when samples used are from "specified equivalent industries" such as blue-collar workers from the same industry in United States and Japan (Whitehill and Takezawa, (1968), or "specified equivalent organizations" such as IBM employees from various countries under study (Hofstede, 1980, 1991).

Although there were many critiques of Hofstede's work (Jaeger 1983, 1986; Triandis 1982; Hunt 1981), especially on the representativeness of its sample, Hofstede (1991) argued that samples for cross-national comparison need not be representative, as long as they are functionally equivalent. IBM employees are a narrow sample, but

very well matched because they are similar in work aspects other than nationality. Similarly, the present study intends to use samples of insurance salespersons from two countries, three companies from the U.K. and two from Malaysia. Following Hofstede's (1991) argument, functional equivalence concepts is duly fulfilled.

Conceptual equivalence exists when similar activities have similar meanings in different cultural settings. First, conceptual equivalence requires adequate transferability of concepts and theories used. Caution must be used when applying conceptual replication of Western theories into other Non-Western cultures, if that cross-cultural replication were to make sense (Peng et al., 1991). Hofstede (1980), called this phenomenon as ethnocentrism. He pointed out that cross-cultural researchers unintentionally or unconsciously imposed their own values and interpretation into the meaning of concepts and theories applied in other cultures. Although, ethnocentric bias is difficult to avoid when conducting cross-cultural studies due to the inherent nature of the matter (Taft, 1976), ethnocentrism can be reduced by using a cross-culturally developed instrument (Triandis, Kilty, Shanmugan, Tanaka and Vassilou, 1972). Earlier studies have performed conceptual replication in other countries, for example, expectancy theory and organization design have been replicated in Japanese cultures (Matsui and Terai, 1975; Azumi, Hull and Wharton, 1986). Since, there has been precedence of conceptual replication being carried out, conceptual equivalence is justified in the present study.

Secondly, conceptual equivalence also requires multiple translation. The most commonly used technique is probably the back translation through which a source language is translated to a target language, and the target language is, in turn, independently translated back to the source language. Divergences between the translations are then corrected. Unfortunately, although back translation helps avoid major misunderstandings, it does not ensure precise equivalence. Thus, some reviewers view back translation as merely a minimum requirement (Roberts, 1970; Hulin, 1987). Since there have been arguments over the use of back translation, the present study kept the use of back-translated questionnaires to the minimum. This is made possible because most of the respondents have justifiably adequate English

education to render the understanding of the English version of questionnaires to all respondents both in the U.K and Malaysia. More discussion on this matter is available in Chapter Five.

Metric equivalence calls for measurements that fulfil the requirements assumed by powerful inferential statistics. Metric equivalence requires functional and conceptual equivalence to be evaluated independently of measurement (item construct) using precise statistical comparison methods, for example, confirmatory factor analysis, reliability coefficients or factor structures (Hulin, Drasgow and Parsons, 1983), and item response theory (IRT) ((Hulin, 1987; Hulin, Drasgow and Komoar, 1982; Hulin and Mayer, 1986; Katerberg, Hoy and Smith, 1977). There were several critiques on the use of IRT methods (Peng et al., 1991) such as while IRT method can maintain metric equivalence, the procedure of IRT may eradicate the original meaning of the item construct (Hulin and Mayer, 1986). Furthermore, the application of IRT to multiple translation may delete 'emic' items in the process, which can mask functional and conceptual equivalence and make cross-translation comparison difficult to interpret (Peng et al., 1991).

Due to the above critiques of the IRT method, it was excluded from the present study. Other empirical methods were used instead, such as reliability coefficients and factor analysis for the analysis of data from both countries. What is important is the same type of methods were used to evaluate data from both countries. More discussion on methodology will be presented in chapter five.

3.7 The Debate on Convergence-Divergence Theories

Cultural theorists have forwarded two theories on culture: convergence (culture-free or universalism) and divergence (culture-specific) theories. First, the convergence theorists believe that, given sufficient time for diffusion of technology, training and capital to occur, all countries will be drawn into the vortex of a common modernity (Mayer, 1970). Through economic development, scientific discoveries, and industrialization, all nations will be led into a common society where ideology will

cease to matter (Kerr, 1960). Inglehart (1977), detected a trend in North American and European countries whereby citizen's values were shifting from materialist to post-materialist. The wealthier the country, the higher would be the proportion of post-materialists. Based on these sorts of results, some social scientists would argue that a gradual increase of wealth in all countries will make people similar and render our current enchantment with cross-cultural differences in behaviour an archaeological curiosity - a historical digression (Smith and Bond, 1993). Two other factors support convergence, i.e individual modernity and internationalism. Individual modernity refers to a profile of a modern person which has some conceptual similarity with individualism. Yang (1988) contends that two-thirds of the characteristics for modern individual overlap with the profile of individualism. Internationalism adds a homogenizing influence to cultural variation because it develops "world-mindedness" towards people of different races, nations and cultures (Sampson and Smith, 1957). The world must co-operate to avert impending ecological disaster such as depletion of energy sources, over-harvesting of the oceans, assault on atmosphere, destruction of the rain forests and erosion of fertile soil (Brown, 1972; Smith and Bond, 1993). Schwartz's (in press) recent work found that teachers from 24 countries showed considerable variation in levels of endorsement of harmony values. With more concern over environmental developments Schwartz argue that these variations will decrease over time and there will be an increase in overall endorsement of 'harmony' which will reduce the need for success, ambition and independence, (the characteristics of individualism). The speculative assumption that arises from these consequences is that environmental developments is likely to reduce variations across nations.

Opposing convergence, is the 'divergence' (culture-specific) argument. Divergence theorists argue that since society exhibit distinct and persistent cultures, cultural variations are more likely to occur.

Divergence theory advocates suggest that there are factors against convergence such as modernity-free values (Bond, 1988; Rummel, 1972; Schwartz, in press), variability in modernization syndrome (Sack, 1973; Yang, 1988), traditionalism

(Levine, 1968; Yang, 1986; Ike, 1973), migration and psychological change (Feldman and Rosenthal, 1990), and individualism-collectivism (Schwartz, in press, Hofstede 1980, Chinese Culture Connection 1987), could be responsible for diversity in culture (Smith and Bond, 1993).

In spite of the argument that modernization and Westernization will eventually lead us to common values in society (see preceding discussion on convergence), (for example, see Meyer 1970, Inglehart 1977), evidence suggests that values vary in a number of ways independent of a country's level of modernization, i.e. modernity-free values. This is because only a few values are found to relate to wealth or economic development (which denotes modernization) (Hofstede, 1980,1991; Bond, 1988; Rummel, 1972; Schwartz, in press).

Variability of the modernization syndrome refers to the fact that the process and pattern of modernization is not uniform from country to country (Sack, 1973; Yang, 1988). Yang (1988) concludes:

"The evidence.... unequivocally points to the fact that modern psychological characteristics simply do not cohere to form a well-unified syndrome. Individual modernism may be composed of separate components" (p.81).

Some politicians worry that traditional values will be eroded with the spread of modernism. However, many social scientist maintain that cultural systems are innovative and can synthesize traditional and modern elements in unique ways, so that both traditional and modern elements may co-exist without tension (e.g Levine, 1968). Therefore, divergence theorists advocate that traditionalism and modernity are unrelated. For instance, the variability of the mean score results of personality factors between ethnic groups in Malaysia indicates that each ethnic group still uphold to their traditional values in Malaysia in spite of the modernization and economic development that may have happened in the country. As long as traditional values are upheld, cultural variations will still exist (Smith and Bond, 1993).

It is expected that immigrants from less modernized countries tend to assimilate to the thought and behaviour patterns characteristic of their more modernized hosts. However, migration may not always cause this psychological change. There is evidence for the persistence of traditional socialization practices, for example, parental restrictiveness of collectivist family (Kagitcibasi, 1990), despite residence in modern, individualistic nations (Hines, 1973). A study performed on Chinese immigrants from Hong Kong to the United States and to Australia, by Feldman and Rosenthal (1990), concluded that:

"Although Chinese family patterns undergo modest changes when Chinese families live in the West, they nonetheless remain different from their Western counterparts, in terms of the amount of structure they provide and the extent to which they use child-rearing practices which promote autonomy" (p.277).

Although some studies have reiterated that the different formulations of individualism-collectivism is associated with wealth and modernity (Yang, 1988, Hofstede, 1980), there is evidence against it. For example, Schwartz (in press) found that the relationship between wealth and individualism is small, thus implicating that countries of the same economic development may vary considerably in their level of individualism. As Smith and Bond (1993), conclude:

"At the very least, there is no inexorable convergence of countries towards greater individualism in values with the march of time and progress" (p. 216).

From the above discussion, it is likely that the present study would probably find divergence of the theory investigated in the two countries. This is because each country has distinct culture, for example, the difference between East and West.

CHAPTER THREE: PART TWO

CULTURAL SETTINGS AND THE INSURANCE INDUSTRIES IN THE UK AND MALAYSIA

This section aims to present the cultural settings of the UK and Malaysia and later explains the backgrounds of their insurance industries. The cultural settings of both countries were explained rather elaborately, so as to observe the parity in the cross-cultural equivalence concepts as well as to accommodate for non-British and non-Malaysian readers.

3.8 Cultural Settings of United Kingdom

The United Kingdom is comprised of the four lands England, Wales, Scotland and Northern Ireland, which cover an area of 242, 534 sq. km. England, Wales and Scotland are commonly known as Great Britain. The United Kingdom and Britain will be used interchangeably to mean the same thing, (i.e to include North Ireland). The people of United Kingdom or Britain will be called the "British". United Kingdom is one of the member states of the European Community.

According to the latest census (April, 1991), the British population is 55.5 million (Britain, 1992). The population is expected to rise to 60 million in 2011. The distribution of population is mostly concentrated in England with 354 people per sq km; Wales and Northern Ireland with 135 people per sq. km., and Scotland, the least densely populated with 64 people per sq. km. The average size of the British household was 2.46 in 1990 which has fallen from four in 1911 to 3.09 in 1961. This reflects the preference for smaller families in the British social pattern. The number of women exceeds the number of men at a ratio of about 105 females to every 100 males, mainly because of the higher mortality rate of men at all ages. The age distribution of the British population in mid-1990 was estimated: 20.2 per cent under 16 years of age; 64.1 per cent between 16 and 64 years; and 15.7 per cent aged 65 and over.

From the history of United Kingdom, the people of Britain are predominantly white British. There are, however, other ethnic and national minorities in the United Kingdom. There are sizeable groups from Ireland, Israel, Europe, United States, Canada, Australia and China. Substantial immigration came from the Caribbean and South Asian continents. The population of the ethnic minorities in 1987-1989 was 2.6 million, less than 5 percent of the total population. About 45 per cent of the ethnic population was of Indian, Pakistani and Bangladeshi origin, about one-fifth was Afro-Caribbean, and one in five was of mixed ethnic origin.

The main religion of the British has traditionally been Christian. The main two established churches in Britain are Church of England in England, and Church of Scotland in Scotland. They are recognised as official churches of the State. There is no standard information about the number of people in each Church community. except that attendances at Sunday services averaged around 1.2 million in 1988.

Britain has a history of tolerance for non-christian religions. Over the centuries, other religions have emerged in Britain such as Judaism, Islam, Sikh, Hinduism, Buddhism and religious cult movements, (associated with the arrival of ethnic minorities in Britain).

The largest minority religious community in Britain is the Moslem community, estimated at about one million people. The largest number originate from Pakistan and Bangladesh, while sizeable groups have come from India, Cyprus, the Arab world, Malaysia and parts of Africa. Both the Shiaa and the Sunni traditions are represented among the Moslem community in Britain. The Sikh community forms the second largest group of half a million people, who originate mainly from India. The Jewish community, comprising about 330,000, is the second largest Jewish group in Europe. The Hindu community in Britain comprises around 300,000 members and also originates largely from India. Buddhism is represented by 130 Buddhist groups and 55 centres. All the main schools of Buddhism are represented. The cults and other religious movements have also been active in Britain since the Second World War (Britain, 1992).

The United Kingdom has been known in the past, as the most developed country in the Western world. In all sectors, Britain has shown outstanding performance in the past. For example, from 1981 to 1989, Britain has shown sustained economic growth of 3 per cent, and investment reached record levels (Britain, 1992). In the 1980s Britain's economy grew faster than those of France and the Federal Republic of Germany. Recently, the British economy has entered some troubled waters. For example, the growth of gross domestic product (GDP) in 1990 was only 0.5 per cent, with output and investment falling. Since early 1990, there has been a rise in unemployment and the annual rate of retail price inflation has fallen from 10.9 in September and October 1990 to 4.7 per cent in August 1992. Export volumes have continued to grow (Britain, 1992).

What has caused such deterioration in the performance of industrial and commercial organizations? The recession has been blamed as the main culprit and this is seen as the cost for too rapid rate of expansion in the late 1980s leading to a decreased number of jobs available in 1990s.

Steele (1977) felt that British culture seemed to be one of the factors which can have a strong influence on organizational development. Some of the features of UK culture purported by Steele (1977) were:

1. Values for styles, security and stability.
2. Avoidance of embarrassing and unsuitable topics, and adherence to tradition.
3. The existence of class structure and legitimacy of hierarchical authority.
4. The general attitude of valuing the past; tradition and geographical isolation.
5. A strong strain of fatalism, meaning that the people adapt to what fate brings them rather than toward trying to influence what the future will be.
6. The intellectual tradition of rationality which rejects the concept of taking actions where consequences are not predictable; or the felt needs for security and certainty as a basis of action.
7. The very strong value placed on privacy and inviolation of one's person and

one's home. A general mistrust of a professional's input which is relegated to "gifted amateurs".

According to Steele (1977), these culture factors may act as blockades to organizational development. For example, it is assumed that to become effective and productive, an organization will undergo temporary discomfort and change. This concept of striving to do better is in conflict with a strong U.K value associated with *style, security and stability*. The traditional norms about *avoidance of embarrassing and unsuitable topics* may hinder the attempt to promote more open data sharing. Open data sharing (having accurate and widely shared information flow) is essential for the development of organization. An individual who follows this norm tends to feel guilty or under risk when criticising an obvious malfunction or ethical problems. Adherence to *tradition* also encourages a regression to past solutions and behaviours in times of crisis when the current dilemma requires very different behaviour. The class structure and hierarchical authority are obvious blocks to the ethic of personal right to influence decisions in organizations, because with the class structure, the lower class are assumed to require the assistance of the upper class in order to survive, while, hierarchical authority assumes that people at the top have legitimate control over the people at the lower level.

Steele's (1977) categorizations of U.K. values and norms above have some similarities to Hofstede's dimensions of culture. For example, the existence of class structure and hierarchical authority can be equated to the power distance dimension. Fatalism (dependence on fate) and the rejections of unpredictable circumstances (factor 5 and 6) show strong resemblance to the concept of weak uncertainty avoidance, while the strong value placed on privacy (factor 7) relates to individualism. Further implications of Hofstede, (1991) culture dimensions on British and Malaysian cultures will be discussed in more detail in the following sections.

3.9 Some Implications of Hofstede (1991) Past Findings on British Culture

The small power distance in the UK implies that subordinates are less dependent on power figures (bosses) and they (subordinates) are also not afraid to contradict them (bosses). In these cultures there is more participative leadership; individuals or groups can take initiatives towards management, and there are no accepted prerogatives that are automatically accepted. Hofstede (1983) described a model for the British organization as a village market: no decisive hierarchy, flexible rules, and resolution of problems by negotiating (small power distance and weak uncertainty avoidance). The comment on "no decisive hierarchy" seem to contradict the suggestions given by Steele, (1977) who exaggerates that the British culture is strongly influenced by *hierarchical authority*. One explanation for this difference is that times have changed the British organization structure. Steele (1977) has conducted his observations in the 70s while Hofstede (1983) carried out his study in the 80s. Furthermore, Hofstede's (1983) has given his opinions based on a comparative investigation on the opinions of management students of three countries: France, West Germany and Britain. Hofstede's (1991) seems to support the notion that U.K. has small power distance, therefore, the element of structural hierarchy may have little effect on the way different levels of employees interact.

The high individualism score indicates that the ties between individuals in the society are very loose, meaning individuals value independence, freedom, own personal time and challenge. This evaluation coincides with the opinion of Steele (1977) which implies that the British value geographical isolation and security or in other words, independence. The virtue of individualist society in the U.K. is perhaps, supported by evidence of declining average size of households, 4 people in 1911 to 3.09 in 1961 and 2.46 in 1990 (Britain, 1992).

The high score in masculinity implies that the individuals in the society value assertiveness and competitiveness. In the workplace, they prefer high earnings, advancement and challenge. Femininity is characterised by values of modesty, good relations with direct superiors, and cooperation in the workplace. Sales jobs are

considered to be masculine occupations because of the competitive nature of the job and their pay is based on commissions.

Finally, the U.K. scored quite low on uncertainty avoidance (35/112), meaning uncertainty is a normal feature of life and each day is accepted as it comes. Rules are only established if there is an absolute necessity, such as whether traffic should keep left or right. A possible explanation was offered by Hofstede, (1991). People in the U.K. pride themselves that many problems can be solved without formal rules, for example, British queuing behaviour is not based on formal law, but is based on a public habit continuously reinforced by social control. British queuing behaviour is facilitated by the unemotional and patient nature of most British citizens. In the workplace, because of the low anxiety, people are quite able to work hard if there is a need for it, but they are not driven by an inner urge towards constant activity. They are more relaxed, there is little urgency and few time constraints (Hofstede, 1991).

3.10 The Insurance Industry of the U.K

The insurance industry in U.K. started with the marine business in the sixteenth century. Fire insurance for housing followed suit after the Great fire of London in 1666. Gradually, the scope of insurance was extended to include factories and warehouses inside and outside London. Lloyds was the first, and is still the strongest, underwriting centre for shipping and life assurance for marine staff. However, in the last quarter of the eighteenth century, the insurance industry was endangered with the speculative gambling, wagering and exploitation by the insurance companies. The first Insurance Act 1774 was then passed to stamp out these frauds. Marine and fire insurance continued to expand into the eighteenth century.

Life assurance, however, was not established formally until the last quarter of the eighteenth century. This is mainly due to a lack of scientific foundation and of the mathematical knowledge of probability. The insurance industry continued to suffer

from fraudulent practices and successive acts were passed in 1824, 1825 and 1837 to curb these activities. By 1850, there were 236 insurance companies of which 157 transacted life assurance while the balance dealt with fire and marine insurance. As road modernization grew, marine insurance decreased, and there began an upturn of accident insurance in the early twentieth century. At the same time individual life assurance increased rapidly and continued to expand even during the warring years of 1914 to 1945. There has also been a tremendous increase in post-war profits earned by insurance industry, since the increase in life insurance premiums became proportionately related to rising personal income. The rapid growth of the life insurance industry was not without problems. Successive Acts were passed to regulate insurance corporations: the main ones were the Life Assurance Companies Act 1870, the Assurance Companies Act 1909, the National Insurance Act 1911. Further Acts of 1946 and 1947 were passed (as an extension of 1911 Act) to increase legal control and to raise the deposit (money deposited for venturing into insurance business) to £50,000. This deposit was further increased to £100,000, owing to the failures of some companies, and the powers of Board of Trade were increased to control the new firms and to prevent insolvent companies from transacting business. To sum up, the story of the British insurance industry, especially life assurances is very painful. In spite of a series of legislative Acts by the British Parliament since 1772 to rectify the weakness of this business, the problems of profiteering, exploitation, expense control, lapse ratio and cost-price relationships have continued to disgrace the insurance industry with ever-increasing intensity (Rahman, 1979).

In the present day, under the Insurance Companies Act of 1982, 838 insurance companies were authorised to do business by Department of Trade and Industry (DTI), out of which 274 companies are dealing with life assurance which employ 200,000 salespeople, or 'financial advisers' (as at end of 1990). Nearly 70 per cent of UK families have some form of life insurance. The insurance sector continues to be one of the UK's largest and most influential industries. Income from the insurance industry in 1990 remains vigorous and it ranks amongst the most sophisticated in the world (Insurance Keynote Report 1991, UK).

3.11 Cultural Settings of Malaysia

The mainland of Malaysia is a peninsular situated in the South East Asian region, flanked by Sumatra Island on the West and Borneo on the East. Parts of Borneo, Sabah and Serawak form part of Malaysia, better known as East Malaysia. West Malaysia, or the main peninsula is connected to Thailand in the north and Singapore is separated by Straits of Johore in the southern tip. Malaysia with the capital city Kuala Lumpur, comprised originally of 13 states: Selangor, Perak, Pahang, Kedah, Johor, Negri Sembilan, Perlis, Penang, Kelantan, Trengganu, Malacca, Sabah and Serawak. Kuala Lumpur as the capital city claims its own territory called Federal Territory of Kuala Lumpur or *Wilayah Persekutuan* which is situated in the state of Selangor. The land area of the whole of Malaysia is 329,294 sq. km. Malaysia has a tropical climate with average daily temperature of 27°C throughout the year.

The recorded history of Malaysia indicates that the Malay peninsula was governed by a Sumatran prince, Parameswara, who established a settlement in Malacca in the fifteenth century. He changed the course of the indigenous people and their cultural development in the entire region and established a social hierarchy of royal aristocracy that survives to the modern era. In 1511, the Portuguese conquered Malacca, which, by this time was the capital of the kingdom that controlled most of the peninsula and much of Sumatra. The Dutch took over Malacca in 1641 and the British established their presence in Penang in 1786. The main concern of all these settlements was to establish a permanent base for the purpose of strategy and trade. During the entire period, the royal hierarchy -the *Sultan* - became the heads of states and prospered in all the other states in the Peninsula. Much of modern Serawak became the domain of the Brooke family, starting with James Brooke in 1841.

The discovery of tin in Perak began the rapid expansion of the Chinese population in 1850. Many of them came from South China as labourers to Chinese merchants. The British influence in the settlements first started when the Sultan of Perak asked for British intervention in settling the clan wars among the Chinese. From here, the British established a pattern of indirect rule on the States where a British adviser

was responsible for administration, law, and taxation while the Sultan was responsible for matters of custom, religion and land. The British continued to colonise Malaya and established the rubber and tin markets. The immigrant population, the Chinese and the Indians, continued to grow rapidly until 1930s. By this times the Chinese and the Indians had established their own settlements and taken permanent residence. Recognising the potential threats to the Malay population, the colonial authorities encouraged the immigration of Malays from Sumatra and Java. The Second World War and the Japanese occupation brought economic destruction and nationalist sentiments arose between the Malays, Chinese and Indians (Young, Bussink and Hasan, 1980). In 1947, Malaysia gained her independence from the British.

The population of Malaysia was about 18.5 million in 1992 and the projected population for the year 2020 is 70 million. In the late 1980s, the rate of population increase was 3 per cent per year. To achieve the target population, the rate of population increase should be 5 per cent which will be 3 per cent above the world rate. Alternatively, the increase of population will be supported by new immigration of other ethnic minorities from other countries (particularly Asian countries). The rational of this expectation is that Malaysia is still under-populated where a vast area of land is still undeveloped. The government is building more housing and facilities to accommodate the population rise in future. The population comprises of about 60 per cent Malays and indigenous people, 30 per cent Chinese, 8 per cent Indians and about one per cent of other minor racial groups. The average size of household in Malaysia was 7 in 1985 and fell to 5 in 1992. This situation is expected to change with this new population expectation. The population for 1992 shows that men exceed women at a ratio of 100 men to every 87 women. This differs from the British population where the ratio was 105 women to every 100 men.

The religion of the Malays is Islam by tradition. Islam grew from the start of the Parameswara reign in the fifteen century when he converted to Islam and changed his name to Sultan Iskandar Shah (Young et al., 1980). Even at this time, the Peninsula, being strategically placed at the crossroads, had obtained considerable

influence from other religions (Hindu, Buddhism) due to the maritime trade that occurred between China and India. From this tradition, the Chinese observe Buddhism and the Indians observe Hinduism. Almost 100 per cent of the Malay population in peninsula Malaysia (only some indigenous Malays e.g. Dayak and Iban are Moslems, while others observe other religions) observe Islamic religion mainly because conversions to other religions is prohibited. Even if Moslems wish to marry individuals from other religions, it is compulsory for the Moslem men and women to convert their partners into Islam, unless the situation involves a Moslem man marrying a Christian or a Jewish woman. It is allowed for a Moslem man to marry without converting the future wife's belief (Quran, 5:5). Because of the influence of other religions such as Christianity and Islam on the Chinese community and conversion through inter-religion marriages, the number of Chinese observing Buddhism, was not known.

Malaysia has been one of the most prosperous countries in South East Asia since the 1970s (Young et al., 1980) and the growth of economy in 1993 was as high as Hong Kong (Financial Times, Jan 1994). She started as the world's leading producer and exporter of rubber, tin and palm oil and other natural resources, to become an industrialised country which exports cars and manufacturing products in recent years. Malaysia's average economic growth has shown a rapid increase from 6 per cent in 1960s to 8 percent in 1970s (Young et al., 1980) and 8.5 per cent in late 1980s to 9 per cent in early 1990s (Central Bank Annual Report, 1991). Malaysia has managed to improve its the economic growth for nearly three decades.

What has caused such tremendous progress in the Malaysian economy? Could it be that the Malaysian culture has caused this outstanding performance? The modern Malaysians under the ruling of three Prime Ministers, Tengku Abdul Rahman, Tun Abdul Razak and the present Prime Minister, Tan Seri Mahathir Mohammed, have all continuously imposed certain beliefs in the individuals of the country from childhood. Acknowledging the possible threats and problems arising in a multi-racial community like Malaysia, the government intends to instill the Malaysian culture - not Malay culture or Chinese culture or Indian culture. The objective is to unite the

different ethnic cultures into one Malaysian culture. Bearing this in mind, young school children are taught to adhere to the five-point Malaysian Motto described as follows:

1. Belief in God
2. Respect for the King
3. Belief in discipline.
4. Belief in law and order
5. Respect for the Constitution

These mental programming elements are reinforced into Malaysian children at school, and aimed to unite the different sub-cultures into one Malaysian culture. All school children are also required to sing the national anthem and raise the Malaysian flag once a week, (conducted during school assembly). Recently, another idea for cultural integration, and sovereignty of the Malaysian population has been introduced by the government. Vision 2020 as it was called, was circulated to all business and public organizations to be inspired into employees as their organization culture. Vision 2020 consists of the followings:

- * The creation of a united Malaysia.
- * The creation of a Malaysian society which is free, firm, spiritually sound and which has self confidence and is respected by other races.
- * The fostering and creation of a democratic society which is mature which practises a society-oriented Malaysian democratic system based on consensus and co-operation.
- * The creation of a society with good ethics and morality.
- * The creation of a mature, liberal and tolerant society.
- * The creation of a progressive society with high scientific achievement.
- * The creation of a caring society.
- * The creation of a just society which shares equal economic opportunities.
- * The creation of a prosperous society with a viable, dynamic and

strong economy.

In the U.K. schools, (from own observation at my children's school in the U.K.) although there are formal assemblies being conducted weekly, there are no special mental programming elements for unity and solidarity. However, pupils are taught good values and discipline during assemblies and at all times during school. There is also no singing of national anthem or flying of national flag (Union Jack) or any apparent 'future vision' for the country.

Past Empirical Investigations

Empirical studies on Malaysian organizations were only carried out in recent years (Zabid 1987,1989; Thong and Jain 1988; Teoh and Thong 1986). Even so, organizations seem to have a negative attitude to outside researchers whom they consider as intruders rather than accomplices. Of research on cultural differences between races in Malaysia, a study by Zabid, (1989), showed that there were some marked differences between the Malaysian major sub-groups- Malays, Chinese, Indians. For example, on the issues of unethical practices (e.g. misleading instructions, obtaining trade secrets, malpractice in sales, using company time for personal business), the different races gave different perceptions on the matter. Some of the findings suggest that the Indian managers have lower tolerance for unethical practices (such as malpractice in sales and gaining of competitor information) than the Malays and the Chinese. Such phenomena may be related to the Chinese and the Malay manager's adaptive behaviours in the business environment which appear to be more successful than the Indian manager's adaptive strategies.

Studies in sales management especially in the life insurance industry are non-existent. One reason is that it is difficult to get access to work organizations. The lack of cooperation among industry and academia is quite common in Malaysia and this can be attributed to the suspicious and secretive nature of organizations. They are most of the time non-participative with outside people, probably because they consider outsiders as trouble-makers, or as investigators from the tax department or the government. To obtain cooperation needs prior contacts and relationships based

on trust or family members. It is important to present yourself personally to the organization rather than communicate by letter. Even with this advantage, full cooperation may not be obtained due to red tape and bureaucracy.

3.12 Some Implications of Hofstede (1991) Past Findings on Malaysia

The Malaysian culture shows evidence of the existence of a large power distance factor, indicating that Malaysian subordinates are more dependent on the bosses and are afraid to contradict their superiors directly. There is very little participative leadership, in which individual subordinates as a rule do not want to participate. An example for work participation can be seen during organization meetings where voluntary participation is very low from subordinates, sometimes almost nil. Opinions on work matters are sometimes difficult to get. This low participative role during meetings is due partly to the traditional values brought about in the culture where it is impolite to oppose superiors or to stick to your own opinion especially if your opinion is on the wrong side of the table. The opposing employee may be ridiculed and labelled as uncompromising and uncooperative. If this continues, the employee may in some cases ask for resignation, dismissal or transfer. It is part of the expectations that leaders lead autocratically. It is evident that in sales management, salespeople will work when there is a boss around. A strong and energetic sales manager is needed to make things work. Leaders or sales managers are looked up to as symbols for the group. It is sometimes important for the sales managers to still pursue personal selling to demonstrate that they are good performers. The leadership characteristics will have to shine through more in a Malaysian sales managers situation as compared to British managers situation (low power distance and more participative leadership).

The other evident characteristic of the Malaysians is the collectivism society. Malaysian society is considered to be an integrated, strong and cohesive ingroup (Hofstede, 1991). In the occupation sector, collectivist employees are distinguished from individualist through their ratings on items like training opportunities, good physical working conditions and full use of skills and abilities (Hofstede, 1991).

Material needs and comfort are important in the working environment, due partly to the fact that organizations can provide better working facilities, as compared with employees' own homes. Work organizations form a central part of employees' life and the ability to perform well at work is very important. Besides that, Malaysian collectivism can be portrayed very well with the extended family environment. Everybody takes care of everybody, including grandparents, uncles, aunts, neighbours and the village.

Even though Malaysia consists of diverse nationals such as Malays, Indians, Chinese and other minority groups, they observe the same collectivist outlook. The country's basic motto mentioned earlier forms the inspiration for the collectivist society in Malaysia. For example, Malays and Chinese culture each have strong family ties within their race. The elders are well respected by the young in all races. In a recent effort by the ruling government to ensure solidarity between races, intercultural activities were encouraged, for example, open house celebrations during the different religious festivals like Eid for the Malays, Chinese New Year for the Chinese and Deepavali for the Indians. All people from all races are encouraged to visit each other during these festivals.

In Malaysia, it is common for relatives and friends to simply drop by for visits without prior appointments or arrangements. It is customary to prepare adhoc lunch or dinner depending on arrival time of the visitors. A working individual in the subgroup or race is expected to give money and material support for the aging parents or other individuals in the same house. If they are working elsewhere, monthly cheques are given to their parent or wife and in the case of the army workforce, the employer gives special assistance with the distribution of income to parents from salary deductions. Perhaps, one reason for the collectivist society in Malaysia is because there is no social security payment from the government for the unemployed or children. Families become more cohesive and stronger when they help each other during troubles.

The collectivist culture seems to continue in the workplace too. Workers remain

closely knitted and form cohesive ingroups within the organization. Supportive actions towards individual workers do not only exist within organizations but extend to workers' family members. For example, in the occurrence of the death of family members of an employee, the employee receives considerable help and donations to support the commemoration and grieving from others in the workforce and from the organization. Since in a collectivist society, people will try to fulfil their obligations towards their ingroups (extended families or organizations and country), they will seek "face" instead of motivation (self-actualization and self-respect), which is sought in the individualist society (Hofstede, 1983). The importance of face as a motivator does not appear in past literature. The distinction between "face" cultures and "self-respect" cultures is similar to the distinction between "shame" and "guilt" cultures identified by the anthropologist Ruth Benedict (1974).

Leadership in a collectivist society is a group phenomenon, which will be performed better in the same natural ingroup. They are loyal to their job, provided they feel that the employer returns the loyalty in the form of protection and security, just like the natural ingroup does. For the sales management context, collectivism implies that, for the salespeople to be successful, they have to work within the same ingroup. for e.g. the Chinese work within the Chinese, and the Malays work within the Malay ingroups. This is very true in the insurance sales settings where the Chinese salespeople prefer to work under the supervision of a Chinese manager, not only that, the Chinese salespeople will serve the Chinese customer better, perhaps because of the same language and traditions. However, from observation, the Malay salespeople can work under the supervision of a Chinese manager better, perhaps, because of the expertise and enthusiastic nature of the Chinese manager in dealing with sales tasks.

In the third dimension of culture 'masculinity-femininity', Malaysia was ranked in the middle (25 out of 50). This may indicate that Malaysian culture is mixed, having a bit of each pole. The average score reflects the moderate nature of the Malaysian society in their working objectives where they strive for achievement as well as modesty. Everything is important to them; assertiveness, advancement, challenge,

modesty, tenderness and quality of life. It is not surprising if some of them mix business with pleasure.

Uncertainty avoidance among Malaysians falls in the medium weaker region. The Malaysians are characterised by low anxiety level but also need to conform to rules and regulations and do not like to venture into the unknown. The low anxiety level among Malaysians can be accounted for the high faith in a religious belief. For example, Islamic teachings prohibit the prediction of the future. A muslim society, which represents the majority of the Malays, is taught to accept each day as it comes and in doing so they will always feel secure. They are not nervous or aggressive people and do not show emotions in public. Other religions that exist for other races (Buddhism and Hinduism the Chinese and Indians respectively) also prescribe to security and faith in the future. Rules and regulations form a strong institution in Malaysia. There is law and order for all social activities with which all races need to abide. A well known law is on the drug trafficking offence, for example, where the punishment for wrong-doers is mandatory death. On the whole, the Malaysians are a law-abiding society, perhaps one of the reasons being their strong faith in religion, which differentiates the good values from the bad. The subject of religion and its possible influence on the insurance industry in Malaysia is discussed shortly.

3.13 The Insurance Industries of Malaysia

The life insurance industry in Malaysia started as early as the 1920s but the insurance act to regulate the insurance business in West Malaysia came into force in 1963. Two years later this Act was extended to include East Malaysia: i.e Sabah, Sarawak and Singapore. However, on August 9 1965, Singapore separated from Malaysia and the Act is operative in Singapore separately. In the same year, the Insurance (Amendment) Act, 1965 granted discretionary powers to the Minister of Finance on the registration of new insurance companies. Another important event was the promulgation of an Islamic insurance Act or *Takaful* Act in November 1984, which is designed to provide for the establishment and regulation of the *Takaful* insurance (Islamic insurance) business in Malaysia, in accordance with

Syariah Law (Islamic Law). On the 29th November 1984, the *Takaful* insurance company was incorporated. On April 1 1988, Bank Negara Malaysia or Central Bank of Malaysia (CBM) took over the supervision of the insurance industry. The CBM as the supervisory authority for the industry, focuses particular attention on financial discipline, managerial professionalism and efficiency, and quality of service to customers.

As at the end of 1991, there were 58 companies underwriting insurance business in Malaysia working to the 1963 Insurance Act. In addition, the only Islamic insurance company registered under the Takafol Act, 1984 was Syarikat Takafol Malaysia Sendirian Berhad. The 58 insurers comprised three life companies, 39 general and 15 composite business (transacting both life and general business) and one reinsurance company. Of the 58 companies, 51 were registered domestically and the balance registered foreign.

Life insurance agents at the end of 1991 numbered 45,716 (78 percent) out of the total industry workforce of 58,323. This represent only about one fourth of the British sales force (see earlier discussion). The sustained increase in the number of agents in the life sector reflected continued growth in this sector. A performance analysis on life agents in 1991 indicated that 63% earned less than M\$ 5,000 (approx. equivalent to £1200) per annum, indicating that many remained non-career agents who sell life insurance on a part-time basis (Central Bank Malaysia annual report, 1991). Recognising that agents play a vital role in projecting the right image about the insurance industry as a whole, upgrading the skills and professionalism among life agents through training has become an essential part of the trade.

The performance of the life insurance industry has also shown continued favourable growth in 1991. Annual new premiums increased by almost 27% while new whole life policies continued to display low growth rates, rising only by 5.8% in 1991. It is worth mentioning that one of the probable causes for this unbalanced performance may be induced by the increasing awareness of the Moslem community towards the uncertainty of the whole life policy concept. Annual premiums on the other hand

represent endowment policies which are regarded as savings by most people, thus the popularity.

Insurance industry is considered as a growth industry in Malaysia. There are many untapped markets, for example, according to the latest 1992 figures, only about 20 per cent of the Malaysian population have some sort of life insurance policies. This is the opposite of the UK insurance market (70% of families have insurance).

3.14 The Influence of Religion and Race on the Malaysian Insurance Industry

Changes in social values and lifestyles may influence what people buy as well as their reactions to various marketing activities. In the sales of life insurance policies to customers, cultural factors in particular may have a major influence on the insurance industry, salespeople, and the customers. Depending on which culture the insurance industry operates in, the religious beliefs of the salespeople and the customers may also influence the performance levels of the industry and salespeople.

Insurance selling and buying has been a controversial issue in an Islamic culture. Islamic teachings prohibit income from such activities as usury, gambling, monopolistic trade practices, hoarding and speculation (AbdulWahid Hamid 1988). Insurance, if wrongly practised may be regarded as all of above, and therefore it is regarded as unlawful to be seen as involved in supporting or promoting such activities.

From the writings of Siddiqi (1985), it is argued that insurance is free from the element of gambling, usury, coercion, exploitation, fraud and cheating, indeterminacy and hazard and detriment. Gambling is different from insurance in that a gambler purposely seeks financial loss which could be avoided if he wanted to do so, whereas an insurer does not wilfully imperil himself by seeking out an accident involving financial loss. Death for instance is a permanent peril that often, though not always, causes financial loss to the dependents of the deceased, especially if he was young. Similarly owning a conveyance and using it, undertaking

a journey, possessing a house, or factory, or farm, or other commercial assets, and utilising them - these are indispensable parts of economic life. In gambling there is the hope of gain, while in the case of insurance it consists of the desire to have protection against the loss that one is to suffer in the event of the occurrence of the apprehended peril. This comparison of gambling and insurance, of their different nature and motivation, should remove the misunderstanding that the two share common characteristics or that gambling is in any way inherent in insurance. Insurance is essentially based on co-operation, and has social utility and gives impetus to activities indispensable to the growth of civilisation, In this way insurance is free from gambling.

To accommodate the Muslim market, Islamic insurance companies are formed called "Takafol". Takafol mean the cooperation of a group of individuals to ensure the security of all in the group, by periodically paying small sums of money as premiums to the appointed company. It is concerned only with devising means of compensation for a person who has incurred financial loss in any actual accident or perils such as premature death, fire, drowning, air crash, railway crash, automobile accidents, injuries inflicted by machines, widowhood, unemployment etc. The appointed company, who receive the premiums from the group of insurers, are in agreement about sharing profit and loss from this interest-free type of business allowed by Islamic law. This business agreement is called Al-Mudharabah.

The crux of the problem in insurance selling in a mixed society is how best to utilise the fund collected from insurance in an interest free system so as to ensure the usual benefit. If an interest-free economy could be achieved, then insurance will be desired and beneficial according to Islamic teachings.

Having said that, it is hypothesized that different religions and races will have a different impact on sales performance. For instance, in Malaysia, those salespeople who believe in Islam and who are predominantly Malays are expected to show significant differences in performance, compared to other religion and races (Chinese and the Indians). For example, the Malays and Moslems may be likely to buy less

insurance because of the Islamic prohibitions and beliefs on insurance selling.

3.15 A Summary of Key Culture Differences between Malaysia and the U.K

Table 3.5 and table 3.6 summarise the main culture differences between Malaysia and the U.K. Table 3.5 illustrates the main demographic differences between the two countries while table 3.6 illustrates culture differences between Malaysia and the U.K. according to Hofstede's (1980, 1991) study as discussed above.

3.16 Tentative Relationships of Determinant Factors in the Present Study with Hofstede National Culture

Some determinant factors reviewed in chapter two may help to explain the culture dimensions suggested by Hofstede, (1980, 1991). For example, organizational factors such as hierarchical levels investigated in this study will indicate the level of power distance of each country. Hofstede suggests that large power distance countries accepted hierarchical levels as inequality between high-ups and lower down, whereas, in small power distance culture, the existence of hierarchy level denotes inequality in roles. Recently in the UK, the job title 'manager' was suggested to be abolished, because it can create inequality in work organizations. Inequality in organizations also suggests that more role conflict will occur. Role conflict is one of the role perceptions investigated in this study. Role conflict is an accepted norm in small power distance countries (such as the UK), where subordinates readily approach and contradict their bosses, while in large power distance culture, there is little role conflict, because subordinates are afraid to contradict their bosses.

Will the power distance indicated in this study by organizational level and role conflict be the same as suggested by Hofstede (1991)? That is, will there be large power distance in Malaysia and small power distance in the U.K the same as that found in Hofstede's findings. All the other dimensions will also be indicated by some of the determinant factors of sales performance: for example, uncertainty avoidance can be indicated by locus of control and role ambiguity ratings (see table

Table 3.5
Key Demographic Differences between Malaysia and the U.K.

	The United Kingdom	Malaysia
Area	242,534 sq. km.	329,294 sq.km.
Current Population	55.5 million	18.5 million
Projected population	60 million (2011)	70 million (2020)
Household size	2.46	5
Male/Female Population Ratio	100/105	100/87
Major group	White British (95%)	Malays (60%)
Ethnic groups	(5%) which comprises Indian, Pakistani and Bangladesh (45%), Afro- Caribbean (20%) Others (25%).	Chinese (30%) Indians (8%) Indigenous Malays and Others (1%).
Religions	Christian No religion Islam Jew Hinduism Buddhism Cults	Islam Buddhism Hinduism Christian No religion

Table 3.6
Key Differences in Culture According to Hofstede Dimensions between
Malaysia and U.K.

Malaysia	The U.K.
<p><i>High collectivism</i> -people born into extended families.</p> <p><i>Large power distance</i> -less participative leadership</p> <p><i>Moderate masculinity-femininity</i> -Caring and material success are both dominant values.</p> <p><i>Weak uncertainty avoidance</i> -Uncertainty is a normal feature of life and each day is accepted as it comes.</p>	<p><i>High individualism</i> -everyone grows up to look after oneself and one's immediate family only.</p> <p><i>Small power distance</i> -more participative leadership</p> <p><i>High masculinity</i> -Dominant values in society are material success and progress.</p> <p><i>Weak uncertainty avoidance</i> -uncertainty is a normal feature of life and each day is accepted as it comes.</p>

3.7).

Similarly, the UK was found to be high in individualism by Hofstede. Individualists set high priority in goal achievement. Goal achievement can be measured by performance measures used in this study, such as performance targets achieved and the annual earnings achieved by salespersons. Since, in selling jobs, performance is purely determined by one's own goal achievement, they are relevant measures to indicate the level of individualism in a country. Another factor which can show individualism is 'achievement motivated persons'. In other words, preference for intrinsic motivation may indicate whether a country is individualist or collectivist. Motivation was measured in this study, and the results indicate the status of individualist/collectivist dimension for each country. Another indicator for collectivist society is preference for training opportunities. Training perception measured in this study may indicate collectivist dimension.

Malaysia was considered as having a feminine culture by Hofstede. Feminine society is characterised by a modest, caring society where a warm relationship is very important, and this may be indicated by a self-monitoring measure. 'Masculine society' as in the UK is characterized by a materialist, money success (high earnings), and a challenging, assertive and ambitious society (advancement). In this sense, high earnings, high set target (set challenging goals) may indicate masculinity.

Both the UK and Malaysia were found to be moderate in uncertainty avoidance. Locus of control can be one of the indicators of uncertainty avoidance because one of the criteria of low uncertainty avoidance is that the society believes in taking things as they come, and a high uncertainty avoidance society believes in hard work and internal locus of control. Another aspect of uncertainty avoidance, is the preference for ambiguous situations or certainty, regulations and rules. Role ambiguity, number of rules and regulations in the insurance industry can indicate this aspect of uncertainty avoidance. The tentative relationships of some of the determinant factors with Hofstede's national culture dimensions are illustrated in table 3.7.

Table 3.7:
Tentative Determinant Factors Indicating Hofstede's Culture Dimensions

Determinants of Sales Performance	Culture Dimensions
Organizational Hierarchical levels Role conflict	Power distance
High targets/high earnings Training perceptions	Individualism Collectivism
High earnings/high targets	Masculinity
Self-monitoring (high regards for good communication and warm relationships)	Femininity
Locus of control (Internal vs. external) Role ambiguity	Uncertainty avoidance

CHAPTER FOUR

THEORETICAL FRAMEWORK

"Salespeople are better producers because they are motivated by an internal drive and self-determined goals" (Smrekar, 1988).

4.1 Chapter Overview

This chapter begins by presenting the theoretical framework that will be used in this study. It then states and justifies what variables will be chosen for each component factor that determines sales performance. The reasons for not selecting certain variables will also be explained. The final section presents the hypotheses derived from the theoretical framework.

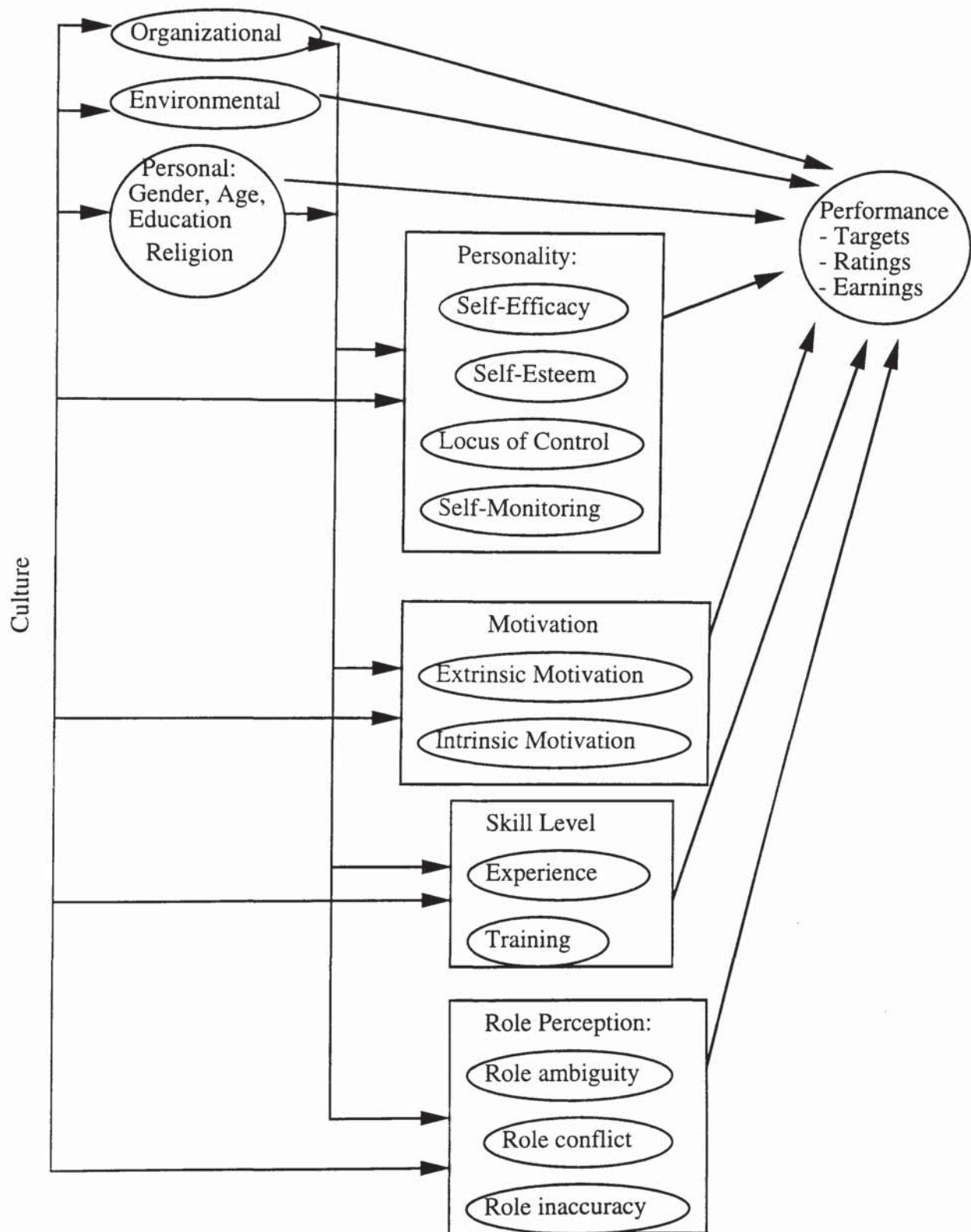
4.2 The Model of Determinants of Sales Performance with Culture Influence

In Churchill's et al.(1987) model of determinants of sales performance, five main components: (1) aptitude, (2) motivation,(3) role perceptions, (4) skill level, and (5) personal, organizational and environmental- were hypothesized to influence sales performance (see figure 2.1, p. 28).

For the present study, the framework is modified to include eight main components as determinants of sales performance. The components are: (1) personality, (2) motivation, (3) role perceptions, (4) skill level, (5) personal, (6) organizational, (7) environmental, and (8) cultural as depicted in figure 4.1.

In the modified version, the first group of predictor variables: personality, motivation, skill level and role perceptions - each has a direct impact on sales performance. These hypotheses were supported by various findings in the past studies (see chapter 2). In addition, the model hypothesizes that there exist interactions between each of predictor variables. For example, personality factors

Figure 4.1: Hypothesized Model of the Influence of Culture on the Determinants of Salespersons' Performance.



such as self-efficacy, self monitoring and locus of control may have a direct relationship with motivation. These hypotheses were based on past findings reviewed in Chapter Two (see for example, Bandura and Cervone, 1986). Relationships among motivation and personality (for example, locus of control and self-esteem) had also been investigated by Teas, (1981) who suggested that some interactions between motivation and personality were possible (see hypothesized arrow from motivation to personality factor in the modified model). Furthermore, the model hypothesizes that there are possible interactions between motivation and skill level, and vice versa. For example, a salesperson with high motivation is hypothesized to have the need to acquire more skill through training, and conversely, a salesperson with high skill level is hypothesized to be more motivated. Also, role perception is expected to influence skill level, and vice versa. For example, a salesperson with clear role perception is expected to understand the sales job better, which in turn, leads to the salesperson enjoying training and improving their skill level. Conversely, those with high role ambiguity may not like improving their skill level, because they lack understanding of what they are doing. The impact of other role perception components, such as role conflict and role inaccuracy on skill level and vice versa, follows the same argument.

The second group of predictor variables in the model, which consists of organization, environment and personal, are hypothesized to influence sales performance directly or indirectly, by first having an impact on any predictor variables discussed above (personality, motivation, skill level and role perceptions). These relationships were discussed earlier in chapter two. Another different feature of the modified version is the proposed interactions of organization, environmental and personal factors. For example, an organizational factor like size of company can have an impact on the environment so that the larger the company, the greater the impact of regulations. Similarly, the more competitive the market environment, a larger number of field staff or larger span of control is needed to control that territory. For the relationship between personal and environmental factors, for instance, would an experienced salesperson be able to handle a more competitive environment or would a competitive territory need a more experienced salesperson?

Culture forms a major factor that has been suggested to influence determinants of sales performance in the modified model, viz: different values of the two cultures (the UK and Malaysia) can influence organization, environment and personal values, personality, motivation, skill level and role perceptions. For example, the value given to women workers in either country can be reflected in the organizational practices, such as selection and hiring; the regulations of equal opportunities to women; the number of women in the industry's employment; the personality; motivation, skill level and role perceptions differences between male and female salespersons. Other cultural dimensions, e.g: power distance differences as suggested by Hofstede, (1980, 1991), will be used to explain relationships in the hypothesized model in figure 4.1. More will be discussed on these relationships in the paragraphs which follow.

4.3 Personality Components

My main interest in the present study is to determine the personality factors that may predict sales performance. To be a high sales performer, a salesperson can be hypothesized to require many positive personality traits as reviewed in chapter two. Investigating all possible traits is too ambitious a task for a Ph.D study, where time and money pose major constraints. So the following variables were selected.

Variables Selected

Four personality variables will be investigated in this study, namely self-efficacy, self-esteem, self-monitoring and locus of control. These four self-concepts were chosen because:

1. All four have been found to be positively correlated to sales performance in previous studies. This implies that salespersons with these qualities will produce high levels of sales performance. Table 4.1 shows some of the past studies which gave positive correlations with sales performance.
2. These personality dimensions have been applied in various personal selling

Table 4.1
Past Studies with Positive Correlations with Sales Performance

Personality Variable	Researchers	Subjects	Performance Measures
Self-esteem	Bagozzi,(1978)	Salespeople (Industry)	\$ Sales volume
	Jacob and Solomon,(1977)	Managers and salespeople (Industry)	Self reported & manager's rating
	Greenhaus and Badin (1974)	College students (Industry & Psychology)	Ratings on task performance
	Korman, 1970	High school students	Self-ratings on hard and easy goals
Self-efficacy	Barling and Beattie,(1983)	Life insurance agents	No. of calls No. of policies Sales revenue
	Lee and Gillen (1989)	Industrial salespersons	Supervisor's ratings
	Wood et al, (1990)	Business students (ex-managers)	Total hours to complete tasks
Self-monitoring	Caldwell and O'Reilly, (1982)	Field salespeople	Company's evaluation
	Spiro Weitz, (1990)	Industrial salespersons	Self-reported, manager's ratings
	Fine and Gardial, (1990)	MBA Students -former salespersons	Self reported ratings on sales ability
Locus of control	Avila and Fern (1986)	Computer salespeople	Sales quota Manager's rating
			Summed ratings
	Hollenbeck Williams(1987)	Retail salespeople	Total sales and volume past and future
	Spiro and Weitz,(1990)	Industrial salespeople	Self-reported, manager's ratings

settings in past studies, (as illustrated in table 4.1) which, therefore, represent relevant personality traits for salespeople in contemporary selling settings, and also possible indicators of sales performance. Another reason is that since the personality factor is said to be task-specific (Churchill et al. 1987), investigating these variables seems appropriate to insurance salespeople, because it is feasible that their task depends on self-motivating behaviours such as high self-esteem, self-efficacy, self-monitoring and having appropriate locus of control, in order to succeed.

3. Self-esteem, self-efficacy, self-monitoring are 'self-managed' behaviours which could be enhanced in a person by training (Howell, Bellenger and Wilcox, 1987) and self-control programmes (Sauers et al, 1990). These three personality variables have great potential to be developed in salespersons. Numerous studies have found behavioural self-management to be successful in dealing with problems such as obesity, smoking, alcoholism, drug addiction, sexual abnormalities, psychiatric disorders and marital difficulties (Rodin, 1981; Mahoney and Ankoff, 1978; Kanfer, 1980).

4. These four self-concept variables seem to have precipitated a lot of recent research interest in Western developed countries such as the UK and the US. Since the variables have great potential as being good indicators of sales performance in cross-sectional studies, it might be especially interesting to investigate their relationships with performance in a cross-cultural context, in order to find their potential in developing countries. The study of these personality variables has not been tested in these circumstances before. Also, the four personality variables may differ between cultures and this study aims to establish these differences.

Besides the general reasons for selection of the four personality variables given above, individually, each personality variable is especially appropriate for its use in this study, for reasons discussed below:

Self-Efficacy

Although this variable is only quite recently studied in organizational behaviour,

there is reason to believe that it can play an important role in helping those individuals, who have experienced failure or prejudice, to overcome these problems and help themselves (Baron and Greenberg, 1989). Also due to its novelty, it might be interesting to discover findings on this variable. There is reason to believe that this variable is a very important personality trait, especially for a selling task such as insurance sales. The basis for this assumption is that the nature of a sales job often exposes the salesperson to rejections and failures and also to the demand of meeting set targets. High self-efficacy individuals may respond to negative failures and rejections in more constructive ways than those low in self-efficacy (Gist, 1987). Self-efficacy is therefore a most relevant variable for investigation in this study.

Self-Esteem

Self-esteem seems to have been a popular correlate with performance in past research in the 1970s (see chapter two), and has been found to be a good indicator of sales performance. But self-esteem seems to be forgotten in current sales research, since this variable has not been included in many recent studies. Does the relationship between self-esteem and sales performance still hold true in the 1990s? This research seeks to establish recent findings for the relationship between self-esteem and sales performance, if any, for contemporary insurance salespersons. Another reason for including self-esteem, is that it has been assumed to be related to other components in the determinant model. For example, it is postulated that it is positively related to motivation (see chapter 2). It is therefore an interesting variable to study in order to find interactions with other determinants in the model.

Self-Monitoring

Self-monitoring was selected because it seems to be an appropriate personality characteristic for salespeople, where the salesperson needs to make adjustment according to different situations and customer needs. There has been a lot of theoretical interest in self-monitoring as a determinant of performance. Chapter 2 demonstrated that research on this variable, in sales settings, has provided positive relationships with sales performance. Self-monitoring has been suggested as a personality factor that can be enhanced and improved by training as well as being

very suitable for sales jobs where self-control on behaviour is needed. The self-control concept present in self-monitoring is particularly effective for salespeople whose selling tasks are of a complex nature. The most common method of measuring self-monitoring in past studies was the 25-item scale developed by Snyder, (1974). Since there have been debates on the use of this scale (see chapter two), this study attempts to use the self-monitoring scale developed by Lennox and Wolfe, (1984), which has been used recently by Spiro and Weitz (1990).

Locus of Control

Locus of control is an interesting variable to investigate in a cross-cultural perspective because the locus of control of individuals in the two cultures investigated here is expected to differ. For instance, Malaysia is expected to have more external locus of control, since most people are conditioned by strong religious influences such as Islam, Buddhism and Hinduism, which have a strong belief in fate and luck compared to British culture, where the belief in fate and luck is more remote.

Personality Variables Not Included in the Study

1. Several personality factors are not included in this study, even though reviews about them have shown some relevance to selling situations. For example, *Type A behaviour pattern* (TABP) is not included, because past research has shown that TABP has no impact on sales performance. *Extraversion* would have been an interesting variable to examine, but the existing measure for extraversion was considered too long and too complex to be replicated in this study. Similarly the 'big-five factors' are equally interesting, but again the questionnaire will be too long to include all of them. *Mental abilities*, such verbal intelligence have been investigated in past studies but have shown a significant negative relationship to performance (Bagozzi, 1980).

2. The relationships of *endurance*, *aggression*, *ego-strength* and *dominance* with performance have shown equivocal results in several studies. For example, dominance was found to be related positively, negatively, curvilinearly and not to

be significant to performance (Lamont and Lundstrom, 1977). These findings indicated that the relationships between personality variables and performance were very inconsistent. Furthermore, there was empirical evidence that the strength of the relationships between these personality variables and performance was weak ($r=.17$) (Churchill et al, 1985). This result suggested that on average, slightly less than 2% ($R^2=.02$) of the variation in salespersons' performance can be accounted for by the variation in their personality types. These low correlations and inconsistent findings are probably the reasons for the lack of research, in recent years, on these personality variables as predictors of performance. So all these personality variables were not used in this study.

3. Most of the time, personality variables were measured in past studies by using *long questionnaires* such as the 16 Personality Factors- 16 PF (Cattell, Eber and Tatsuoka, 1970) and Personality Research Form-PRF (Murray 1938). The PRF measure consists of a 20-item questionnaire and only measures dominance and self-esteem. The 16 PF measure consists of four variations according to the intelligence of respondents: Form A-187 items, Form B-187 items, Form C-105 items, and Form D-105 items. The 16 personality factors measured are (1) outgoing (2) intelligence, (3) ego strength, (4) assertive, (5) happy-go-lucky, (6) conscientious, (7) venturesome (sociable), (8) tender-minded (sensitive), (9) imaginative, (10) suspicious, (11) shrewd, (12) apprehensive, (13) experimental (liberal), (14) self-sufficient, (15) controlled, and (16) tense. Since past research using this measure has been inconclusive and also since the instrument to measure these variables needs to use 16 PF, which is very long, these variables also will not be included in this study.

4.4 Motivation Components

Motivation of salespersons will be calculated based on three variables: valence, instrumentality and expectancy estimates. This is in accordance to the expectancy theory of motivation (Vroom, 1964). As discussed earlier in chapter two, motivation can be divided into two: (1) intrinsic motivation and (2) extrinsic motivation. Past

studies have exhibited consistent results with respect to their relationships to performance (Tyagi, 1985; Ingram et al., 1989; and Hackman and Oldham, 1975). Interestingly, the study conducted by Tyagi, (1985) on the relationship of intrinsic and extrinsic motivation in a sample of insurance salespeople established a positive relationship. It is therefore, very relevant to include motivation based on intrinsic and extrinsic motivation for this study.

4.5 Skill Level Components

The variables investigated under skill level will be training perceptions and experience level. Unfortunately, we know very little about which skills are most critical for certain selling environments. There is almost no published research concerning the effects of skill levels on performance. Nevertheless, this study will look at training perceptions and experience as key factors of skill level. Experience will be investigated by asking the respondent to indicate his/her experience in years as a salesperson in the present company. Another aspect of skill level indication is to know the perceptions of training practices in each company. Training perceptions would indicate whether the current training practices are effective for improved sales performance or otherwise. A new scale was developed to measure training perceptions of salespeople, and to explore the relationship between training perception and sales performance.

4.6 Role Perception Components

All three role perception variables will be examined: role ambiguity, role conflict, and role inaccuracy. Role ambiguity has shown a history of consistent results for its relationship with performance, therefore, role ambiguity will be included: it seems to be a good indicator of sales performance. The same cannot be said for role conflict, because the role conflict-performance linkage has been inconsistent in past studies. Two investigators find that the relationship of role conflict with sales performance to be positive (Franke et al., 1986; Behrman and Perreault, 1984) while two others found negative relationships (Bagozzi, 1978; Dubinsky and Mattson,

1979). Even though role conflict-performance linkage has exhibited inconsistent results, it is included in the present study in order to provide further evidence.

The topic of role in/accuracy in the sales force has not received much attention, and therefore merits empirical investigation. It is hypothesized in the model, (figure 4.1) that role inaccuracy may have important consequences to performance measures, and that it may also show other relationships to other variables, such as personality variables, organizational and environmental factors. For example, role inaccuracy may have negative effect on self-efficacy, self-esteem of salespersons. The more inaccurate the salesperson perception of sales managers' expectations and demands, the lower the feeling of self-efficacy and self-esteem. Likewise, role inaccuracy may lower salespersons' organizational commitment, job involvement and increase absenteeism and turnover of staff.

4.7 Personal Factors

The personal factors investigated in this study are age, gender, education level, race and religion. These factors serve as the demographic profile of the respondents investigated in the present study and also function as independent variables to be examined in order to find their possible relationships with sales performance. Race and religion variables also act as the cultural variables in determining factors for good sales performance. Comparisons among some personal factors such as gender, race and sales performance will be carried out, for example, "Is there any difference between the performance of male and female salespersons?" and also "Is there any difference between British and Malaysian performance (between nation) or between the Malays and the Chinese races (within nation)?" Personal variables not included were height, weight, marital status and number of dependents, because they were not predicted to be related to sales performance.

4.8 Organizational Factors

The variables in this component, are organization structure, span of control, and

company culture. The model suggests that organizational variables influence sales performance either directly or indirectly, by influencing other performance determinants, such as role perceptions and motivation. A case description approach (see chapter Six-part one) and secondary data, will be used to investigate the possible relationship of these organizational factors with sales performance.

4.9 Environmental Factors

The variables investigated, are economic conditions and strength of competition among participating companies. Possible indicators of economic conditions will be obtained from GNP (Gross National Product) figures or the influence of major world events particularly to insurance industry; a company's total earnings or annual turnover to indicate an industry's performance, and the strength of competition among the surveyed companies. This information will be obtained from a case description of the companies under investigation.

4.10 Cultural Factors

The present study differs from the Churchill et al., (1987) framework in that it is studied across two cultures. Figure 4.1 depicts the culture element in the framework. The inclusion of culture in the framework is novel to the present study, since such an approach has not been carried out before. Culture includes values of a country which will be looked at from the differentiating point of general norms and values relating to race, religion, family, social systems, education and political affiliation.

In the first instance, the researcher is interested in making a cross-cultural comparison of the sales performance determinant model between two countries. Will the impact of personality factor on sales performance, for example, differ between the Malaysian and British cultures?

Cultural differences are expected to influence all the factors which predict sales performance. The culture of the two different countries will determine the

demographic differences like education, sex, age, race, religion, organizational beliefs, economic and environmental factors. In a different culture, the personality or aptitude of salespeople is expected to differ, their motivation may vary according to their compensation systems, their role perceptions will differ due to different role environments and territories, and also their training and skill level will be expected to be different.

Social values will be considered as another cultural factor that may influence the predictors of sales performance. Changes in social values and lifestyles may influence what people buy, as well as their reactions to various marketing activities. In the sales of life insurance policies to customers, particularly, cultural factors may have a major influence on customers. The customers' religious beliefs, for example, may influence the buying of life insurance policies in an Islamic country.

From the above discussion, this study will try to investigate whether cultural factors play a major role in influencing the proposed model of the predictors of sales performance in each country. The sales performance may be affected by the impact of culture on determinant factors. For example, will a multi-cultural population be a hindrance to successful sales performance?

Finally, this study intends to draw inferences from Hofstede's (1991) dimensions of national culture. For example, Hofstede suggests that national culture can be divided into four dimensions: power distance, individualism, masculinity, and uncertainty avoidance. Unfortunately, it is impossible to replicate Hofstede methodology in the present study, due to the already lengthy questionnaire of the original model of sales performance determinants.

We have, however, a national culture scenario of the two countries as suggested by Hofstede's findings. Hofstede's, (1991) findings suggest that at national culture level, the U.K and Malaysia are exact opposites on two dimensions: power distance and individualism, moderately different in masculinity, and almost similar in uncertainty avoidance. This study aims to find out whether the sales management

models of each country that resulted from the empirical investigation in this study can be explained by Hofstede's cultural dimensions particular to each country. If an IBM management study can differentiate cultures between countries, can an insurance sales management model do the same thing? Is there going to be a convergence or divergence sales management practices among the two countries?

Hofstede concluded from his IBM study that there is very little evidence of cultural convergence, i.e. cultural diversity among countries will remain with us (page 238). Cultural relativity cannot be avoided in organizations. He also concluded that organizations are culture-bound. In more recent quests to find cultural convergence in the "Euro-manager", it was found that there is still cultural divergence in management practices in Europe, thus strengthening Hofstede's earlier findings (Smith and Peterson, 1993).

4.11 Sales Performance Indicators

Both objective and subjective sales performance indicators are used for the present study. Objective measures of sales performance used, are per cent target quota (new sales) and annual earnings (income and/or commission), and the subjective performance measure used is supervisor's performance rating.

The performance of salespersons in the insurance industry is commonly measured by commissions paid based on new business generated or based on quota attainment. Quotas are set targets of annual sales that should be achieved by salespersons. Salespersons are expected to use their ability, personality, job skills, motivation and organizational backups to achieve these quotas or set targets. The amount of commission will contribute a large part of the total annual earnings of the salespersons. The more sales produced, the more the commission and subsequently the more the annual earnings of individual salespersons. The higher the earnings, the more successful the salesperson. From the above discussion, two types of objective measures of sales performance can be obtained from the insurance companies - percentage of quota achieved per year and annual earnings. These two measures

were chosen for this study because, firstly, the companies agreed to provide these figures and secondly, other earlier studies have used these measures (see table 4.1). Most importantly, they are unambiguous measures of performance.

Manager's appraisal of salespersons' performance was another method used for evaluation of sales performance. This appraisal usually takes the form of subjective ratings of salespersons performed by immediate supervisors or managers. Subjective performance ratings by managers or supervisors have been commonly used in past studies (for example, see table 4.1.). Again, the results of some studies have shown that the variance in subjective performance can be explained by the suggested determinant factors. Subjective ratings of each salesperson were given by immediate supervisors and these ratings were matched with each salesperson's response.

This study did not select sales performance measured by subjective self-ratings of salespersons because firstly, there is no control over the answers given by the same person as the respondent; for example biased or incorrect answers: secondly, subjective self-rating on performance means more questionnaires and this would increase the length of the existing questionnaire. Thirdly, a second person's opinion of salespersons' rating of performance was available and this type of measure is assumed to be more precise and correct because it is less biased. Performance measure by customer ratings was not selected because this study do not involve customers, because of the lack of time and money.

4.12 Research Hypotheses

Based upon the preceding discussions in chapter two and three, the following hypotheses are formulated for the study:

Personality Components

- H1: Self-efficacy in salespersons is related positively to their sales performance.
- H2: Self-esteem in salespersons is related positively to their sales performance.

- H3: Self-monitoring in salespersons is related positively to their sales performance.
- H4: Locus of control is related to sales performance in that: Internals are related positively to sales performance, while Externals are related negatively to sales performance.

Motivation Components

- H5: The salesperson's intrinsic motivation is related positively to sales performance.
- H6: The salesperson's extrinsic motivation is related positively to sales performance.

Role Perception Components

- H7: Role conflict is related negatively to sales performance.
- H8: Role ambiguity is related negatively to sales performance.
- H9: Role accuracy is related positively to sales performance.

Skill Level Components

- H10: Training perceptions will be related positively to a salesperson's performance.
- H11: Experience is related positively to sales performance

Personal Factors

- H12: The age of a salesperson is related positively to sales performance (ie., the younger you are as a salesperson, the lower your sales performance and the older you are as a salesperson the higher your performance).
- H13: Education level is related positively to sales performance.
- H14: There is a difference in sales performance between male and female salespersons.
- H15: There is a difference in sales performance between salespersons of different races.
- H16: There is a difference in sales performance between salespersons of

different religions.

Organizational Factors

- H17: The organizational structure is related negatively to company performance, i.e. the more number of hierarchical levels, the less company performance achieved.
- H18: The span of control is related negatively to company sales performance, i.e. the smaller span of control, the more company sales performance achieved.
- H19: The stronger and consistent the organization culture, the higher the sales performance.

Environmental Factors

- H20: The stronger the competitive edge present in a company, the more sales performance achieved.

Cultural Factors

- H21: The national cultural dimensions as suggested by Hofstede (1991) are representative of British and Malaysian insurance industry cultures respectively.
- H22: The culture and values of a country will have an influence on the predictors of sales performance, i.e. the predictors of sales performance in Malaysia and the UK will be different. There will be more divergence than convergence in the theory due to cultural and value differences.

CHAPTER FIVE

RESEARCH METHODOLOGY

5.1 Chapter Overview

This chapter describes the research design adopted for the present study. The research methodology is explained, including the sample used, sampling methods, questionnaire design and data collection procedures. Finally the methods of analysis are presented.

5.2 Research Design

The plan for the present study was to investigate what factors determine the performance of insurance salespeople in two countries, the U.K. and Malaysia. The virtue of being an overseas student from a certain country (Malaysia) gives *a priori* advantage to implement a cross-cultural comparison study with the country where the study was conducted (Britain). The researcher originally decided to select six life insurance companies i.e. three from each country. This number was selected mainly because it is a manageable number. Three companies from each country was considered sufficient to check for the robustness of the theoretical framework, that is, comparison could be made to see whether the findings held up to each of the individual variables, allowing for more confident generalizations to be made.

Furthermore, three companies from each country enable organizational comparisons within each country to be made. More than three companies would cause this study to be too unwieldy, and at the same time, cooperation was not easy to obtain at the start of the project. Agreement with the three life insurance companies from the UK was secured, but unfortunately, only two companies from Malaysia decided to participate in the study, after one company withdrew at the last minute. In order to maintain roughly equivalent sample sizes, it was decided to keep the total numbers of respondents of the two countries approximately the same (see table 5.1).

Triangulation

The structure of the research design consists of a combination of a questionnaire survey and a detailed company data survey. This method is sometimes called 'triangulation'. Triangulation is a multi-methods design where both quantitative and qualitative methods are conducted in a study (Pettigrew, 1985; Loveridge 1991; Jicks 1979). Denzin (1978) broadly defined triangulation as "the combination of methodologies in the study of the same phenomenon." The main purpose of using triangulation is to develop more convergent results, thus enhancing the belief that the results are valid and not a methodological artifact (Bouchard, 1976). Thus quantitative and qualitative methods can be combined and viewed as complementary methods which strengthen the overall results of the study. Conversely, there are debates on the issues of quantitative versus qualitative approaches to research methodologies (Ackroyd and Hughes, 1992). Such issues question whether human beings are quantifiable, since they are not objects of physical sciences, or if qualitative studies can be scientific. However, researchers agree that the choice between quantitative vs qualitative; hard vs soft; explanatory vs exploratory; objective vs subjective; causal vs interpretative; generalising vs particularising; rigorous vs unrigorous and so on, doesn't depend on the divided issues of philosophy, but rather on the nature of the research problem. It must be recognised that both approaches are still in their infancy and neither one is markedly superior to the other (Ackroyd and Hughes, 1992).

Besides pursuing a multi-method structure approach, this study also attempts to follow several research design strategies which can be explained as follows:

Field Study Strategy

A field study or a non-experimental or 'ex-post facto' research design was undertaken in view of the psychometric evidence needed, and also due to the large numbers of variables proposed. Field studies deal with intact, naturally occurring systems, as opposed to those created for research purposes or experimental studies. Through field studies, a "real-world" phenomena can be observed and therefore create a high consequence of "realism" (Kerlinger, 1973). Field studies employ

systematic data gathering techniques through questionnaires, interviews and secondary data collection. Therefore, they are considered 'more scientific' than a case study approach. But, field studies do have their limitations such as (1) the cooperation of organizations is often difficult to obtain; (2) no causality between two variables can be derived due to the cross-sectional nature of data collection, (3) the increased possibility of sampling biases, error variance and influence of confounding variables or extraneous variables and (4) very expensive to conduct due to "the development of sophisticated instrumentation and more extensive and powerful research designs" (Bouchard, 1976). Bearing these problems in mind, the present investigation depends entirely on the field study research strategy, because this the best way to tackle the research problems indicated in the earlier chapters.

Cross-Cultural Research Strategy

A cross-cultural research strategy was adopted in which data were collected from more than one group, in this case, from two countries, i.e. the U.K and Malaysia. Taking into consideration the complexity of cross-cultural research, (see chapter three), such as matters concerning cross-cultural equivalence rules, etic-emic dilemmas (Adler, 1984) and language barriers or back translation, several actions were undertaken to deal with some of these problems. For example, the data was collected from the same type of organization, that is, the life insurance companies. Sekaran (1983) argues that companies in the same industries can be considered as a matched sample. To handle the etic-emic dilemmas, the present study adopted the "pseudoetic" approach (Triandis, Malpass and Davidson, 1971) where emically developed theories - theory developed in the U.S.- (see chapter 2 and 4) were etically tested in different cultural settings.

Because language differences exist between the countries under investigation, back translation seemed a necessity. Although the back translated version was duly completed, it was not used in the survey. The reason for this was that the majority of the life insurance salespeople in Malaysia have adequate education in spoken and written English. They converse in English when at work because firstly, the company they are working for is an American subsidiary, and secondly, English is

the common language spoken among ethnic groups. The English version of the questionnaire was distributed to all Malaysian respondents.

5.3 Methodology

Sampling

The main respondents in this study were the insurance salespersons, with additional help from sales managers. Insurance salespersons were initially selected as the respondents for this study for the following reasons:

1. The insurance industry is growing in importance as a major contributor to 'invisible income' to Malaysia, and is also a significant industry in Britain.
2. The researcher had good contact with an insurance company in Malaysia, which triggered further interest to study the field.
3. An insurance workforce is a disciplined workforce and familiar with paper work. In this sense, it can be relied on to complete the survey questionnaires.
4. There was commitment and enthusiasm from top management of the British companies, who were very confident of a good response rate from their field staff.
5. The sales job is relatively similar in the two countries. Insurance sales usually involves relatively similar selling jobs.
6. Insurance selling is a relatively complex selling activity that entails a salesperson requiring all or most of the factors discussed in the theoretical framework (chapter 4).

After the type of respondents was decided, the task of getting the cooperation of the insurance companies in Britain commenced. The first idea was to try to advertise about the research topic in several popular insurance journals and magazines. I wrote to editors of two insurance circulations in Britain ('The Chartered Insurance Institute Journal', and the 'Post Magazine') and one magazine in Malaysia ('Update', 1989). There was no reply from the British side, but from Malaysia I received a list of insurance companies with their contact persons' names, and I proceeded to obtain

the list of British insurance companies by referring to the Insurance Directory.

I then wrote to life and general insurance companies listed in Malaysia and Britain, asking if they would like to participate. I wrote to 20 British insurance companies and 18 companies in Malaysia. I received four negative replies from British companies, while the others did not reply at all, but this was compensated for by four positive replies from Malaysian companies, one rejection, and the others did not reply. At that moment, it looked as if I might have problems in getting British participation.

At this juncture, my supervisors managed to make contact with an insurance manager who was also a visiting lecturer at Aston. After talking to him, he referred me to an official at the Association of British Insurers, who was also an Area Manager at a local Life Assurance Company in Birmingham. After several personal contacts, three companies agreed to participate in this study. For confidentiality reasons, the names are disguised as B1, B2 and B3. Several meetings were arranged with each company that had agreed to participate, which both my supervisors attended. The purpose of these meetings was to explain the objective of the study and the benefits both parties (the companies and the researcher) would gain by participating. The objective of these meetings was to gain cooperation during the process of data collection.

In Malaysia, agreements were confirmed with three companies. Again, for reasons of confidentiality, the names were disguised as: M4, M5 and M6. Salespersons from three medium-size life insurance companies operating in Malaysia, one of which is an international branch, agreed to participate. All the companies agreed in writing, to cooperate for data collecting purposes. M6, however, backed out at the last moment, due to concerns over 'confidentiality'. It seemed that this company could not release the names of salespersons which was needed for random selection during distribution of the questionnaire.

Sample Size Determination

This study planned to collect 500 respondents from each country. The three companies that agreed to participate in this study from the U.K., have about 650 sales consultants in total. An important characteristic of the sampling frame was to select all the salespersons who had worked with the organization for more than six months. This requirement was necessary to ensure that all respondents had some knowledge and experience in sales jobs, so that they were able to answer the questionnaire accurately. After eliminating the salespersons according to the six-month characteristic, the company agreed to obtain responses from all the qualified respondents in the sampling frame (see column 4 in table 5.1). Systematic sampling (choosing alternate names in the sampling frame list) was suggested to the contact person in each company, but the contact person decided on the final names of salespersons to be sampled.

Companies B1 and B2 wanted a census but when employees were removed for the 6-months experience criterion, this left a sample of 200 and 116 respondents respectively. Company B3 wanted a sample of 50 per cent from the population, i.e. 125 respondents less those without six months experience leaving a sample of 116 respondents.

Five hundred respondents were expected from Malaysia. To ensure random sampling, systematic sampling of taking alternate names from the M4 list was carried out by the researcher. From this exercise, 450 names was then selected for the samples in M4. From the M5 company, 100 names was selected using systematic sampling method of taking every fourth name in the list.

From table 5.1, the percentage of sample compared to population varies from 25 percent in Malaysia (M5) to 89 percent in the UK (B2). This difference arose because the companies in Malaysia have bigger number of employees than the UK companies. Since the purpose of data collection was to obtain similar number of respondents, therefore, Malaysia did not need as large a percentage from the population. The aim was for a sample size of 500 from each country. The result was

Table 5.1**Number of Responses Received from Malaysia and the U.K.**

Company name	Country	Population	Sample (% of Pop)	Received	Per cent Received
B1	U.K.	268	200 (75%)	154	77.0
B2	U.K.	130	116 (89%)	91	78.4
B3	U.K	250	119 (50%)	83	69.7
Total	U.K	648	435 (67%)	328	75.4
M4	Malaysia	1500	450 (30%)	236	52.4
M5	Malaysia	400	100 (25%)	37	37.0
Total	Malaysia	1900	550 (29%)	273	49.6

435 from the UK and 550 respondents from Malaysia.

Qualitative Data Collection Methods

The process of collecting qualitative data commenced immediately after the agreement with each company was secured. Two methods of collecting qualitative data were utilised: interviews with company's executive officers and secondary data. For the interviews, structured interview questions were formulated (see appendix A). During the interview sessions, the opportunity was taken to plan out a strategy for distribution of questionnaires to salespeople. One company informed its salespeople about the research project through the monthly company bulletin. See appendix B for the caption.

Interview

The first interview with Company B2 was carried out at a Birmingham Office on 6th June 1991. The second and third interviews with Company B1 and Company B3 were both carried out at their Edinburgh Head Offices on 14th August 1991. The place of the interviews was fixed by the companies prior to the meetings. An Executive Marketing Manager was interviewed in company B1, an Executive Sales Manager in company B2 and an Executive Administration Officer in Company B3. The structured interview questions were used during interview sessions. The aim of using structured interview questions was to enable the interviews to be conducted in a systematic way while gaining the much needed information in a specified time given. An interview session took about two hours to complete. The structured questions were on topics such as organization and sales department structures, types of products sold, job specifications for salespersons, performance measures, compensation plans, selection and hiring, training, appraisal systems and environmental constraints. Each interview was tape-recorded to ensure nothing was missed. Every conversation was then analyzed and recorded, according to the organizational factors specified in the structured questions. Every company in the UK gave full cooperation both during interviews and in returning documents after the interview.

Similar interviews procedures were carried out with the two Malaysian insurance companies in March 1992.

Secondary Data Collection

The secondary data collected were: company's annual reports (1985-1992), company's internal magazines and circulations, organization charts, list of salespersons' names and branch managers' names, salary scheme and other compensation plans, performance targets and percentage achieved, appraisal forms, and salesperson's job description. The process of collecting secondary data was an on-going process. Some of the secondary data was collected during the interview sessions and some were sent by the company through the post. The participating companies gave tremendous cooperation in providing everything needed for the study.

Questionnaire Design

The questionnaire for this study was designed to measure 15 variables. These are (1) self-efficacy, (2) self-esteem, (3) self-monitoring, (4) locus of control, (5) valence estimates, (6) expectancy estimates, (7) instrumentality estimates, (8) role ambiguity (9) role conflict (10) role inaccuracy (11) training perceptions (12) personal factors - age, gender, education, race and religion (13) subjective performance ratings (14) annual income (15) sales target achieved. Factors 1 to 12 form the independent variables and factors 13-15 are the dependent variables.

Due to the large number of criteria, and predictor variables selected for this study, the questionnaire was a lengthy one which might not have been welcomed by respondents. To minimise possible complaints, poor response rates and incomplete answers, a careful selection of instruments was made. This selection was based on several factors:

1. High internal reliability (coefficient alpha) in past studies.
2. It has been widely and commonly used by past researchers especially in sales

settings and has been found to apply across diverse areas of practice. In this way, construct and criterion validity of the measures had been tested beforehand.

3. The scale has a reasonably small number of items to accommodate for the large number of total variables.
4. Easy to administer measures, for example Likert-scale measures. Complex measures were eliminated.
5. Quick to complete (economy of time in filling the items).
6. Relevance to sales-setting studies.

The results of this rigorous selection, was that the research in this area mostly utilised instruments that had already been employed in past studies, especially instruments that had been used in a sales setting. Besides that, the researcher also formulated two new instruments for role accuracy and training perceptions. This was necessary, because no such measure has been found in the literature. The formulation of these two measures is described under *finalised questionnaire design*.

Test of Reliability and Validity

As mentioned earlier, the main reliability test used on the scales selected in the questionnaire was Cronbach reliability test (coefficient alphas). Fundamentally, reliability concerns the extent to which an experiment, test, or any measuring procedure yields the same results on repeated trials. The most popular reliability assessment is by calculating Cronbach's alpha (Cronbach, 1951). This reliability test will be used in the present study.

Besides that, selection was also based on criterion-related validity; an example is if role ambiguity-performance linkage has been hypothesized, past studies should support this relationship. For the present study, the main criterion for choosing a variable and subsequent measure, was that it had shown strong criterion-related validity in past studies (see discussion in chapter 2).

Content validity depends on the extent to which an empirical measurement reflects

a specific domain of content. For most of the measures used in this study, content validity has been tested in the past studies. For example, for a locus of control measure to be content valid, it should contain elements of internal and external locus of control. Only for the two new measures developed in this study: role inaccuracy and training perceptions, will content validity be tested using factor analysis.

Pilot Study Exercise

Before deciding on the actual instruments to be utilised in this study, a pilot study was conducted in November 1991. The Birmingham branches of the three insurance companies agreed to participate in the pilot study. Five respondents from each company filled in the questionnaire and their immediate supervisors filled in the manager's subjective ratings and the role inaccuracy perception instruments. The investigator sat with the respondents while they completed the questionnaires to spot difficult wording, answer respondents' questions and generally to check on the ease of completion. The reliability test for each instrument was calculated using the pilot study data. One of the criteria for selection of past instruments was internal consistency of the scales using Cronbach alpha reliability coefficients.

The results on this measure for the pilot test is shown in table 5.2. Reliability estimates ranged from .70 to .80 are generally considered sufficient for research purposes (Nunnally, 1967), so the scales can be regarded as relatively reliable. The pilot test also identified several problems such as the questionnaire content, understanding of items, and time taken. Some vague sentences were noted and corrected. Each respondent took 45 minutes to an hour to complete the entire 19-page questionnaire. As expected, there was some uneasiness about the length of the questionnaire, so some amendments were made to the final version, where questions on number of training sessions attended (6-item) and types of training attended (22-types training skills) were eliminated. The final version of the questionnaire was 15-pages long and it was estimated that a respondent would take 30-45 minutes to complete it. The final version can be found in Appendix C. The contents of the finalised version contain scales which measure the following variables:

Finalised Questionnaire Design

Self-efficacy

Self-efficacy was measured by a scale developed by Lee and Gillen (1987). This scale was constructed specifically for the sales tasks performed by the respondents regarding their judgements of how well they could meet certain performance criteria such as their sales quotas and the performance behaviours specified in their performance rating. This scale is consistent with Bandura's (1986) recommendations. The coefficient alpha from past study (Lee and Gillen, 1987) for this measure was 0.83. The pilot test alpha was 0.80. Since the alpha coefficients for both studies are so high and similar, it suggests that the scale is reliable for use in this study. See Appendix C.1 for self-efficacy scale.

Self-Esteem

To measure self-esteem, two scales have frequently been used in past research. These are by Rosenberg (1965) and Coppersmith (1967). The Coppersmith scale has been tested mostly in non-selling settings such as students and clerical staff (Weiss and Shaw, 1979; Dossett, Latham and Mitchell, 1979; Latham and Yukl, 1976; and Yukl and Latham, 1978), so, it was not used in this study.

Rosenberg's (1965) measure was used to measure self-esteem because it has been used in sales settings before (Howell, Bellenger and Wilcox, 1987; Weiss and Knight, 1980). This scale requires respondents to indicate agreement or disagreement with ten statements about their perceived worth and confidence. The coefficient alpha from a past study (Howell et al., 1987) was 0.84. The alpha coefficient obtained from pilot test was 0.74, which suggests that the scale is reliable for use in this study (see appendix C.2).

Self-monitoring

For the purpose of this study, a 13-item self-monitoring scale developed by Lennox and Wolfe (1984) was used. This scale has a reliability coefficient alpha of 0.77 in a past study (Lennox and Wolfe, 1984) and a pilot test alpha of .87. The alpha coefficients are indicative of a reliable measure for this study (see Appendix C.3).

Locus of control

Most past studies have measured locus of control by an instrument developed by Rotter (1966). For this study, however, a work locus of control scale (16-item) developed specifically for organizational work domains (Spector, 1988) was selected for use. In past studies, the alpha coefficient was .85. The alpha coefficient from the pilot test was .80, indicating its reliability for this study (see appendix C.4).

Motivation

Motivation is measured by a questionnaire based on the expectancy theory where motivation is said to be the function of valence estimates, expectancy estimates, and instrumentality estimates. Valence was measured using a 13-item scale developed previously by Tyagi, (1985). No coefficient alpha was found in past study by Tyagi (1985), but the pilot study shows an alpha of .78. This result indicates its reliability for the present study. Expectancy estimates measured by a scale developed by Teas, (1981) produced a coefficient alpha of .79, while pilot test's coefficient alpha is .96. The level of coefficient alpha from the studies indicates that the scale is reliable, therefore, it was used for this study. Instrumentality estimates were measured using the scale developed by Teas, (1981). The coefficient alpha produced by past study (Teas, 1981) was .90 and the coefficient alpha for the pilot test was .91. This indicates that the scale is very reliable for use in this study. Motivation is further divided into intrinsic and extrinsic motivation by separating the intrinsic and extrinsic items from both valence and instrumentality scale (see the formulae for intrinsic and extrinsic motivation in chapter 2). The scales for valence, instrumentality and expectancy estimates can be found in Appendix C.5.

Role perceptions

A role perceptions measure that has been extensively used in recent related studies was constructed by Rizzo, House and Lirtzman (1970) (see for example, Jaworski and Kohli, 1991; Dubinsky and Yammarino, 1985; Dubinsky and Hartley, 1986). The role-perceptions scale (Rizzo et al., 1970) consists of 8-items of role conflict which produced an alpha coefficient of 0.78 in a past study (Dubinsky and Hartley, 1986a). The pilot test produced the same coefficient alpha of .82, so this scale is

internally consistent for use in this study. Role ambiguity was measured using a 6-item scale (Rizzo et al., 1970). The alpha coefficient was 0.76 in a previous study (Dubinsky and Hartley, 1986a) and .95 in the pilot test. It indicates that this scale is internally consistent, and therefore reliable enough to be used in the present study (see appendix C.6).

Although Rizzo et al.'s measures of the two role constructs had been criticised, (e.g. Tracy and Johnson, 1981; King and King, 1990; Mcgee, Ferguson and Seers, 1989), it is still considered to contain satisfactory measures of role conflict and role ambiguity (Jackson and Schuler, 1985). The more recent measure developed by House, Schuler and Levanoni, (1983) was not selected in this study for several reasons. First, this measure is quite long (43-item scales) causing a response problem to the already lengthy questionnaire used in the present study. Secondly, it has not been widely used in previous related studies (reviewed in the literature in chapter two). Only a few studies have employed this measure (Smith, 1993). Finally, it still has its limitations (e.g. Harris, 1991). In view of this, the decision was made to use Rizzo et al., (1970) as a measure for the present study.

Role inaccuracy

A scale for role inaccuracy was not found in the literature. Looking at this deficiency, an attempt was made to formulate a new scale for role inaccuracy measure. Role accuracy was measured by using a 20-item scale consisting of statements describing a salesperson's role in the company. These role statements were obtained from the discussion on salespersons' role, with each sales executive of the participating companies, and from job specification items used by the company, prior to the scale being constructed. Since the role accuracy construct is concerned with how accurate a role occupant (salesperson) perceives what his or her role partners' (immediate supervisors) expectations are, the salesperson was asked to indicate how important they think each item is to his/her immediate supervisor. Role inaccuracy might occur between salespeople and their immediate supervisor, therefore, the next step was to ask the immediate supervisor to indicate how important they think each item is to themselves. To arrive at the measure of role

inaccuracy perceived by salespersons, both perceptions of the salespersons and perceptions of immediate supervisor are then compared. From the pilot test carried out in the UK, the 20-item role inaccuracy items produced a coefficient alpha of .88, which indicated that the scale was reliable for use in this study (see appendix C.6.1).

Skill Level

In this study, skill level was measured by two variables: training perceptions of salespersons and experience level. Training perception measures skill level because it evaluates past training experienced by salespersons. By assessing the perceptions of salespeople on training activities, the skill level can be determined. However, this is not a direct link, i.e. between training perception and skill level. The training perception scale consists of 10-items in which the salesperson was asked to indicate his/her agreement to 10 statements concerning 4 elements of training effectiveness - reaction, learning, behaviour and performance achieved (Catanello and Kirkpatrick, 1968). See Appendix C.7 for the items. The alpha coefficient produced from the pilot test was .89 indicating that the scale is reliable for use in the present study.

Experience as a measure of skill level has been used in several studies in the past (Spiro and Weitz, 1990; Teas, 1981; Behrman and Perreault, 1984). For example, Teas, (1981) asked the question: "How many years have you been a salesman for your current employer?". Behrman and Perreault, (1984) used a composite measure of experience based on sales representative's (1) time with the company, (2) time with current product line, (3) time in territory, and (4) time in sales. Each experience item was individually standardized across the total sample, and then the four standard scores for each salesperson was averaged. This scale has an alpha coefficient of 0.83 (Behrman and Perreault, 1984). Spiro and Weitz, (1990) measured experience by a self-report of the number of months that a salesperson had worked for the firm, in a sales capacity. For the present study, the Spiro and Weitz's (1990) measure of experience was used, because salespersons experience measured in months was considered to be a better measure, (eliminating those salespersons who have been with the company for less than six months). An objective question on perceived skill level needed by salespersons is also asked to know what level of

education is really needed to do sales job.

Personal Factors

Personal factors of salespersons were obtained from the biodata questions and included age, gender, educational level, race and religion. Level of education of staff between the two countries was expected to be quite similar in pattern, since historically the Malaysian education system has adopted the British education system. Primary education usually spans 6 to 7 years, starting at the age of seven. Medium level education (comprehensive in the UK) takes 5 to 6 years, and higher education (further/higher education in the UK) usually takes 3 to 7 years. The minimum number of years for formal education varies from 5 to 6 years (completed primary or lower education) and maximum number of years for formal education is 11 to 17 years (completed at college or University). Formerly in Malaysia the required formal education was only standard six, meaning 5 or 6 years of formal education. Recently, the Malaysian education system has made 13 years the minimum number of years of formal education to be received by a child, i.e. no drop-outs before 13 years of education. The question asked the level of education by asking the respondents to state the number of years s/he had attended primary, secondary, and post secondary education.

Race and religion form the differential factors between the two countries. Although race and religion are sensitive areas, (regulated by law), it was necessary to gather this information for the cross-cultural implications of the study. This point was explained to the participative companies, and the respondents were made aware of the reasoning behind these questions. For the British respondents, race was categorised as White British (indigenous British), Black British, African Caribbean, Asian, and Others. Black British denotes an individual who was born in Britain but is not White. African Caribbean are those who immigrated to Britain. For the Malaysian respondents, race was categorised as Malays, Chinese, Indians and Others. For religion, age and gender, the respondents were required to state their respective answers where a blank space was provided for the answers (see Appendix C.8).

Criterion Variable Measures-Performance

Three types of performance measures were employed:

- 1) Percentage of actual sales achieved against target (performance target achieved) for 1991 was obtained from two sources: (1) from the company's record, in which the company provided the percentage of quota achieved (only in the UK), and (2) from the respondents themselves, to indicate in the questionnaire (a) the sales target set in 1991, (b) the actual sales achieved in 1991. The first method was possible in the UK, because the British companies were willing to cooperate, and give the percentage of the sales target achieved for individual salespersons in the company. Perhaps this was possible because there was a smaller number of salespeople in each British company. In Malaysia, due to large number of salespeople, it was not possible to provide this information from company records. The researcher then calculated the percent of sales target achieved, i.e self-rated performance target achieved, (only for the Malaysian respondents). Literature reviewed in chapter two found no concrete evidence as to the different impacts of performance obtained from self-report and company report sources (Churchill et al., 1985), therefore, this method is deemed appropriate for subsequent analysis.
- 2) Total annual earnings in 1991. Total annual earnings of respondents were measured by asking a question "what is your total earnings for 1991?" This forms 'self-report' data of prior year total earnings, in subsequent chapters denoted as performance earnings.
- 3) A subjective superior-rating report was measured, using a 10-item scale rated on a five-point likert scale ("excellent" to "poor"), developed by Dubinsky and Yammarino (1985). The summated performance score was used for subsequent analysis. A summated performance score has been utilized in previous research, (Goolsby, Lagace and Booroom, 1992; Behrman and Perreault, 1982, 1984). This measure is relevant for this study, because it has

been used to investigate the performance of insurance salespeople, and has shown acceptable reliability coefficients, .92 in a previous study (Dubinsky and Yammarrino, 1985) and .89 in the pilot test of the present study. Therefore this scale was found to be internally consistent when used to measure subjective ratings of salespersons' performance (see Appendix C.9). A summary of all the variables and their scale used is shown in table 5.2.

Quantitative Data Collection Methods

The finalised questionnaire was ready to be distributed in the UK in January 1992. During the course of designing the questionnaires, the researcher had the opportunity to liaise closely with the company contact person, during the interview and pilot study sessions discussed above. Further, to help ensure a good rate of returns, to clarify the project and to reiterate its importance, three lunch meetings were organised in January 1992 (just before the distribution commenced), with the insurance company's contact person, and my research supervisors. During the lunch meetings, the method of distribution was explained to the representatives and anonymity was assured to those companies that needed confidentiality.

Distribution

For the British respondents, five hundred copies of the finalised 15-page version of the questionnaire were circulated. A covering letter from the researcher (see appendix D) was attached with each questionnaire and each questionnaire was also numbered according to the names of the salespersons in the list provided by the companies. This procedure was necessary to ensure confidentiality of the salespersons names and at the same time, to ensure that the responses can be identified by the researcher only, for the purpose of matching the subjective rating forms given by immediate supervisors (names of salespersons were specified on the supervisors' rating forms). Each numbered questionnaire, and a stamped returned envelope, were placed in each envelope addressed to a named salesperson according to the earlier coded names. All these envelopes were sent by mail to the contact

Table 5.2
Summary of Measures and Reliability (Cronbach Alpha)

Variables	No. of items	Scale	Responses	Pilot test alpha	Past study alpha
Self-Efficacy	11	1-2 1-10	Yes/No 1=Uncertain to 10=Certain	.80	.83
Self-esteem	10	1-4	1=Strongly agree 2=Agree 3=Disagree 4=Strongly disagree	.74	.84
Self-monitoring	13	0-5	0=certainly false 1=generally false 2=somewhat false 3=somewhat true 4=generally true 5=certainly true	.87	.77
Locus of control	16	1-6	1=disagree very much 2=disagree moderately 3=disagree slightly 4=agree slightly 5=agree moderately 6=agree very much	.80	.85
Valence	13	1-5	1=very desirable 2=fairly desirable 3=somewhat desirable 4=fairly desirable 5=very desirable	.78	NA
Instrumentality	22	1-5	1=no chance 2=low probability 3=50-50 chance 4=high probability 5=certain to occur	.90	.91
Expectancy	3	1-5	1=no chance 2=low probability 3=50-50 chance 4=high probability 5=certain to occur	.96	.79

Role ambiguity	6	7-1	7=very true 6=true 5=fairly true 4=somewhat true 3=fairly false 2=false 1=very false	.95	.76
Role conflict	8	1-7	1=very false 2=false 3=fairly false 4=somewhat true 5=fairly true 6=true 7=very true	.82	.78
Role inaccuracy	20	1-5	1=unimportant 2=slightly important 3=somewhat important 4=important 5=extremely important	.88	NA
Training perceptions	10	1-5	1=strongly disagree 2=disagree 3=neither agree/disagree 4=agree 5=strongly agree	.89	NA
Managers' subjective ratings on salesperson's Performance	10	1-5	1=poor 2=fair 3=good 4=very good 5=excellent	.89	.92

NA = Not Available

person at the Head Office, who then distributed the questionnaires to the individual salespersons as named on the envelopes, via the branch managers. At the same time, questionnaires and rating forms were also sent to branch sales managers. A covering letter for branch managers from the researcher was attached explaining the purpose of the study (see appendix E).

The Head Office accompanied the distribution with another covering letter asking for cooperation from salespersons. The returns from the respondents were expected in two weeks from the distribution date. Almost 50 percent of the responses were received in the first two weeks following distribution. After two weeks, reminder letters (see appendix F) were sent to those who has not responded. At the same time, thank you letters were issued to those who returned the questionnaires. The branch sales managers sent their completed subjective rating forms and role accuracy perception questionnaire. All branch sales managers returned all responses promptly. Thank you letters were promptly sent out to those respective people who responded. A total of 328 responses were collected from the British sample.

The same method of distribution was used for the Malaysian respondents, with the exception of personal monitoring as in the UK. Unfortunately, this was not totally successful. The Malaysian companies response rate was lower during the first questionnaire distribution, compared with the British responses. Only about 60 responses were received. This was mainly due to two reasons: (1) no personal contacts between the researcher and the main companies during the whole process of data distribution and collection, and (2) all communications were conducted by mail, and it seems matters dealt in this way are not always very successful in Malaysia.

To overcome this setback, the researcher decided to return to Malaysia and collect the data in person. She planned an intensive two-month field-work period, to collect as much quantitative data from the respondents as possible from the two Malaysian insurance companies. Prior to the return, fresh notifications of the researcher's intended visits were sent out to the companies concerned. The intention was to make

prior arrangements to see a named contact person at the various branches, and to arrange for group meetings with the salespeople (respondents).

The researcher started the survey in Kuala Lumpur, the capital city of Malaysia, (which is also where the bulk of the salespeople are stationed). In Kuala Lumpur, the researcher, with the help of five hired research students (local students from a Malaysian University), personally distributed the questionnaires by face to face method, and collected within a few days. This exercise was carried out over a three week period. After that, the researcher visited the main branch offices (Penang, Johore Bharu, Kota Bharu, Ipoh and Alor Star) of the two companies in Malaysia. Group meetings with respondents were organized with the help of branch managers and company headquarters, prior to the visits. At these group meetings, an hour was allocated to the respondents for the immediate completion of the questionnaires and collection. Full cooperation was obtained from branch managers and supervisors of the respective company. After sticking to the time schedule, a total of 273 responses were obtained from Malaysia (see table 5.1).

Returns

In Britain, returned questionnaires showed a surprisingly high response rate. A total of 328 responses were obtained from the 435 questionnaires distributed, (a response rate of over 75 percent). This excellent response rate was credited to the tremendous cooperation and support given by company leaders involved in the project. The strategy of personal contacts and lunch meetings must have established the levels of understanding and interest generated by the company. The response rates of each company is given in table 5.1. Each British company showed a response rate of over 70 percent.

Summary of the Reasons for a High Response Rate (75%) in the UK

The possible reasons for a high response rate in the UK will now be explained:

1. The researcher made personal visits to the headquarters of each of the UK

companies prior to the actual distribution of questionnaires. The aim of these personal visits was to explain the forthcoming project in detail, and to make acquaintance with contact persons at each organization. For this reason the researcher had to travel to Edinburgh. During these sessions, the researcher managed to interview the sales executive officer of each company.

2. Lunch meetings were arranged separately at Aston University, between the researcher, researcher's supervisors and company's representatives involved in the project. The purpose of this meeting was to strengthen the previously made acquaintances, to explain the importance and the objectives of the project, and to explain the advantages that would be gained by the companies if they participated. During these meetings, a competitive atmosphere in getting the most responses between the three rival companies was accidentally created. All three companies (unknown to each other due to confidentiality) appeared to strive to do better than the other. A show of who was more efficient and in control of their sales staff could be the reason for high feedbacks.
3. Continuous communication with contact persons in the companies was sustained during the process of pilot testing, (personal distribution and observation of pilot candidates). The actual distribution of questionnaires which was carried via contact persons, not sent individually to salespersons, during the process of getting secondary company information, and also after the data had been collected and analyzed.
4. Full cooperation and commitment was obtained from the three companies in the UK, especially during collection of questionnaires. The fully completed questionnaires were sent directly to the researcher via company mail. This was to ensure that confidentiality of the information imparted by the respondents in the questionnaire, was maintained. Two of the three companies supportively paid the mailing expenses from the respondents to the researcher. 100% support from sales supervisors at the branch offices of

all over the UK, (responsible for the assessment salespersons) was also obtained. Help was also obtained from area managers of the respective companies, to collect questionnaires from unresponsive salespersons. Reminders from the researcher were sent with an attached covering letter from the company executive, reinstating the importance of feedback.

5. 'Thank you' letters were issued to individual respondents who had returned the questionnaires. Specific reports about the initial findings were given to the companies as requested. A final executive summary on the main findings for each company has been promised to be issued to each respondent who took part. Finally, each company was entitled to a copy of the results of the thesis for future reference.
6. There was also an immediate need for a development into research activity in the UK insurance companies. Realizing this as an opportunity, the companies worked willingly to achieve the objective of this research project.

The responses from Malaysia had increased from 60 to 273, making a response rate of over 50 percent. It was with tremendous effort, hard work, and extra financial cost that this response rate was obtained. Eventually, the main objective of getting almost equal sample size from each country was somehow achieved.

One of the reasons for the initial setback in returns was that self-completion-technique questionnaire did not seemed to work in Malaysia without supervision. This was shown in the poor response rate after the first postal distribution of questionnaire in Malaysia. At the second distribution, the researcher was with the respondents and having a supervisor or a power-figure present, seemed to improve the outcome tremendously. Another possible reason was that the different response rate can be accounted for by the different culture orientation of each country. For example, the secretive nature of the Chinese community (which made up 66% of the respondents under survey) may have decreased response rate, and/or the large power distance syndrome felt by the working society in Malaysia. More explanation will

be given in the 'findings' and 'discussion' chapters.

Summary of the Reasons for a Lower Response Rate (52%) in Malaysia

The followings reasons could explain the lower response rate obtained from Malaysia compared to the UK:

1. Although the researcher had made initial personal contacts with one of the Executive Officers from each company in Malaysia prior to the Ph.D, the relationship has turned cold while waiting for the actual distribution of the questionnaires, which was conducted two years later.
2. No personal communication was possible except through letters and therefore less commitment was obtained from the organizations concerned.
3. The attitude of organizations towards the research was quite negative, especially when an outside and distanced researcher was involved. This is because the organizations in Malaysia put little emphasis on the importance of internal research. Also they practise closed-door policy to outsider, in case, competitors will gain into their secrets, without looking at the benefits of research.
4. The respondents were required to fill a 15 paged questionnaire which may have been quite an effort for a salesperson to complete alone without expert supervision. This could be because the salesperson may not feel obligated to do the task for an unknown investigator or they may have other important organizational tasks to do. Also, the long distance between UK and Malaysia may contribute to the problem because of the expenses involved in sending back the rather long questionnaire.
5. Less time (two months) was available for data collection during the second field exercise in Malaysia. A longer time period could have produce better

results using this new strategy.

6. For those who want to attempt doing research in Malaysia, postal distribution may not be a good research method. It might be better to plan for personal distribution and collection from the start.

5.4 Data Analysis

Quantitative Data Analysis

All data received from the questionnaire survey was coded and entered into SPSS for analysis. Reliability tests (Cronbach coefficient alphas) were performed on all measurement instruments (see table 6.9 in Chapter Six). The most important analysis was to test the hypotheses proposed in Chapter Four. There were 22 hypotheses to be tested either by using multiple stepwise regression, t-tests, analysis of variance (ANOVA) and discriminant function analysis. For the regression analysis, a model of the hypotheses can be represented in a multiple regression equation as follows:

$$(1) S_i = a + b_1 X_{1i} + b_2 X_{2i} + \dots b_{13} X_{13i} + u_i$$

where $i = 1, \dots, n$, n is the sample size, a and b are unknown parameters to be estimated for the intercept and the slope of the functions respectively, and u is a disturbance term. S_i is the sales performance measure and X_1 - X_{13} are the predictor variables. The list of the predictor variables can be found in table 6.7 in Chapter Six, part two. A pairwise, stepwise multiple regression was used to analyze hypotheses H_1 to H_{13} .

Stepwise selection method of multiple regression analysis was chosen because tests are performed at each step to determine the contribution of each predictor already in the equation if it were to enter last. It is thus possible to identify predictors that are considered 'good' at earlier stage but have lost their usefulness when additional predictors were brought into the equation and may therefore be removed from it, (Pedhazur, 1982). Thus, this selection method may be more relevant in a study with a large number of predictor variables. Furthermore, stepwise is a combination of

forward and backward selection methods, whereby stepwise eliminates the extreme method of variables selection when either forward or backward selection method was used. Other methods of selection such as block entry hierarchical regression method was not used because each block of variables in this study are of equal importance. If block method was used, the order of entry of block of variables needs to be specified. This may cause unequal chance of variables to be entered into the equation because variables belonging to blocks assigned an earlier order of entry stand a better chance to be selected than those belonging to blocks assigned a later order of entry (Pedhazur, 1982).

A t-test was used to analyze hypothesis H14, and ANOVA or MANOVA were used to test hypotheses H15 and H16 (refer to hypotheses in chapter 4). T-tests and discriminant function analysis were used to show country differences.

The data were also subjected to product-moment correlation analysis, to establish the associations between and among predictor and criterion variables. Factor analysis was used to identify underlying factors in the same construct, for example, the valence measure contains intrinsic and extrinsic valence, therefore, the valence items were subjected to factor analysis (varimax rotation) to verify this dichotomy. Other variables in a similar dichotomous condition are role perceptions construct (role ambiguity and role conflict), locus of control (Internal vs Externals) and new instruments developed in this study such as role inaccuracy and training perceptions.

Although path analysis has been used in past studies (Behrman and Perreault, 1982; Dubinsky and Hartley, 1986a, 1986b), this method of analysis was not utilised here because it is felt that multiple regression analysis was adequate for use in this study. This is because the main objective of this study was to investigate success factors in two cultures, and not to establish the pattern of causation of the model. Furthermore, LISREL path analysis package was not available to the researcher at the time of the study.

Qualitative Data Analysis

The data collected from the interviews and secondary data were carefully analyzed and translated into five case observations (see chapter six, part one). The company data were presented into several sub-headings as follows: background, products, organization structure, performance measure, compensation plan, selection and hiring, training, appraisal system, environmental constraints and organization culture. Also cultural factors of both countries were tabulated and compared with contemporary literature review (for example, see Hofstede, 1980, 1991), as well as analyzed from personal observations and experience of the researcher. The main aim of the qualitative data analysis was to analyze hypotheses H17 to H22 (refer to hypotheses in chapter 4).

CHAPTER SIX

RESULTS OF THE STUDY

6.1 Chapter Overview

The results of this study are presented in two parts of this chapter: qualitative analysis (case descriptions) in part one and quantitative results (from questionnaire survey) in part two.

CHAPTER SIX: PART ONE

QUALITATIVE RESULTS

6.2 The Case Description

Five company cases are described, based on the interview sessions and secondary information. Each case description is structured according to the following sub-sections: (1) background, (2) products, (3) organization structure, (4) sales job specification, (5) performance measures, (6) compensation plans, (7) selection and hiring, (8) training, (9) appraisal system, (10) environmental constraints, and (11) organization culture. Fictitious names were given to each company to maintain confidentiality, as promised to the participating companies. The companies names were abbreviated as B1, B2, B3 for the UK companies and M4, M5 for the Malaysian companies.

1. The Majestic Life Assurance Society (B1)

Background

The Majestic Life was founded in the UK in 1815 and has a total of about 3000 employees. The company operates domestically via 8 subsidiaries, as well as one newly acquired European subsidiary. The company's total premium income for the

year 1991, was £880 million and the total new business premium income was £588 million (Annual Report B1, 1991).

The company mission statement is:

"to provide a competitive product range and first class investment returns for our clients, backed by a quality of service which makes it a pleasure to deal with us" (Report and Accounts, 1991).

Products

The society transacts long term business which includes life and annuity, linked long term, permanent health insurance business, and group pensions. The products they sell are different types of life insurance policies and endowment savings; unit-linked business; unit trusts; annuities and term assurance, and pensions. Life insurance and pensions can be either 'not with profits'(non-linked) or 'with profits' (linked businesses). 'Not with profits' policies are whole life policies and endowment/mortgage insurance, where profits or bonuses to policyholders are calculated based on company earnings. 'With profits' or linked policies are not fixed in money terms, are related to a formula or by reference to the value of units in a separate fund, e.g. linked to unit trusts, equities, fixed interest securities, etc. Investment trusts are companies governed by stock exchange rules, whilst unit trusts are specific investments, a number of which may be run by a management company so long as the requisite Department of Trade and Industry (DTI) authorization has been given, and as long as they meet the limitations on the scope of their investment portfolio.

Annuities are contracts which pay out regular sums either at the start of the contract period (an immediate annuity) or after a specified delay (deferred annuity). Payments usually continue throughout life and are paid in return for a single premium or a series of annual payments. Deferred annuities sometimes provide the option to take a lump sum at the end of a specified period, rather than regular payments. Permanent health insurance policies provide for income to be paid after an agreed period of illness, e.g. six months, and policies can be issued either to individuals, or to employers to cover staff on a group basis, when permanent

schemes are often written in conjunction with an occupational pension scheme.

Organization Structure

The organization structure consists of seven divisions: (1) investment, corporate development, subsidiaries, (2) servicing, (3) corporate affairs, (4) corporate services, (5) information technology, (6) marketing and sales, and (7) actuarial and accounts, (see organization chart in figure 6.1). The marketing and sales department at the national level is led by a general manager and assisted by a group marketing manager and group sales manager. The sales department administers to 20 branches all over the U.K. The sales organization structure consists of five office sections: branch sales administration, national accounts, sales training, regional divisions and mortgage development. Each branch is headed by an area manager, and/or regional manager in big cities. The names of the branch offices are listed in appendix G.

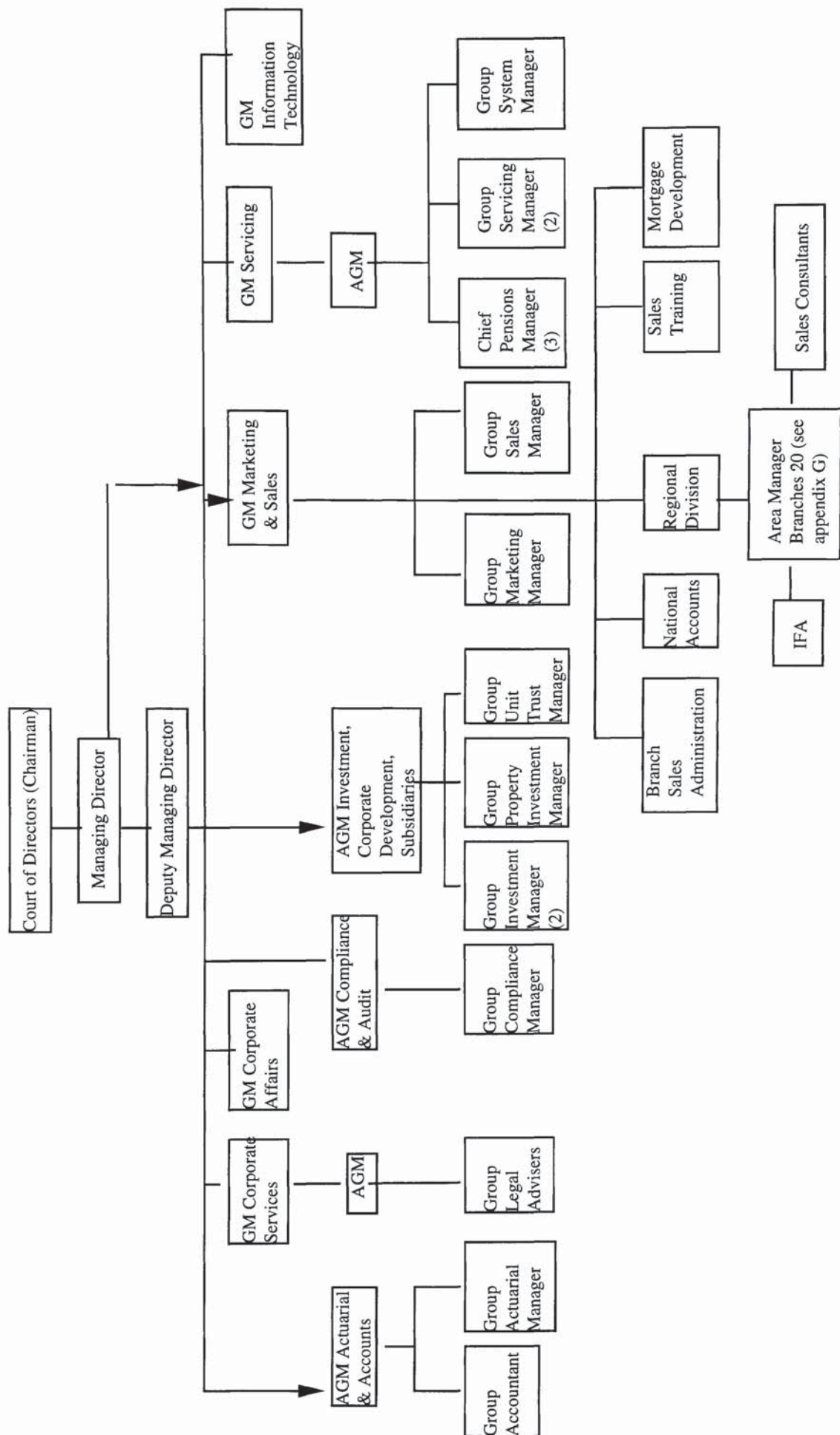
The company has 268 sales consultants who operate via Independent Financial Advisers (IFAs) or insurance brokers. The IFAs provide a vital source of objective advice and customer names to the sales consultants. There are approximately 15,000 brokers in the UK, and it is calculated that on average there are about 50 IFAs for every sales consultant. There are on average 13 sales consultants under the supervision of a regional and an area manager.

The turnover rate for sales consultants was 14 per cent in 1991, and 1.5 per cent of sales consultants were promoted to sales manager in the same year. The high turnover rate was attributed to the competitive nature of the insurance selling market, where it is not uncommon for the salespersons to quit, either because of a better offer of work, or poor performance. During the interview, there was also talk of a new remuneration plan which was to be implemented, perhaps because the existing plan was not satisfactory to the sales force/salespeople.

Sales Job Specification

The sales consultant post is further divided into several grades according to seniority: (1) assistant sales consultant grade 1, (2) sales consultant grade 2, (3) sales

Figure 6.1: Organization Chart of B1 (UK)



consultant grade 3, (4) senior sales consultant grade 4, and (5) chief sales consultant grade 5. Assistant sales consultants' grade 1 are the new recruits, and their role is to sell the company's products under supervision. They have to prove aptitude and ability at all types of intermediary selling, to obtain 'not with profits' business, and to earn their own area of business. The duties of sales consultants in general are: (1) to acquire and use to maximum effect the good knowledge of the company, firm understanding of the company's products and their applications, working knowledge of the insurance industry, basic knowledge of the main competitors, and general financial knowledge, (2) to know and implement the corporate plan and area planning particularly with regard to non or with-profit business, (3) understand the aims and objectives of the company at the corporate and division level, (4) set up and maintain a comprehensive record system, (5) learn and develop selling skills, etc (source: company's job specification).

Performance Measure

Sales performance is measured by the amount of new business sales achieved against targets set. Before 1991, the sales target or quota for each sales consultant is set by the branch sales manager, who sets it as a proportion of the branch target (previously established by head office). The head office sets national and branch targets based on a 20% increase of past year's performance. The sales targets are set against each type of product category offered by the company, such as (1) protection/others (includes annuities, all ordinary business term assurance, Whole of life and other miscellaneous business); savings (endowment mortgages); pensions (personal pension plan, individual pension and 'pension-builder'); lump sum investments (single premiums) and others. All these product categories are further sub-divided into 'not-with profits' and 'with profits' business. Each branch will be allocated with an annual target to be achieved based on past years performance. Each salesperson will be allocated different sales targets, set according to individual's experience, past year's performance, and territory (for e.g. the south higher targets than central or northern regions). The company has shown an increase in premium income of £880 million in 1991 compared to £729 million in 1990 (a 21% increase). However, from 1992, the sales target will be set based on the sales

figures given by the salespersons at the end of the 1991. The salesperson will propose the performance target to be achieved by filling in a newly developed appraisal form.

Compensation Plan

The sales consultants are paid a basic salary, plus a bonus based on sales-related performance, (sales achieved against targets). There are also sales contest awards such as incentive holidays, money, vouchers and goods. Other benefits are a non-contributory pension scheme, sick pay scheme, company car and preferential mortgage. These compensation plans have been practised since 1989. The company is planning for a new remuneration plan for the sales staff for 1991.

Selection and Hiring

The company delegates the selection and hiring of new sales consultants to branch managers. Recruitment is carried out, when needed, by an ad-hoc method, i.e. when a vacancy is found in a branch, the branch manager will immediately call for suitable candidates to be interviewed. Usually the branch managers have available short-listed names of candidates who were not appointed from past interviews. Branch managers also obtain new candidates from insurance brokers (intermediaries), such as tied agents in financial institutions, or IFAs (Independent Financial Advisers) or advertise through job centres. Rarely does the company advertise through the media, because only one or two candidates are needed at a time. A structured application form has to be completed, and then interviews are conducted. References are required for fresh applicants but usually not an important prerequisite for candidates who was obtained through brokers. The company does not make use of selection tests. Sometimes two interviews are needed before applicants are hired. This implies that the selection process in this company depends solely on the branch managers' decision. Sometimes the branch managers received candidates from intermediary's recommendations. The flexibility of this scheme perhaps give rise to a moderately high turnover rate as indicated above.

Training

The company emphasizes the importance of training programmes for sales consultants, and has a training department. Training programmes are developed in areas of selling skills, behavioural (e.g. motivation courses) and product knowledge. New sales consultants (assistants) without selling experience, have to undergo a 5-day course, plus on-the-job training. New sales consultants with past selling experience receive the same training as new recruits. Existing sales consultants undergo refresher's training programmes from in-house specialists and external suppliers.

Appraisal System

The company exercises an annual appraisal system and two interim appraisals for the sales consultants. The sales consultants are asked to fill in an appraisal form and participate in an interview session. A newly developed appraisal form for 1991 emphasises the specification of target setting, from the bottom up, that is, sales consultants are asked to specify sales targets based on what is realistic, attainable and measurable. This objective was to set up sales targets which would be viable according to the company's objectives and targets.

Environmental Constraints

The environmental constraints faced in 1991 included economic recession, and the implementation of changes to legislative regulations. There were several legislative changes made in 1990, which become effective in 1991, such as changes in the pensions field. In particular, the passing of the Social Security Act 1990, the Barber versus GRE judgement in the European Court, and the changes to the Financial Services Act, (where life companies are required to change the way they illustrate future benefits for policyholders by giving greater clarity about the many different types of products on offer).

Organization Culture

The company feels that it is one of the largest and most respected investment group in the UK, where the company has been leading the way in financial investments

for almost 178 years, in good and bad times (e.g. total investment income was 29% of total turnover in 1991, while the other two British companies in this study generate their main income from premiums). The headquarters of B1 portrays its image as a successful company. For example, the waiting room at B1 headquarters was designed to impress, looks like a small garden, complete with glass-walls and an in-house fountain.

This is possible because of the *result-oriented* (Hofstede, 1991) or *profit driven* (Deal and Kennedy, 1982) culture of the organization. Harrison (1972) coined it *achievement culture*. Sales consultants have challenging sales target to achieve every year. The company achieved an increase in turnover and profit of about 20% in 1991. The salespeople are highly regarded in the company as the 'bread-winners', since they bring in the main new annual premiums. That is why the salespeople are called sales consultants, i.e. to create high prestige job image. The efforts of the sales consultants are always praised in the company's annual report to support the sales consultants importance. The company pays the sales consultants handsomely for their efforts, and the company believes that the reasons why the sales consultants stay on in the company are because of the rewarding remuneration package and job satisfaction. This company supports research and development (R&D) in its effort to pursue excellence in performance. This support can be observed in the high response rate received from the sales consultants (77%) and sales managers (100%) involved in this project. The liaison officer in charge of this project promised a 100% response rate from the sales consultants, but the results were not disappointing even though this was not quite achieved.

As a consequence of pursuing results, the company seems to be more inclined to *job-orientation*, with less concern for employee's welfare and personal views. The company, however, is gradually changing from individual decisions (as indicated by target setting procedure in earlier years - top to bottom), towards group decisions when the new appraisal was introduced in 1991 (bottom to top). This may imply that the company is gradually changing to *employee-oriented* culture (Hofstede, 1991).

Despite of the company's belief that the remuneration package for the sales consultants is satisfactory, the turnover rate was relatively high (14%) in 1991. Although this turnover rate is considered quite normal for this company, it may imply that monetary rewards alone, without employee oriented culture, may not satisfy the sales consultants. Sales consultants may still resign if they are not satisfied with company's treatment of their welfare, personal problems and decision making. As an outcome of results-oriented policy, the company also imposes *tight control*, in the sense that the company is budget conscious and heavy emphasis is placed on punctuality during meetings and appointments. Punctuality is not only important in company's meetings but while making calls with customers. In spite of all this, the company is considered as practising an *open system*. This is particularly important in the relationship between sales managers and sales consultants. They are very helpful, and work cooperatively in a common attempt to achieve targets. For example, weekly meetings are mandatory and daily discussions are welcome at any time. Problems in getting sales are discussed intensely and without delay.

The company also believes that the company's policy of quality service and prospects for individual advancement, creates an outstanding company culture which is attractive to sales consultants. This indicate that the sales job is very much a *professional* undertaking, which emphasizes planning far ahead, (having targets) and job competence. The company's mission, also indicates an emphasis on customer needs. This implies that this company follows a *pragmatic approach* in dealing with business matters. This pragmatic attitude prevailed although the management felt certain regrets over the ever-changing insurance regulations, imposed by the Department of Trade and Industry (DTI).

The organization culture of Majestic can be summarized as result oriented (achievement culture), and tight-control, i.e. more towards job oriented (role culture) than employee oriented, considered to be professional in the job, and practised a pragmatic approach (Western culture) to issues.

2. The Fantastic Life Assurance Society (B2)

Background

The Fantastic Life was founded in 1881, and operates via six domestic UK subsidiaries, and one overseas subsidiary which is incorporated in the U.S.A. The company had 1,376 employees in 1991, i.e. about half the size of Majestic Life (B1). Even though the head office is located in Scotland, it is a mutual company, operating throughout the UK, with the vast majority of its members resident outside Scotland. The company's total premium income for the year 1991 was £315 million, and the total new business income was £196 million (Annual Report B2, 1991).

Products

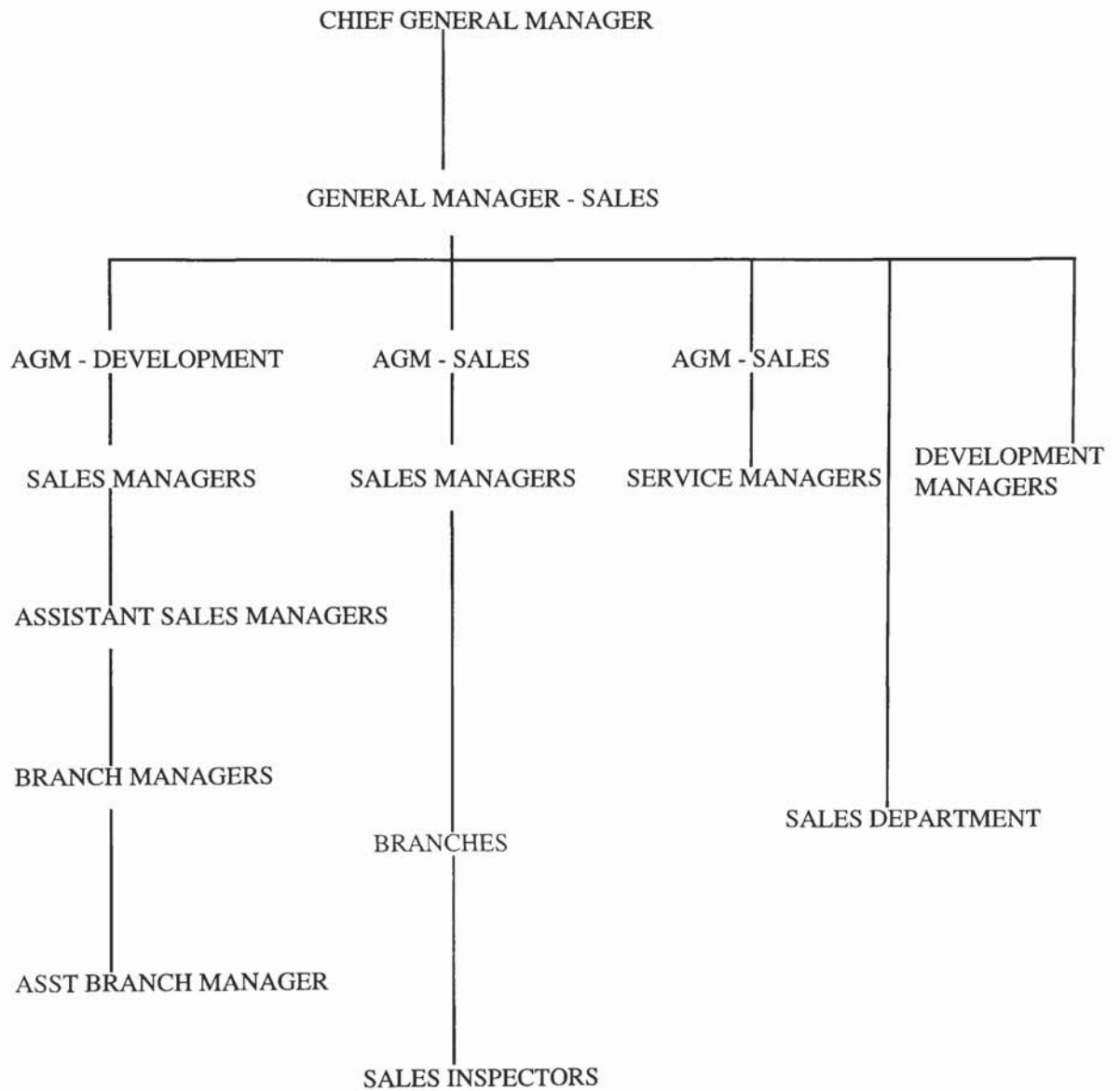
The company transacts several classes of business, such as life (non-linked and linked premiums), annuity (non-linked), and pensions (linked and non-linked), as well as group permanent health insurance and unit linked business (lump sum or single premiums).

Organization Structure

The organization is divided into seven departments: sales, administration, systems, investments, marketing, actuaries and chief accountants, and secretaries. The sales department is divided into three divisions: sales, development and services (see figure 6.2). The sales division has four hierarchical levels: general manager (GM), assistant general manager (AGM), sales managers (2) and branch managers (21). Sales managers of the sales department manage two regions: one supervises 10 branches (10 main cities in the south of the U.K, i.e. Southampton to Manchester), while the other supervises 11 branches (cities in the north of the U.K i.e. Glasgow, Edinburgh and Northern Ireland). This regional and branch territorial division is based on the amount of business volume, rather than on geographical division (see appendix H).

At the branches, the sales manager is assisted by deputy branch sales managers and

Figure 6.2: Organization Chart of the Sales Department of B2 (UK)



AGM = ASSISTANT GENERAL MANAGER

assistant branch sales managers, who jointly supervise salespeople called sales inspectors. There are a total of 130 sales inspectors, (represents 9% of the total employees) in the company that sells group insurance through intermediaries, such as independent financial advisors, insurance brokers, solicitors/accountants, and building societies. Each branch has on average 5 sales inspectors. There are also several levels of sales inspectors: probation sales inspectors, sales inspectors and chief sales inspectors. New salespeople first join the company as probation sales inspector, after which, according to their respective sales performance, they will be promoted to sales inspectors. Outstanding sales inspectors can be promoted to branch managers by going through each hierarchical level at the branch: sales inspectors to assistant branch manager to deputy branch manager and finally to branch manager.

Sales Job Specification

The job specification at branch level, is based on whether one deals with life or pension products. In the branch, there will be a life branch manager as well as a pension branch manager. Life branch managers will manage the life sales inspectors, while pension branch managers will manage pension sales inspectors. A sales inspector can therefore, sell either life or pension policies.

Performance Measure

Each sales inspector is expected to achieve the sales target set by the company. The sales target is based on a multiple of the basic annual salary. For example, the minimum requirement of sales target for life sales inspectors is 12 x basic salary while the maximum requirement is 17 x basic salary. Individual salesperson's target is decided by the number of years in the company (experience) and the territorial area of workplace. The average annual sales target for sales inspectors can range from £90,000 to over £150,000, while the maximum requirement varies from over £130,000 to over £250,000. For the pension sales inspectors, the minimum requirement is the same as for the life sector, but the maximum requirement is set higher at 20 x basic salary. This is because pension targets involve bigger sums since they are group pensions of a certain company and also because it is probably

easier to obtain. Sales inspectors who have just joined will have to submit weekly reports until they achieve their minimum targets.

Experienced inspectors propose weekly targets, which are fed into an on-line computer system to the sales manager's office at branch and regional level. Each sales inspector has to achieve an average of about 8 per cent of target per month, to be able to achieve yearly targets. The sales inspectors will also have to be aware of the time of the year, for example February to June, and the summer months are considered good business times, so they have to achieve their main sales volume during these times. Towards the end of the year, when the festive season approaches, business is considered quite slow. Usually, all inspectors reach their minimum targets. The branch manager has to submit a report on sales targets achieved every two months while weekly reports are expected from sales inspectors.

Compensation Plan

The sales inspectors are paid on a basic salary scheme, plus bonus, which is reviewed for inflation every one or two years. In 1991, the basic salary was adjusted for a 7 per cent inflation rate. Some examples of basic salary schemes are illustrated below:

Probationary inspector basic annual salary:

First Year - £7,773

Second Year - £8,565

Inspector basic salary:

First Year - £11,112

Seventh Year - £15,591

The bonus paid is based on targets achieved using a complex calculation. For those sales inspectors who exceed or reach targets, the bonus may double their salary. For example, different levels of sales inspectors and managers might receive total earnings like the following:

	Life	Pension
	£	£
Average Probationary Inspector	22,000	18,000
Inspector	28,000	31,000
Chief Inspector	32,000	30,000
Assistant Branch Manager	46,000	46,000
Branch Manager	39,000*	44,000*

(* higher basic salary, no bonus from personal sales)

Other incentives given for field sales staffs are expense allowances: 7 per cent of fixed salary, contest awards: free holidays/trips to e.g. to the Superbowl, Bermuda, and Kenya. Other non-financial incentives are branch manager's praise and invitation for speeches as a role figure.

The company foresees some problems in compensating sales inspectors through promotion due to the limited senior posts (assistant/branch managers). During recent years, an outstanding probationary inspector usually took two years to be promoted to inspector, and three years to be promoted to chief inspector. There are now many chief inspectors who are eligible for the post of assistant or branch manager, but due to the above problem, nothing can be done about it at the moment.

Selection and Hiring

Selection and hiring of sales inspectors is carried out on a small scale when needed. To recruit sales inspectors, several methods are used such as advertising in papers, personal applications via financial advisors (applicants are mostly clients or customers), job centres, higher institutions and career centres. The company has never used hiring agencies before, because it is expensive. However, they are negotiating with one agency for future selection exercises. On the whole, Fantastic feels that recruiting is becoming increasingly difficult, because it is difficult to get enough applicants that are technically competent and honest. The company feels that trustworthiness is a very important trait to look for in a candidate, but the company does not use any psychological tests.

Selection is usually carried out by traditional interview methods, where two or sometimes three interviews are conducted with possible applicants. They prefer to hire young people and train them from scratch. On the whole, the company thinks that successful selection and hiring have been carried out in the company, since there is a very low sales inspector turnover rate, (less than 2 per cent in 1991) and there have been very few failures among sales inspectors. The company regards the existing sales inspectors as ambitious and having initiative.

Training

The company believes in good training but is not always successful in providing this. There are three types of sales training for the new sales inspectors: (1) fresh inexperienced recruit training (2-3 years); (2) recruits with university qualifications (especially business students) - 12 months training, and (3) experienced trainees (6 months). The trainees are taught all subjects related to sales work, from matters about the company, legislation and selling skills. Since standards are important, trainees are evaluated using tests on the subjects assigned. The new recruits are also assigned to on-the-job training in different departments, as support sales or at branch offices. The trainees are given manuals and progress reports, to inform them of the complete training structure.

Managers are responsible for the trainees, who are expected to complete their own study programmes, one-to-one training exercises with the branch managers, and attend workshop sessions by service managers and AGMs. Certain important subjects like selling techniques are also carried out in the form of 2 or 3 day seminars, by external professional trainers. Existing sales inspectors who need a refresher course are encouraged to join in. The existing sales force has to attend a bimonthly training workshop, to identify immediate sales problems and to plan training needs.

Appraisal System

Appraisal of sales staff is carried out on an annual basis. Sales managers and branch managers will appraise field staff (sales inspectors and assistant branch sales

managers) and assistant general managers (AGMs) will appraise branch managers. Three types of formal appraisal forms are used: branch manager's annual report; deputy/assistant branch manager's annual report, and inspector/consultant's annual report. The management thinks that more frequent formal appraisal at the managerial level should be conducted. In practice, sales managers appraise their sales inspectors once in two months and branch managers also have regular monthly or weekly meetings, (sometimes daily if an inspector is having a problem). On-going monitoring takes place and field staff are constantly appraised to monitor targets and produce figures. Traits of sales inspectors are observed by branch managers when considering promotion. The positive traits looked for are, for example, positive attitude to sales, full-member of branch team, care and concern for junior members, helping trainees and contributing to branch training, getting on with other people, and always giving encouragement. The formal annual appraisal is conducted through interviews with sales inspectors. Objective monitoring of sales inspectors, (i.e. achievement of sales target) continues throughout the year, while the annual interviews are used mainly for the subjective appraisal.

Environmental Constraints

The company reported several environmental constraints for the year 1991, such as economic recession in the UK, a sluggish residential mortgage market, and widespread political and social upheaval in the world. For example, the invasion by Iraq of Kuwait, the leadership coup in the Soviet Union, turmoil in most Eastern Bloc countries and, eventually, the disintegration of the Soviet Union. Each of these, in its own way, affected the world capital markets at a time when the main industrial nations were experiencing an economic slow-down.

The company also expressed constraints in terms of regulations, where there was intense pressure to try to eliminate the financial shortcomings in the present system, under the Financial Services Act 1985. The Act, among other things, requires the company to improve the information to consumers regarding retail investment products, and to simplify what is on offer for prospective policyholders. The task of the life assurance company was to discuss this matter with the individual

investment or financial advisers (IFAs), because the IFAs need to understand their clients' needs and to recommend the product and the supplier, which are most likely to meet these needs. i.e. the life assurance companies. The company's pension schemes were also affected by the law that arises from the Barber judgement in the European Courts (see discussion in B1).

Organization Culture

There was an increased in total income turnover of 23% in 1991 (see table 6.3), a little higher than company B1. This increase is attributable, in part, to the results-oriented culture that the organization stresses. The sales inspectors are set with high challenging goals each year, (as high as 17 x basic salary) with emphasis on job-oriented culture. The price that the sales inspectors have to pay is highly job-oriented salespersons, considered sales tasks as professional and most often than not, they have to do job under tight control, i.e. working under budget limitations and stress on punctuality. This was observed during the pilot tests exercise that was conducted with the sales inspectors. They are very disciplined and punctual. Perhaps, they have to be so, because they have tight schedule and sales targets to complete.

Among the three British companies surveyed, the salespersons from this company were observed to be most obedient in following instructions from their managers, (as shown in the number of questionnaire received from the total number of salespeople- 91/130- a high 70%). Why is this so? Perhaps there is commitment from all sales managers and the regional sales manager in charge of this project, and is a highly respected person. One of the possible explanations was that he has close relationships with all his subordinates. This implies that the company practises an open system. Another possible reason, is that the company practises *normative attitudes*, i.e. it emphasizes correct procedures, high ethical standards, honesty and obedience.

The organization culture can be summarized as follows: result oriented, tight control, job-oriented, professional, open systems and strict to rule (normative) (see supporting evidence from organization culture survey in appendix N.1).

3. The Terrific Life Assurance Society (B3)

Background

Founded in 1831, Terrific Life was incorporated in Great Britain, and holds shares in five other subsidiaries. The total number of employees was 1,683 in 1991, slightly bigger in size compared to B2, but smaller than B1. The company generated a total premium income of £502 million in 1991, of which new business premiums were £453 million.

The company's mission statement in 1991 was:

"To advance our position as a leading provider of pensions, life assurance, investment and related products", (Annual Report and Accounts, B3, 1991).

To achieve this mission, the aims are set in terms of:

- to provide our customers and their dependants with financial security through pension plans, investment plans and life assurance,
- to continue developing new and modified products in response to changing customers' needs, and always to support them with the highest quality service, and
- to provide the best possible value for money to our customers (Annual Report and Accounts, B3, 1991).

Products

The company's principal activity is the transaction of ordinary life assurance and annuity business in the United Kingdom. Annual premiums consist of non-linked and linked life and pension policies, and single premiums that consist of linked life policies, non-linked annuity policies, and linked and non-linked pension funds.

Organization Structure

The organization structure of the company consists of three hierarchical levels: group executive, operating divisions and four divisions (international, financial and

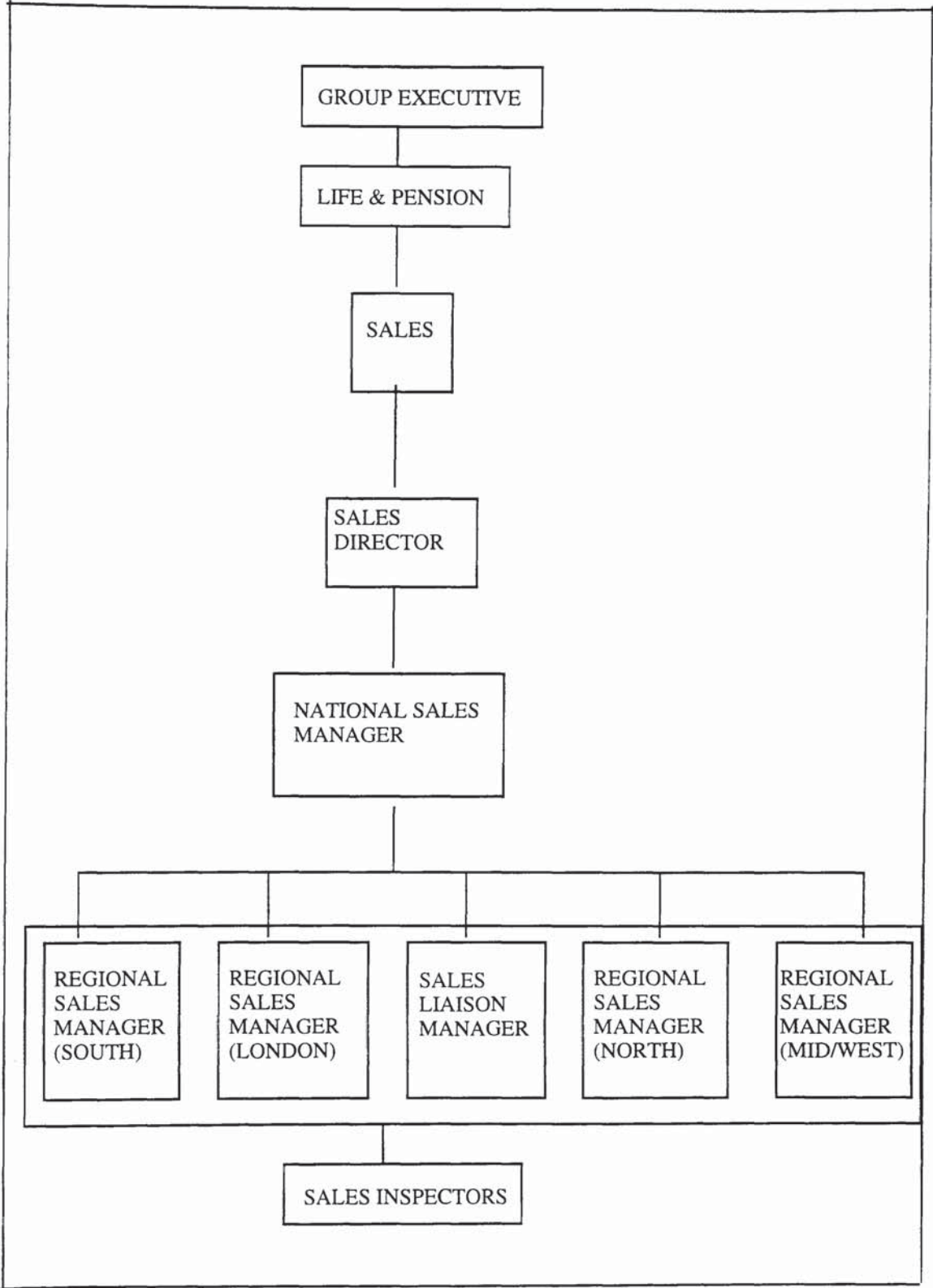
investment services, life and pensions and investment managers). The aim of having an operating division, is to separate strategic from operational work which will provide greater flexibility in a working environment. The sales department which is handled by the life and pensions division, has four hierarchical levels: sales director, national sales managers, regional sales managers (4) and branch sales managers (30) (figure 6.3). The four regional sales managers are divided according to territorial business volume as follows: south - 10 branches; central (London) - 7 branches; north - 6 branches; and mid-west - 7 branches (see appendix I). There are a total of 250 sales inspectors selling both life and pension schemes, representing 15% of the total number of employees. This percentage is slightly higher than B1 and B2 (both 9%).

Sales Job Specification

The sales inspectors have the basic function to achieve their share of the branch's new business target by persuading agents, prospects, and members to place business with the company and to represent the interest of the company in their territory. Agents are Independent Financial Advisers (IFAs), or insurance brokers, (insurance intermediaries) through whom most transactions of life and pensions business are conducted in the UK. The main responsibilities of sales inspectors are as follows:

1. To assist the branch manager identify and classify by size all significant potential agents for the company's contract within his territory.
2. To call on specified outlets in his territory at frequencies agreed with his branch manager.
3. To plan his journeys so that his territory is covered efficiently and his time is used most economically.
4. To expand the company's connection by carrying out prospecting calls on all agents, potential agents, members and prospects in his territory.
5. To provide a weekly review of calls and interviews secured, quotations and proposals received, the number of new agents appointed and information on competitors' activities and contracts.
6. To ensure that the agents and members record cards are maintained with

Figure 6.3: Organization Chart of Sales Department of B3 (UK)



- accurate and relevant details obtained from visits and advice from branches.
7. To fill in proposal advices and deal with relevant correspondence and administration in connection with the transaction of new business. This includes the calculation or checking of their own quotations in accordance with the practice of their branch.
 8. To study and conform with the instruction manual and serial memos and keep themselves informed of current developments in all fields of life assurance and pensions business.

The sales inspectors also have limits to their discretion. For example, they may not: change the cost of a policy outside the company's rate book; spend more than the agreed expenses without reference to the branch manager; and give instructions to branch staff, except by agreement with the branch administration controller.

Performance Measure

The performance of sales inspectors is assessed on the following characteristics: sales performance in relation to standards, (achievement of sales against quota); achievement of targets within the agreed time scale; technical competence and knowledge of the company's contracts; responsibility and influence, enthusiasm and loyalty. The calculations of sales target achieved are expressed as "credits". The amount of credit awarded for each piece of new business is calculated using a formula which includes the premiums payable and the term of contract of the policy sold, (normally to a maximum of 15 years). A long term regular premium contract, (annual premium) will earn more credit than a short term one, (single premiums), because it generates more income for the company. The formula was not given to the researcher because of confidentiality.

Compensation Plan

The sales inspectors are paid a basic salary and bonus. The amount of bonus paid is calculated based on the amount of "credit" which the sales inspectors have achieved. It was not unusual for the sales inspectors to achieve 60 to 200 per cent of sales target specified annually. It was suggested that 10 to 20 per cent of targets

depended on the territorial potentials. Other incentives given to sales inspectors are subsidized mortgages, a company car, and special awards for outstanding performance and promotion.

Selection and Hiring

Hiring of new sales inspectors is the responsibility of the branch sales manager. It was felt that branch managers are in a better position to know whom, when and where to hire new people for his branch. The procedure is very much similar to company B1, where the branch managers are entirely responsible for recruiting. Candidates are obtained from existing short-listed names from past interviews, or from personal contacts with intermediaries. References are required. Sometimes advertisement are carried out through job centres. One or two interviews are conducted on the potential candidates before appointing, but the company do not exercise any form of tests on the candidates.

Training

Sales training is carried out by a special support system from the training department. The types of courses are refresher courses, general pensions courses, induction courses, advanced courses, new contract courses and on-the-job training. On-the-job training is the responsibility of the branch managers. New recruits without any sales experience, (undergraduates and A levels) undergo 1-2 years of training and have to pass four levels of tests. Experienced new sales recruits still have to undergo training, in order to familiarise themselves with company products and policies, and the training time varies from 2-6 months.

Appraisal System

The sales inspectors' performance is appraised solely by looking at the percentage of target achieved at the end of the year. There is no formal appraisal system practised in the company at the moment. Appraisal for promotion is conducted through informal subjective opinions of their immediate supervisors, and the top level managers based on the performance measures mentioned above.

Environmental constraints

The company questions the value and wisdom of regulations imposed by the Financial Services Act 1985, where some of the changes produce relatively minor refinements, but at a higher cost to the company. One of the new regulations is for the disclosure of commission and expense charges. This is one difficult area to justify but substantial progress is clearly visible in complying with this regulation. Many Independent Financial Advisers (IFAs) feel that the regulations operate to their disadvantage, and in recognising these shortcomings to the life assurance main distribution channel, the company participates in short-term funding assistance to IFAs designed to boost their confidence.

Organization Culture

The company is firmly committed to a strategy of focusing on the marketing of all types of products specified with special emphasis on pensions business. This strategy indicates how results-oriented the company is, (Hofstede, 1991). The results-oriented policy is further enhanced by the increased income turnover of 37% in 1991. To achieve an increase in turnover, the company stresses job-oriented culture, where there was less concern on group decisions and family welfare. The company emphasizes giving salespersons more responsibility and control over their product arrangements. The salespersons regards their job as professional, and this was endorsed by the Chairman of the company in their annual report. The company practices a less tight control (loose control) over their sales consultants compared to B1 and B2. This is revealed in 1992 annual report which reported that the company "is establishing a trend towards giving individuals more responsibility for, and control over, their product arrangements" with clients. Some degree of jokes and humour among the sales consultants were observed by the researcher during pilot test sessions. This informal atmosphere was not observed in B1 and B2. The company also emphasizes a pragmatic approach to dealing with problems, and especially highlights its mission and objectives in satisfying customers needs. This is to maintain a strong market for their product and services. To accomplish this, the company places great importance on the quality of the systems, training and office services. Quality in customer services is also emphasized where and it has managed

to make considerable progress in achieving service standards both to IFAs and clients.

To summarize, the company's culture is characterised by a loose control, is results oriented, professionals, operates an open system, is job oriented and pragmatic approach to problems.

4. The Matahari Insurance Company Limited (M4)

Background

Matahari was incorporated in Kuala Lumpur in 1963, as a subsidiary company of an American insurance group based in Hong Kong. The total number of employees is 4,500. The company's total premium income was M\$ 416 million (£119 million) in 1991. New business premium income was M\$ 351.3 million (£100 million) in 1991.

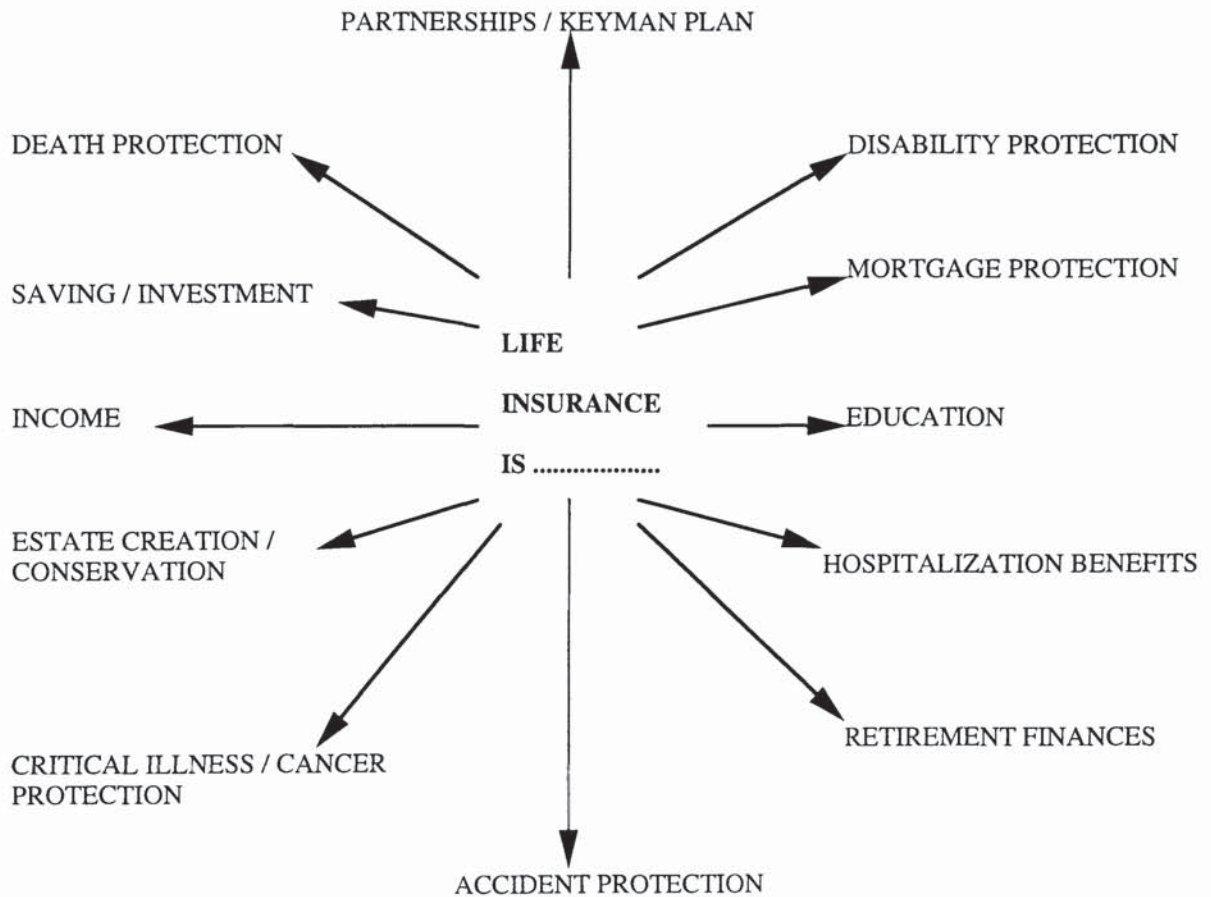
Products

The company deals with all forms of life assurance, group insurance, annuities and general insurance. The main life assurances are whole life and endowment policies. In each policy, the customers have several plan choices such as ordinary, 'excelife' (a name of a policy plan) or financial guardian. Endowment can be life endowment, graduate or scholar endowment (education plans), term insurance and single premiums. The agents sell the products mostly through direct personal selling to customers, although intermediaries are sometimes used. Using a marketing concept, the products are regarded as 'needs, benefits and protection' for the customers. Thus the names of the product offered are called according to this product concept. The products offered are illustrated diagrammatically in figure 6.4.

Organization Structure

The organization structure is made up of a complex hierarchy consisting of mainly six levels: (1) executive vice president (also acts as general manager and principal officer) (2) deputy principal officer, (3) eight vice presidents of divisions -

Figure 6.4 Definition of Products in M4



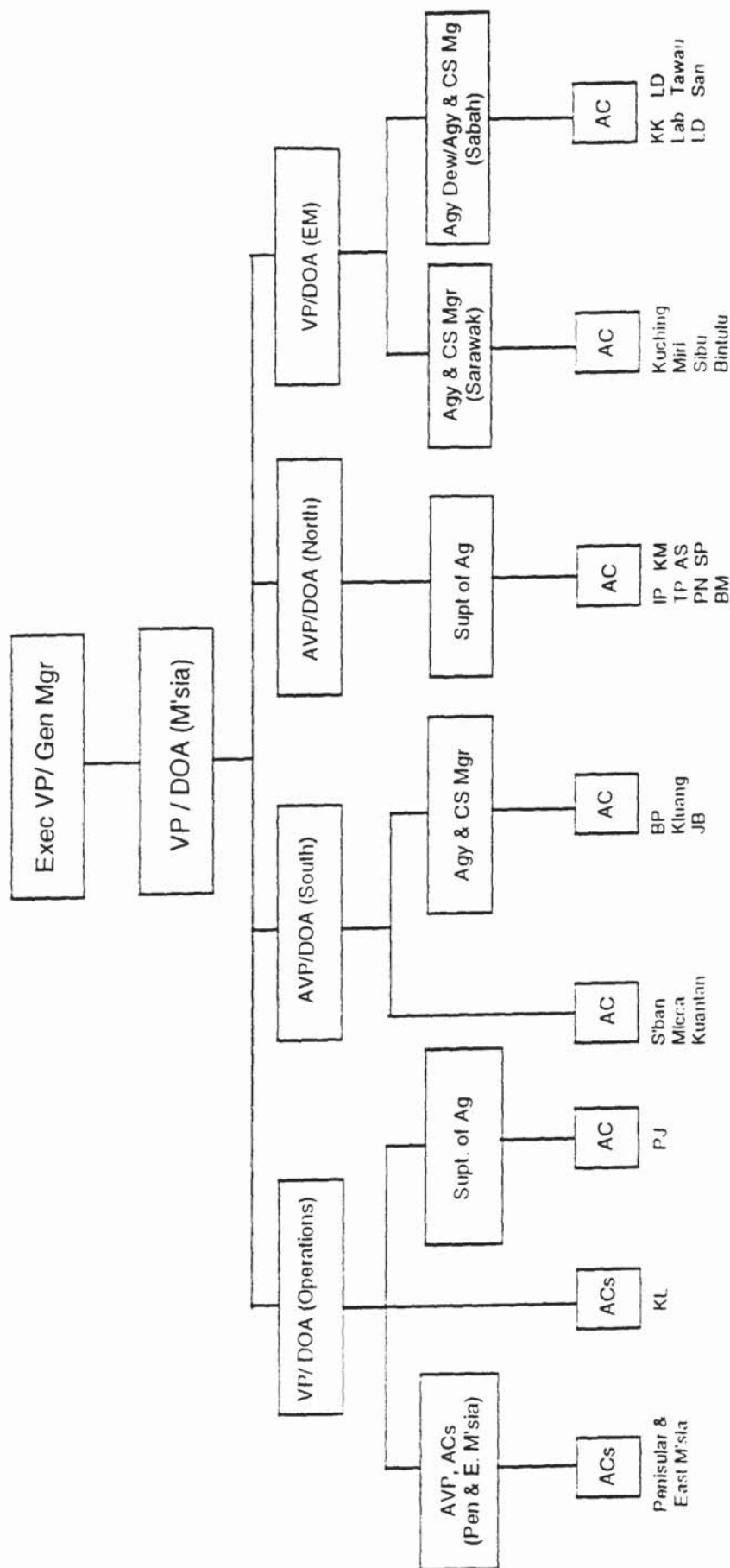
marketing, sales, accounts, investment, operations, administration, corporate planning, and group, (4) assistant vice presidents of subdivisions (5) superintendent of agencies and agency coordinators (6) various managers' posts. All these posts are stationed at the Head Office. The organization structure of the sales department is illustrated in figure 6.5. The sales division is divided by regions: central (operations), south, north and east Malaysia. Each regional division is headed by a vice president director of agencies (DOA). There are 25 branches in Malaysia (see appendix J). At branch level, the sales department is managed by a Branch Manager with the help of an assistant branch manager and sales agents. Although the company has about 4500 sales agents in 1991, only 1500 (one third) can be considered as active agents in the company. This was the population of sales agents that was taken for this study. Active agents are those who are consistently producing income for the company. The number of active agents are calculated based on the activity ratio of an agency. An agency is a group of sales agents working under a leader appointed by the group which covers a specific area. For example, an agent was recruited by an agency leader called an agency organiser. If s/he shows good progress in sales (i.e. showed good performance) s/he can recruit new sales agents under him/her and form another agency. In this way, the number of agencies will be increased. In 1990 there were 368 agency leaders in the whole country while in 1991 there were 390.

An agent has a two-way career path, in that, s/he can choose to be promoted to agency management based on an outstanding performance or remain a senior agent, i.e. is not involved in managerial tasks. The career path for agents is presented in figure 6.6. If an agent chooses to promote her/himself to agency management, s/he has to start recruiting new agents under their supervision. When s/he starts to hire, s/he will be considered as an agency leader. This means that agency organiser is the lowest rank of agency leaders.

Sales Job Specification

The agent is authorised to procure and transmit to the company applications for all forms of life assurance, group insurance, personal accidents insurance and annuities

Figure 6.5: Organization Structure of the Sales Department of M4 (Malaysia)



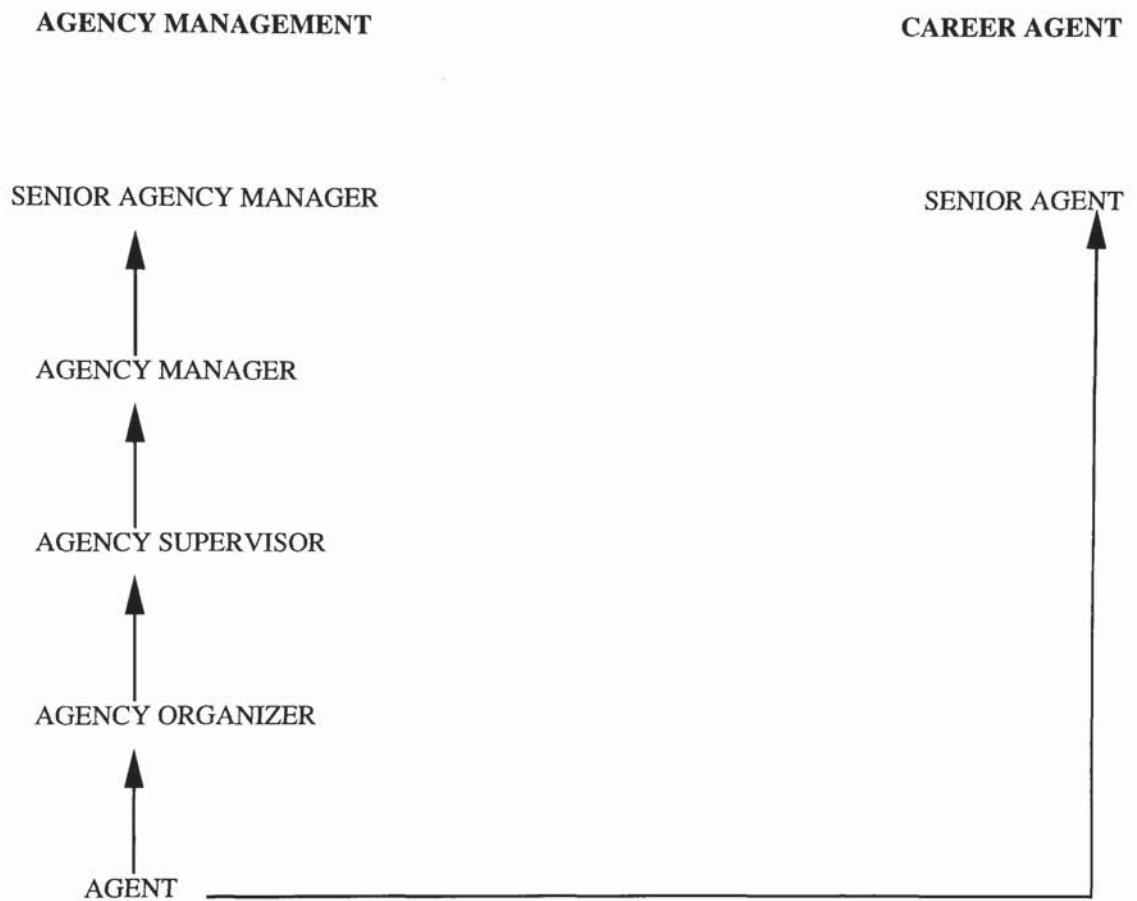
HEADCOUNT

DOA M'SIA	-	1
Reg. DOAs	-	4
Supt. of Ag	-	2
ACSM	-	4
ACs	-	18*
TOTAL	-	29

* 4 Mgt Trainees

- Note :
- 1) AC - Agency Coordinator (AC)
Agency Development Manager (ADM)
Asst Agt Devt Mgr (AADM)
Branch Manager (BM)
Asst Branch Manager (ABM)
 - 2) Supt of Agy - Superintendent of Agencies
 - 3) Agy & CS Mgr - Agency & Customer Service Manager
 - 4) DOA - Director of Agencies

Figure 6.6 : Career Path of Sales Agents in M4



within the territory of business, to collect and pay over to the company first year premiums on such business. Other roles of the agents are described as follows:

- (1) prospecting for projects or customers and the markets. In prospecting the agents should be aware of insurance markets, continuously prospecting and selective of the prospects (those who can pay).
- (2) The agents must complete sales presentations: practise need selling (find needs and desires of customers), demonstrate good communication skills and understanding, suggest affordable premiums and realistic premium mode to the customers, proper product or rider based on needs and have a satisfied policyholder.
- (3) Once a policy is sold, it is the duty of the agent to deliver the policy agreement and secure the first premium payment from the customers. This is to ensure continuous rapport with the policy holders. The agents should give clear illustrations to policyholders where the minimum needs of the policyholders are itemized, needs accomplished, with needs not accomplished and recommendation for future implementation is described, using illustrative charts and graphs. The agents should try to obtain referred leads i.e. names of policyholder's friends and relatives in order to tie the policyholder to the agents. While servicing policyholders, the agent must ensure that the policyholder is always satisfied and promise continued service by the agent to policyholder.
- (4) Agents must give continued service to policyholders by an annual review of all policyholders. It is the responsibility of the agent to review new products produced by the company, new ideas, new relevant laws, new relevant taxes and new circumstances of the policy holders, (for example, new job, new house or new baby, etc). The agents should tell the policyholder to have all future callers (other producers) who want to see the policyholder to contact the agent for information regarding the policyholder's insurance portfolio. In this way, the policyholder will be tied to the agent. To ensure continuous service, the agent must be a professional and try to build a clientele of well satisfied and properly covered company policyholders.

Sales Performance Measures

The company measures a sales agent's performance mainly by the amount of first year premium (FYP) obtained per year. Each sales agent is set a sales target, or quota, in terms of first year premium achieved. The minimum requirement for an agency leader is to produce M\$50,000 (£14,286) FYP every year. The company also measures performance by the number of policies (cases) sold. New sales agents are required to at least produce one case per month. Another criterion to measure performance is persistency rate. Persistency is a measure of how many policies lapse in a year. Persistency is waived for first year agents. Persistency rate is calculated based on a formula of counting lapsed policies against the total number of policies. A sales agent's performance is measured by multiplying the total first year premium by the percentage of persistency, for example, with 80% persistency of M\$10,000 (£2,857) FYP (first year premium) the agent's actual performance for that year would be only M\$8,000 (£2,285).

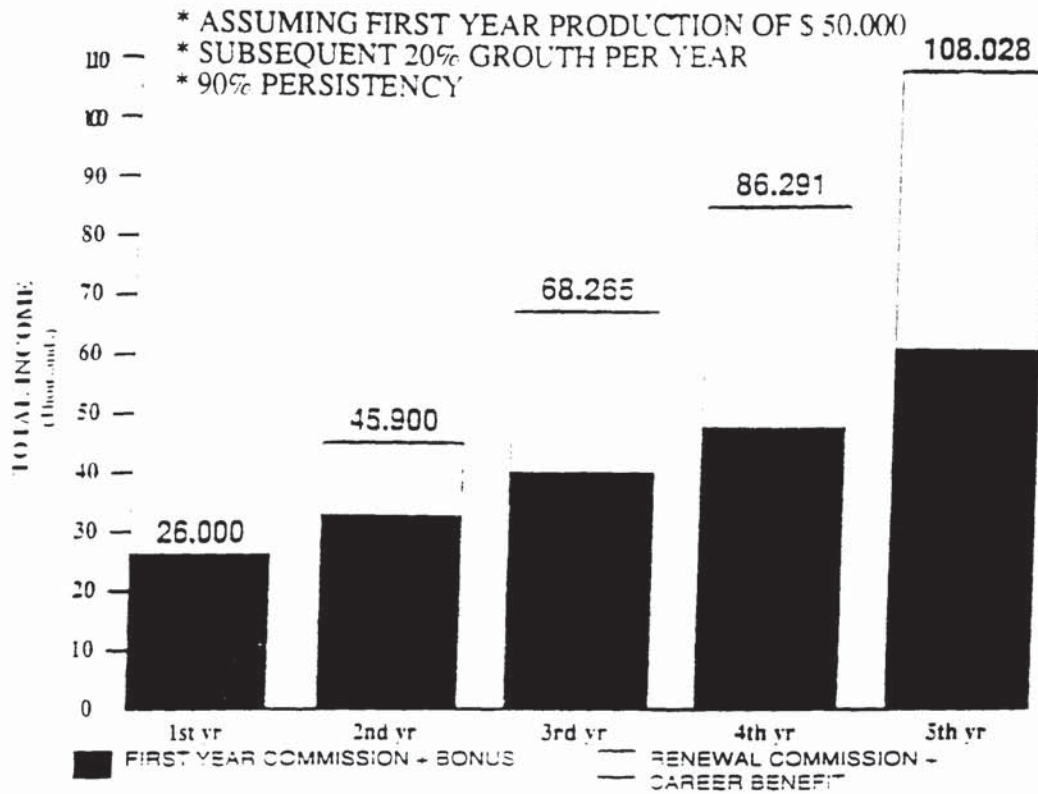
Compensation Plan

The agents are only paid on commissions based on the first year premiums and renewal commission of the existing policies. The company pays 40 percent of the first year premiums obtained. If the FYP achieved is more than M\$10,000 (£2,857), an additional bonus called special production incentive is paid which ranges from 4 percent to 18 percent of total FYP. On top of that, the agents are entitled to a career benefit which is based on all individual life business renewed by the agent. The career benefit is calculated based on the percentage of the amount of 2nd to 6th year service commissions earned from the month of March of the current accounting year to the month of February of the following accounting year.

Assuming first year production of M\$50,000 (£14,286), subsequent 20 percent growth per year and 90 percent persistency, the agent's income for a 5 year period is M\$ 334,484 (£95,567). This is illustrated in figure 6.7.

The company also offers a wide range of other financial and non-financial awards for outstanding performance. The names of the awards are listed in appendix K.

Figure 6.7: Agent's Compensation Plan for a 5 - years Period (M4)



	1st Year	2nd Year	3rd Year	4th Year	5th Year
FYP	50.000	60.000	72.000	86.400	103.680
5th RC					1.640
4th RC				1.822	2.187
3rd RC			6.075	7.290	8.748
2nd RC		13.500	16.200	19.440	23.328
FYC	20.000	24.000	28.800	34.560	41.472
BONUS	6.000	8.400	11.520	13.824	18.662
CAREER BENEFIT			5.670	9.355	11.991
TOTAL INCOME	26.000	45.900	68.265	86.291	108.028

TOTAL INCOME FOR 5 YEARS = \$334,484

* RC: Renewal Commission

FYC: First Year Commission

For example, the purpose of the 'ABC-Aptitude Club' award is for the recognition of activity and production of agents and leaders. The qualifying period is every 6 months of the accounting year, i.e. December to May, June to November. The qualifying requirements for agents are (1) minimum of 4 accepted and paid for life applications within each production month for 6 consecutive months, or a minimum of one case a month, with a total of 30 accepted and paid for life applications, (2) a minimum of 75 percent persistency at the end of every 6 month period. For new agents, persistency is waived for their first year. Those agents who qualify for this programme are awarded (1) invitation for two to attend dinner, (2) certificate (3) pen award for 3 times consecutive qualifier (18 months consecutive), (4) a gift valued M\$750 (£215) for 36 consecutive months qualifier, and (5) recognition will be given to the qualifiers by featuring them in the Bulletin Supplement, (an internal circulation). The awards for each programme or contest, vary according to qualifying requirements. Some of the awards given for these activities are trophies, plaques, overseas award presentations, free medical expenses, and free holidays.

Selection and Hiring

Agents are continually recruited by agency managers. The survival of an agency is solely dependent on how strong the existing sales force is and how many new recruits are hired. Since agents earn their income mainly from commission, most of them feel that they are not obligated to the company. In this way the agents are free to resign as they please, depending on whether the earnings are attractive or not. The turnover rate for agents may be very high, and can sometimes reach 100 percent in some agencies. An agency is considered as its own business entity, where the leaders are totally responsible for the performance of their subordinates.

Even though agency leaders are entitled to select and hire sales agents, these procedures are guided by company rules and regulations. For instance, the selection of prospective agents should follow Selection and Interview Blueprint (SIB) regulations, i.e. the agency leaders have to be selective, in the sense that the candidates must have a good image, good success patterns from past employment, if any, good communications skills, and market potential. 'Market potential' means

that an agency leader has an idea where to place the prospective agent.

Education is not specified as a selection criterion, but preferably the candidates should have completed Form Five Malaysian formal education which is equivalent to GCSE level in Britain. So the agency leaders have to continuously and effectively recruit. This can be done by gathering names and information of many candidates while prospecting for customers. In this way, there is a constant source from which to select, match job and person and follow each step of the process given by the company selection procedures (SIB). Those candidates selected at agency level are given a basic course in selling in preparation for an insurance industry examination required before anyone can practise selling activities. This examination is called a pre-contract examination, and this company offers the examination twice a month. Only after a candidate passes this examination will s/he be hired by the company. The hiring procedure ends with the candidate signing a contract with the company, in which the contract specifies the 'dos and don'ts', and the method of commission payments to the agents.

Training

The company has structured training programmes for the agency force. Its emphasis on training can be seen in the training facilities provided at the head office level and each branch office. Seminar rooms and lecture halls are common features provided by the company in every branch office and head office. The agency manager is responsible for the recruitment and training of new agents. A new agent is trained in a career orientation programme, and agent's basic course. After that, s/he will sit for the industry examination mentioned earlier. After s/he has passed the examination, the agent is trained by the agency manager in a basic selling course, an agent development seminar, a structured selling course, and pre-management orientation programmes. There are also available self-study courses distributed by the Life Insurance Counsellors, the Chartered Insurance Institute, the Malaysian Insurance Institute and the Chartered Life Underwriter and Life Office Management Association. When an agent has promoted herself/himself to an agency leader (Agency Organisers upwards), training patterns are changed to management training

courses, fast start trainers' courses, field management courses and courses offered by the Life Insurance Marketing and Research Association (LIMRA) of the USA. Other training programmes are in the form of technical workshops, motivational talks, sales congresses and sales-related seminars. All training can be conducted at branch or national level.

Appraisal System

The company provides a computer network through which the sales performance achieved is reported daily by the agents at the branch. All these feedbacks are monitored and sorted at the Head Office in Kuala Lumpur and reported back to the branches in the form of daily, weekly and monthly reports. By this means, the agents are able to know from headquarters what weekly or monthly performance have been achieved. There is no paperwork needed because of this computer network. It was observed by the researcher during her visits that, at Head Office, the superintendent of agencies who controlled the branches, had daily meetings to discuss daily performance targets achieved by the branches. Monitoring feedback is a continuous process at all levels where prompt reprimands and consultations were given when needed. It is therefore the duty of all sales agents to disclose their sales performance at the end of the day, or before 10 the next morning. Appraisal of the agency leaders was also carried out daily based on sales achieved, (number of policies sold and first year premiums submitted).

Environmental Constraints

The activities of all insurance companies in Malaysia is monitored by the Central Bank of Malaysia (CBM). To ensure stable and orderly growth in the insurance industry, the CBM continues to focus particular attention on financial discipline, managerial professionalism, efficiency and quality service to the public. To instil greater financial discipline in the insurance industry, a legislation on Malaysian Insurance Accounting Standards (1991) was announced. All insurance companies are required to observe the Standards and Guidelines which set out a uniform basis for the accounting treatment for investment, premiums, acquisition costs, claims and reinsurance. Through the compliance with these standards and guidelines, the

industry is able to adopt a uniform basis of accounting in the presentation of its statutory returns and financial statements. It also ensures that the accounts reflect the actual financial position of insurers, with sufficient disclosures to the public.

The CBM also issued Guidelines on Operating Cost Controls (1991) for all insurers writing life insurance business, which includes limits on commissions and agency related expenses, as well as management expenses. The guidelines also set broad minimum standards for the operation and maintenance of a life insurer's agency force.

To improve the efficiency and quality service to the public, CBM issued the Code of Ethics and Conduct (1990). This Guideline was aimed at instilling a higher level of discipline and professionalism in the workforce of the life insurance industry.

The CBM also operates with the help of the Life Insurance Association of Malaysia (LIAM). Two guidelines were implemented by LIAM: the Guidelines on Pinching and Movements of Agents which set out procedures on the termination of an agent's contract and his/her reappointment as an agent for another insurance company, and were aimed at addressing the issue of migration of agents, while the Guidelines on Registration of Corporate Bodies as Agents were drawn up to formalise and standardise procedures for the appointment of companies to act as life insurance agents.

To ensure all new agents possessed a minimum working knowledge of the life insurance business, LIAM imposed the Pre-Contract Examination (PCE) which was introduced in 1987. LIAM also initiated several training and educational programmes to enhance the skills of the agency force. In an effort to create greater public awareness of life insurance, LIAM organised Life Insurance Awareness Day, distributed brochures and organised joint campaigns on AIDS and heart diseases with the Medical Association and Ministry of Health. The company adhered to all the regulations specified above.

Organization Culture

While M4 also strives towards result-oriented and professional cultures, it differs from the British companies in that M4 achieved results through emphasis on employee welfare rather than only on job-oriented approach. For instance, M4 takes into consideration the salespersons spouse in most contests rewards. For example, holiday/trips won in sales contests include family members. Much emphasis is based on family welfare that close relationship is built between organization and family. Maybe, that is why high employee turnover is quite common, i.e. allegiance to family rather than organization. The immediate supervisors have close relationships with all sales agents. Most of the time, the company encourages sales agents to join forces with their spouses to increase sales. It is not uncommon that the agency leaders are the husbands while their respective wives compete with other agents to achieve sales target. The husbands do the managing, while the wives do the sales. It is family business, in some ways. In this way, the group sales is increased and everyone is rewarded by the compensation system. Since the sales agents are paid only on commissions, the company do not have to impose tight control over budgets. In this sense, the control is rather loose.

The agencies operates as separate business units and earn commissions based on sales performance of its agents. It is the duty of agency leaders to ensure training, regular meetings and punctuality. The company provides the facilities (office equipments, computers and meeting rooms) for all these activities to take place. The head office monitors the progress daily from all branches. The relationships between agents and immediate supervisors is totally open system. This is important to ensure feedbacks and solve problems immediately. People joke and interact freely, and work cooperatively to achieve their set goals. The researcher had the opportunity to witness all these activities. Appointments for calls are made and closing sales figures are continuously entered into computers at the branch offices. Every sales agent is always on the move. Telephone messages for agents are noted by secretaries of each agency in order to ensure every agents' customers are attended to.

The company emphasizes quality service by identifying customer needs. This is in

line with the pragmatic approach the company practises. Even though the parent company is a foreign group, it emphasizes local management, which enables the company to be a strong competitor and offer superior policyholder service. The company seeks to attract the very best local professionals to staff the business. The company has the advantage of obtaining professional assistance from their parent company, which makes it a unique feature and gives competitive edge to the company. There are obvious similarities in organization culture between parent company and M4 especially on the emphasis on family, or (employee-oriented) scheme and greater self-efficacy.

To summarize, the company emphasizes on loose control, results oriented as opposed to process oriented, employee oriented, (as portrayed by the vast number of rewards), open system, professional (because use a lot of part-time agents) and pragmatic attitudes (see supporting evidence from organization culture survey in appendix N.1).

The Bulan Life Assurance Company Berhad (M5)

Background

Bulan Life was incorporated in Malaysia on 21st November 1973, owned solely by a Malay company, with a total number of employees of about 600. The company reported an annual premium income of M\$25 (£7) million in 1991 with income of which new business premium contributed M\$18 (£5) million.

Products

The company transacts whole life assurance and term assurance policies, endowment policies, and mortgage protection.

Organization Structure

The organization structure has five hierarchical levels: (1) the board of directors (2) executive chairman and principal officer (3) general managers managing 4 main divisions, (life, financial and investment, human resource and corporate

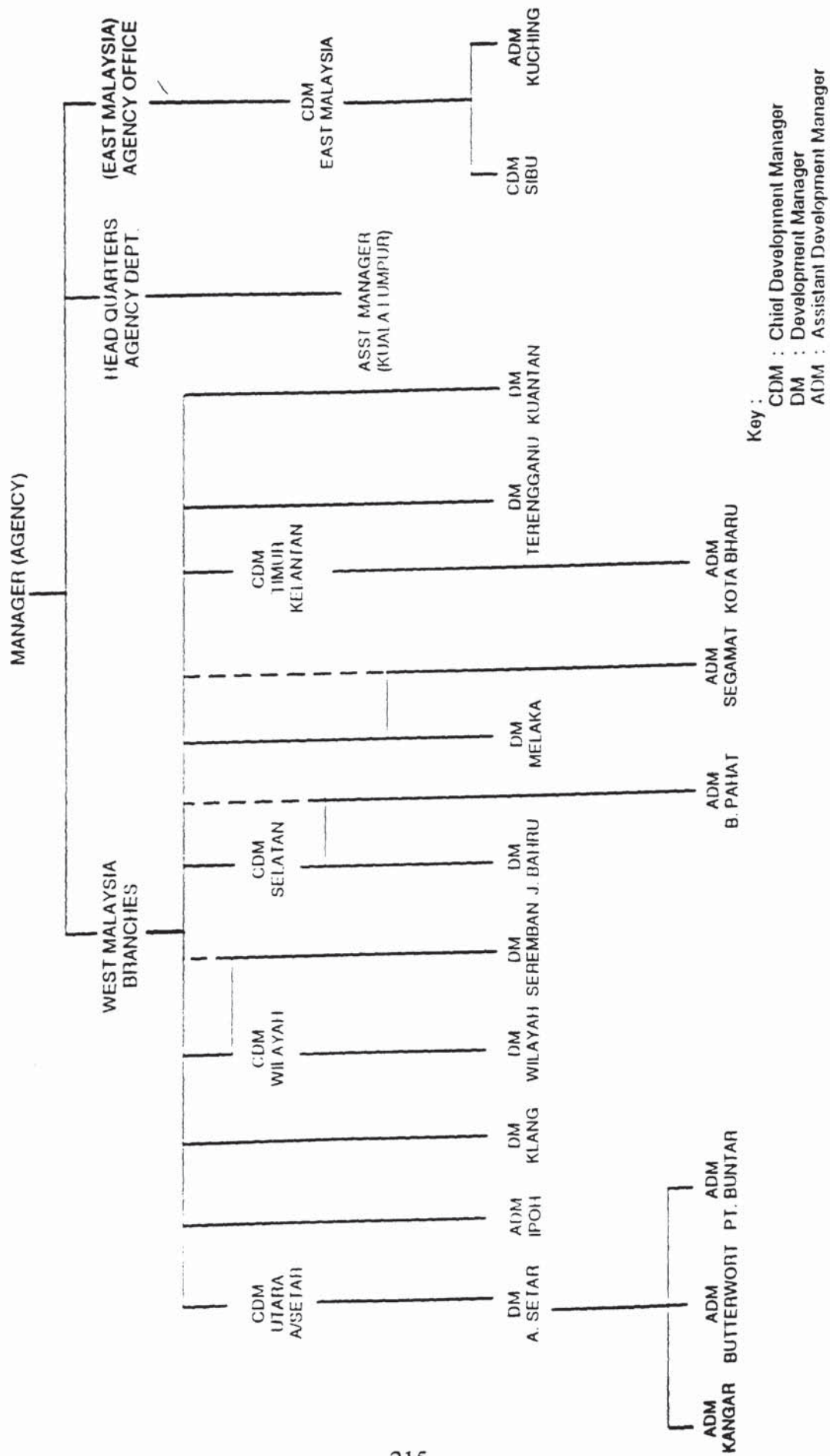
communication and non-life), (4) assistant general managers (AGM), and (5) managers of agency, training and other divisions. This organization structure is illustrated in figure 6.8. The organization chart includes the life division. The life agencies or life sales agents are managed under the life division from the headquarters. The agency is headed by a manager at the national level. The agency is divided into three sections: Headquarters, West Malaysia and East Malaysia regions. In West Malaysia, the agency is decentralized into four regional offices each headed by a chief development manager (CDM). There are 400 sales agents called development officers in 14 branches in West Malaysia and 2 branches in East Malaysia (see appendix L). The branch offices are headed by development managers (DM). A new agent joins the company as development assistant. The career path for a development assistant is as follows: Trainee development assistant ---- standard development assistant ---- development officer ----- assistant development manager - --- development manager.

Sales Job Specification

The job specification of development assistant is specified in the contract form signed by an agent when s/he joins the company. A development assistant has the following duties and responsibilities:

1. to canvass for proposals for assurance on the lives of individuals, and perform such other duties as may be required by the Officers of the company.
2. to represent and devote her/his time, talents and energies to the business of the agency s/he is attached to.
3. to collect premiums of policies or renewal receipts sent to him by the company and on proposals obtained by or through him, in exchange for conditional receipts furnished by the company.
4. to keep accurate statements of all transactions on behalf of the company, and all books of account, letters and other books and documents connected with the business of the said agency, that are the property of the company.
5. to remit immediately to the company all monies or securities received on behalf of the company, by post-office order, express order or bank draft.

Figure 6.8: Organization Structure of the Sales Department of M5



6. If, for a period of 180 consecutive days, the development assistant fails to submit to the company any acceptable paid for new business, her/his contract is automatically terminated.

When a development assistant is promoted to development officer (i.e. produced a minimum first year premium of M\$36,000 (£10,286) per year), then his/her task includes recruiting, training and supervising development assistants of the company.

Performance Measures

The performance of the development assistants is measured through the achievement of first year premiums. 'First year premiums' refers to all the first year annual premiums and instalments, including all premiums in respect of extra rating, accident and hospital benefits, term assurance and other types of related plans or contract taken singly or in conjunction with a basic life assurance policy. Single premiums on mortgage policies, annuities and other plans are excluded. The targets of first year premiums are set by branch office. This target or quota was earlier sub-divided from the total national target set by the Head Office. The minimum requirement for a development assistant to sustain his/her position in the company is to secure 1 case per month, usually the average quota is 4 cases per month.

The minimum first year premium needed to qualify for and to sustain in a certain position is as follows:

Development assistant:	1-4 cases per month
Development officer:	M\$ 36,000 (£10,286) group FYP/year
Assistant development officer:	M\$74,000 (£21,143) group FYP/year
Development manager:	M\$144,000 (£41,143) group FYP/year.
Chief development manager :	M\$ 360,000 (£102,857) group FYP/year.

Compensation Plans

All field staff are paid straight commission based on the achievements of first year premiums (FYP). A trainee field assistant, (new development assistant) is paid commission of between 10 to 36 percent of FYP depending on the types of policy

sold plus a special production bonus of 4-10 percent if the FYP produced is not less than M\$5,000 (£1,430) to M\$15,000 (£4,286). A standard field assistant (six-month old development assistants) receives between 10 to 40 percent commission based on FYP achieved with a similar bonus payment as a trainee field assistants. Development officers are paid for the first year an overriding commission at the rate of 35 percent of the first year commission (FYC) payable to the development officer and development assistants reporting directly to him/her provided that the group experienced a lapse rate (equivalent to 70 percent persistency rate used in company M4) on policies of not more than 30 percent. The method and basis of calculating the lapse rate is the same as in Matahari, i.e. determined by the regulating body LIAM. In addition, development officers receive a year end bonus of 5 to 20 percent if the minimum FYC obtained is not less than M\$1,500 (£430) and a maximum of M\$14,700 (£4,200) and above, plus recruiting bonus of M\$250 (£72) for each trainee development assistant recruited by him/her who qualifies for a standard contract within six months of his appointment.

The commission paid to an assistant development manager is 45 per cent of FYC payable to the assistant development manager, development officers and development assistants reporting directly to the assistant development manager. A development manager receives 52.5 percent of FYC payable to a development manager and development assistants reporting directly to the development manager. The summary of this compensation plan is illustrated below in table 6.1. The company also provides medical benefits based on the sales activities produced.

In line with the company's philosophy in making the life operation the mainstay of the company's business, development programmes were complemented by incentives and awards in the hope of producing motivated, competent and productive field force. Some of the incentives and awards are presented in table 6.2.

Table 6.1
Summary of Compensation Plan in Bulan Life

Levels of Sales Agents	FYC
Trainee development assistant	10-36 % of FYP = FYC1
Standard development assistant	10-40 % of FYP = FYC2
Development officer	35 % of (FYC1 + FYC2) = FYC3
Assistant development manager	45 % of (FYC1 + FYC2 + FYC3)=FYC4
Development manager	52.5 % of (FYC1+ FYC2 +FYC3 +FYC4).

Legend

FYP = First Year Premium and FYC = First Year Commission.

Selection and Hiring

Selection and hiring of sales agents (development assistants) is the responsibility of development officers at the branch office. All selection and hiring is based on the Selection and Interview Blueprint (SIB) set out by the Life Insurance Association Malaysia (LIAM) as the regulatory body on insurance companies. All new recruits have to pass the Pre-Contract Examinations (PCE) (1987), i.e. the basic knowledge about insurance selling, in order to be able to practise selling insurance.

While continual recruitment is essential for the success of the agency, the company finds it difficult to hire Non-Malays (Chinese and Indians) because of the Malay image the company had when it first started. Although the company's policy is to sell to all sectors of the public, this problem makes it more difficult to reach the Non-Malay market.

Table 6.2
Incentive and Awards for Various Categories of Field Staff in Bulan Life (Malaysian Dollars)

Position	Awards	Criteria for Awards Achievement For: Final Year Premium MS(FYP)
Trainee agents	Achievement Pin	500 FYP within 2 months of appointment
Standard agents	Career Builder's Pin	1,000 FYP within 4 months of appointment
	Standard agents's pin	1,500 FYP within 6 months of appointment
	Local Regional Seminar:	6,000 FYP, (based on business produced within 9 months) in Year 1
	Year 1,2 and	9,000 FYP, (") in Year 2
	Year 3	12,000 FYP, (") in Year 3
Consultants	Consultant's Pin	2000 FYP for 3 consecutive months
	Annual Agency Leader's Seminar:	
	Year 1	24,000 FYP and maintain 2 standard agents,
	Year 2	30,000 FYP and maintain 3 standard agents,
	Year 3	36,000 FYP and maintain 1 consultant and 3 standard agents
Unit managers	Unit Manager's Pin	must have at least 3 consultants in direct unit,
	Asian Holiday Seminar	144,000 FYP, 250,000 FYP, 400,000 FYP for Year 1
	Asian Holiday Seminar	
	Australian/N.Z Holiday	
	Europe/U.S Holiday:	
	Year 2	170,000 FYP, 250,000 FYP, 400,000 FYP for Year 2
	Year 3	210,000 FYP, 250,000 FYP, 400,000 FYP for Year 3.

Training

1. Pre-Contract Training

The pre-contract training programme is designed for prospective agents who will be sitting for the pre-contract examination. It is designed so that prospective agents will acquire the knowledge required for them to write the pre-contract examination in as short a time as possible. The programme consists of three self-study packs and individual consultations with their supervisors. The programme requires the active participation of the prospective agents as well as their supervisors.

The programme covers three main areas, namely, basic principles of life insurance, policy servicing, and salesmanship.

2. Field Assistants' Basic Training Programme

The general objective of this programme is to enable the trainee agents to acquire the essential knowledge and skills to sell life insurance effectively. The topics cover four main areas: basic principles of life insurance, selling skills, policyholder's service and personal development and leadership. This programme needs 36 hours of classroom work.

3. Basic Agency Management Programme

This programme is for standard agents who have achieved a minimum first year premium of M\$2,000 (£572) for three consecutive months. All standard agents will be required to attend this programme before promotion to the position of consultant.

The general objective of the programme is to enable the participants to acquire the knowledge and skills to establish and develop a successful and competent agency unit.

The contents of this course cover four main areas: fundamentals of agency management, recruitment and selection, training and development, and motivation and supervision. The duration of this programme is 36 hours classroom work.

4. Special Trainee Consultants' Development Programme.

This is a refresher course for participants who have at least completed secondary education at advanced level. Preferences are given to candidates with Diplomas or Degrees. It is designed such that the participants will acquire the necessary knowledge and selling skills to warrant their direct appointment as consultants. The topics covered in this course are basic principles of life insurance, salesmanship, policy servicing, basic agency management, and personal development and leadership. The duration of this programme is 8 weeks, consisting of 4 weeks classroom work and 4 weeks of field activities.

5. Advanced Agency Management

This programme is designed for unit managers. It is designed such that the unit managers will acquire in depth knowledge on advanced aspects of life underwriting and agency management. The programme covers five main areas: application of life insurance, tax implications on sales of life insurance policies, office administration, supervision and motivation and basic accounting. The duration of this programme is 36 hours.

Appraisal System

The company appraises the performance of the agents monthly when the agents have to submit their FYP achieved every week. The company also appraises the sales performance of agency leaders semi-annually.

Environmental Constraints

The environmental constraints faced by the company is similar to the Matahari company above, in terms of legislative regulations. Being a relatively medium-sized company in Malaysia, compared to Matahari Life (see table 6.3 for number of employees), the company has to face stiff competition from bigger companies in the life insurance business. When the study was conducted, the company was facing some form of organizational conflict which cannot be specified here due to confidentiality. The company is now concentrating on the East Malaysia market, which is considered untapped.

Organization Culture

This company portrays a 100 percent Malay image which may not be too good in a competitive insurance market. The agency manager who was interviewed voiced his reservation on achieving better performance without the manpower of Non-Malays (Chinese and Indians). However, the company has shown a good progress from 1990 (an increase of 26% in total income turnover). The growth in profit was over 60% in 1991 because of the smaller overhead cost compared to M4. These results indicate that M5 maintains results-oriented culture. Furthermore, the company is relatively new (1973) compared to M5 (1963) and the three British companies. This coupled with a competitive insurance market the company has to face internal problems (role conflict between departments) as well as external forces (bigger and experienced companies).

The salespersons derive their identity from the organization where the employees feel the organization's norms cover their behaviour at home as well as on the job. Although the company considers that it is practising an open system, however, there was a certain amount of restriction in the communication between supervisors and subordinates. This is because the Malays are rather shy people and usually do not easily feel at home in situations where working conditions are constantly being supervised. The salespeople need to perform reasonably well in order to survive in the company. The salespersons feels that they are under loose control because they only paid commissions and redundancy depends on performance.

Non-performing salespeople quit easily and the company has no control over turnover rate of salespersons. The salespeople in a way are not feel obligated to perform well in this company. The values and culture of the Malays regarding insurance business may become a hindrance. There is less competitive spirit among the salespersons compared to M4 mainly because there are not many salespeople of other races in the company. Whereas in M4, the Malay sales agents has to compete with Non-Malays, especially the Chinese and this makes the Malays work harder and have a different positive attitude towards insurance selling, (see supporting evidence from organization culture questions in appendix N, N.1).

The company feels that more Chinese sales agents are needed for them to expand into the Chinese market. Even though the Malay agents have the capability to serve the Malay market, they need to get a bigger market, (Non-Malay market, Chinese and others) in order to be competitive. The company admits that the few Chinese they once employed, had been lured away by other insurance companies because of better offers. Many such cases occurred before the 'Pinching and Movement of Agents' guideline was issued by LIAM in January 1991.

6.3 Summary

A summary of the differences in organizational and environmental factors are presented in table 6.3.

Organizational Factors

The hierarchical levels were calculated from the organization charts of each company. For example, in B1 there are 7 hierarchical levels, i.e from the managing director to sales consultant. Each level is the direct management line in the organization, i.e. (1) sales consultant reports direct to area manager, (2) area manager reports directly to regional manager, (3) regional manager reports directly to group sales manager, (4) group sales manager reports directly to general manager sales, (5) general sales manager reports directly to deputy managing director, (6) and deputy managing director reports directly to managing director (7) managing director reports directly to board of directors/chairman (see figure 6.1, page 182).

This also means that sales consultants are 7 hierarchical levels away from the top management. That is, the more the number of hierarchical levels, the more distant are the sales consultants from the top management. In this way, it is easier for the Chairman of B1 or B3 to know all his sales consultants compared to B2, where there is 9 hierarchical levels. B1 and B3 appears to be more successful in their company performance compared to B2 and the Malaysian companies. For example, profit per salesperson of B1 was the highest (3.73) compared to the two UK companies (see table 6.3). Therefore, hypothesis H17, which proposes that the less

Table 6.3
Summary of Differences of Main Variables between Companies

Variables	Findings				
	B1	B2	B3	M4	M5
1. Year incorporated	1815	1881	1831	1963	1973
2. Experience in insurance(years)	178	112	162	30	20
3. Total number of employees	2,995	1,376	1,683	4500	610
4. Number of sales agents (% of total)	268(9%)	130(9%)	250(15%)	1500(33%)	400(66%)
5. Hierarchical levels	7	9	7	14	14
6. Number of branches	20	11	30	25	16
7. Number of divisions(HQ level)	7	7	4	8	4
8. Span of control (4/6) (sales agents per branch i.e. one manager per branch)	13	5	8	60	25
9. Annual premium income (£M)	880	315	502	119	5
10. Total income (Turnover)	1628	461	714	158	7
11. Assets (£M)	8,587	2,393	2,937	874	54

Variables	Findings				
	B1	B2	B3	M4	M5
12. Profits (£M)	1000	219	425	76	4
13. Profits/Turnover	.61	.48	.60	.48	.57
14. Turnover/assets	.19	.19	.24	.18	.13
15. Profit/Employee	.33	.16	.25	.02	.01
16. Profit/Salesperson	3.73	1.68	1.70	.05	.01
17. Growth of Turnover (1990/1991)	.21	.23	.37	.15	.26
18. Growth of Profit(1990/1991)	.18	.19	.27	.38	.63
19. Estimated rank /no. of competitors	-	-	-	2/18	11/18

the hierarchical levels, the more successful the performance of the company. The Malaysian companies have larger hierarchical levels compared to the British companies (i.e. 14). This may imply that the salesperson and the boss are more distant, probably due to the more autocratic culture present in the country.

B1 maintains the number of branches of 20 to accommodate about 270 salespeople, B3 prefers a larger number of branches (30) which accommodate 250 salespeople while B1 keeps the branches small (11) to accommodate a smaller number of salespersons of 130. Based on these arrangements, the span of control (number of salespeople per branch/sales manager) for B1 remains the largest (13), B3 had second largest number of span of control (8) and B2 had the smallest span of control (5). The span of control of the Malaysian companies were relatively larger (60 in M4 and 25 in M5) than the British ones. This arrangement explains hypothesis H18 which presupposes that the less the span of control the better the company sales performance.

Organization Culture

It can be summarised from the case description that the successful British companies have a strong organization culture because the employees in general and the salespeople in particular, have common values, common beliefs and common attitudes towards the management of the organization. The salespeople appear to have common attitudes towards achieving specific targets and the management tend to practise results oriented approach. In doing so, the management have practise tight control, open systems and pragmatic cultures. They have common values and beliefs because they are profit and R & D driven (achievement and role culture), Western ways of thinking and heroes, independence and equality (achievement culture), single culture - Christmas celebrations and modern technology e.g. computer networks. Perhaps because of the strong organization culture exhibited by the British companies, their performance are better, thus hypothesis H19 (page 149, chapter 4) is supported.

The Malaysian organization cultures is divided between the two companies. The

organization culture of M4 can be characterised by results oriented, employee oriented, loose control, open systems and pragmatic culture. This is perhaps because it is an American subsidiary. M5 is more representative of a traditional Malaysian company. The organization culture can be described as result oriented, employee oriented, loose control, closed systems, and normative culture.

Environmental Factors

B1 supersedes other companies in terms of total turnover, total employees, assets, number of salespersons, profit per employee ratio and profit per salespersons. This shows that B1 is competitively stronger than B2 and B3. This may be so probably because B1 had 178 years of experience in insurance business, while B3 had 162 years of experience and B2 had 112 years. B3 and B2, however, showed a higher growth in turnover and profit in 1991 than B1.

For the Malaysian companies, M4 is more mature and competitively stronger than M5. But in terms of profit/turnover ratio M5 is much more stronger than M4. Also the growth in turnover and profit in 1991 is better for M5.

The above discussion shows that the smaller companies had a better growth in profit and turnover than the bigger ones. This may be caused by the environmental factors discussed in the case studies such as internally, the recession in the UK, externally, the after effect on capital markets due to the unrest in the world (e.g. Iraq-Kuwait War, Eastern Europe civil war). This is because the insurance companies depends a great deal of its income on investments on capital markets. A big company such as B1 acknowledges that it is one of the leading insurance companies in investments ventures, so B1 may be affected more than other companies (B2 and B3) because of the recession and capital markets imbalance, which is shown in the slower growth in turnover and profit.

However, because B1 is competitively stronger, it still can maintain its higher performance level as shown in profit/turnover ratio or in profit/employee ratio. This finding supports hypothesis H20 which suggests that the stronger the competitive

edge of a company, the higher the sales performance achieved.

6.4 Cultural Factors

Values and Cultures

The insurance industry in the UK and Malaysia is very much affected by the values and cultures of each country. This is because the selling of insurance policies involves the understanding of customers needs, outlook and value on individual lives. For the British people, insurance market is common and taken for granted. Their outlook on insurance policy is a necessity, not an option. This may not be true in the Malaysian market. Insurance industry is still in its infancy compared to the UK (the British is 5 times matured than Malaysia). There is still a big portion of untapped market for insurance business (about 80%). Only about 3 million of the population (18 million) (Malaysian Insurance Annual report, 1992), i.e. only 17% of the population took insurance policies in Malaysia. It is also discouraging to know that 2% of the policy holders surrender their policies before maturation every year (Annual report 1992). Why did this lapse happen? There has always been controversy of the lawfulness of taking insurance among Muslims customers. What may had happened was that some Muslims took life insurance when approached by insurance salespersons. After a while, that policy holder may have changed his/her mind by talks with Muslim friends on the controversial issues about life insurance and its dealings.

However, it cannot be denied that the insurance industry is a growth market in Malaysia. With the government's plan for a population of 70 million in the year 2020, it will increase the prospect of insurance market 4 times the existing number. If, now there is an untapped market of 15 million, in future, there will be 60 million prospective customers of life insurance policies. Since 60% of the population is the Malay market who are predominantly Islam by religion, steps must be taken by insurance industry to make clearer their insurance products and functions.

Perhaps the values and culture of the Malay market must first be understood and

studied in detail by the insurance companies. Even though the government has tried to form an Islamic Insurance company called "Takafol" in Malaysia, but this company is not really practising personal selling as most of the Malaysian insurance companies do. Takafol insurance do not have sales agents to compete with other companies. It depends on the voluntary actions of the customers of its parent company, the Islamic Bank, to be able to gain insurance customers. Unfortunately, this method does not show much progress.

Some of the values that most Malays (Moslem) holds are (1) buying life insurance policy is prohibited because of the element uncertainty when insuring one's life, (gambling with one's life), (2) working as insurance sales agents is regarded as assisting with the unlawful, and therefore, prohibited, (3) the investments by insurance companies are unlawful if it involves interests.

Some insurance companies are trying to overcome this culture obstacle by arguing that buying insurance is similar to savings for the future protection of the siblings and investments, are, in long-term government securities, which do not involve interests.

For the other religions, there do not seem to any religious prohibitions, except that insurance is a still new concept for some of the customers, so the skill and persistency of the sales agents is most needed to win the market. Due to the different culture and values held in each country especially in the insurance industry in Malaysia, different set of predictors of sales performance is expected from the results in each country, i.e. supporting divergence theory (supporting H22, page 149). More will be discussed in Chapter Seven.

Discussion on other indicators of culture such as race, religion and Hofstede's national culture dimensions will be performed in the quantitative data survey in part two of this chapter.

CHAPTER SIX: PART TWO

QUANTITATIVE RESULTS

6.5 Chapter Overview

The results from the quantitative analysis are presented in the following order: the profile of respondents, (means and standard deviations), reliability coefficients, correlation tables, stepwise regression tables, t-test and ANOVA results. The results are presented by company and by country. Finally the findings are summarised according to the proposed hypotheses in chapter four.

6.6 The Profile of the Respondents

In the subsequent explanation, abbreviations will be used which means the following: UK = entire UK sample; Mal = entire Malaysian sample; B1, B2, B3 = the three UK companies respectively; and M4, M5 = the two Malaysian companies respectively. The entire UK sample also denotes that it is the combination of all three UK companies together, and the entire Malaysian sample is the combination of the two Malaysian companies.

As illustrated in figures 6.9 and 6.10, there was a bigger percentage of female respondents in Malaysia (34%) than in the UK (10%). The respondents in the UK were predominantly whites (99%) while the majority of the respondents from Malaysia were Chinese (66%). Figures 6.11 and 6.12 demonstrate the ethnic origin of the two countries. The religion of the respondents from the UK was mostly Christian, while Buddhists made up the biggest proportion of the respondents in Malaysia (41%), followed by Islam (26%) (see figure 6.13 and 6.14).

Figure 6.15 illustrates the demographic differences of respondents between UK and Malaysia. The mean age of the respondents was 32 years in the UK and 35 years in Malaysia. The respondents from both countries had undergone the same number of years of formal education i.e. an average of 13 years. The average experience in

Gender of Respondents in the UK and Malaysia

Figure 6.9:
Gender of Respondents (UK)

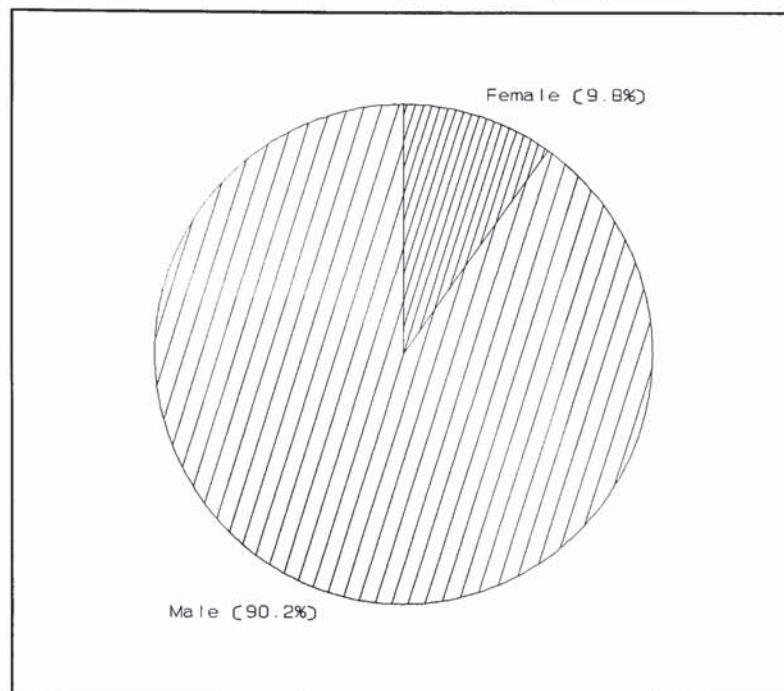
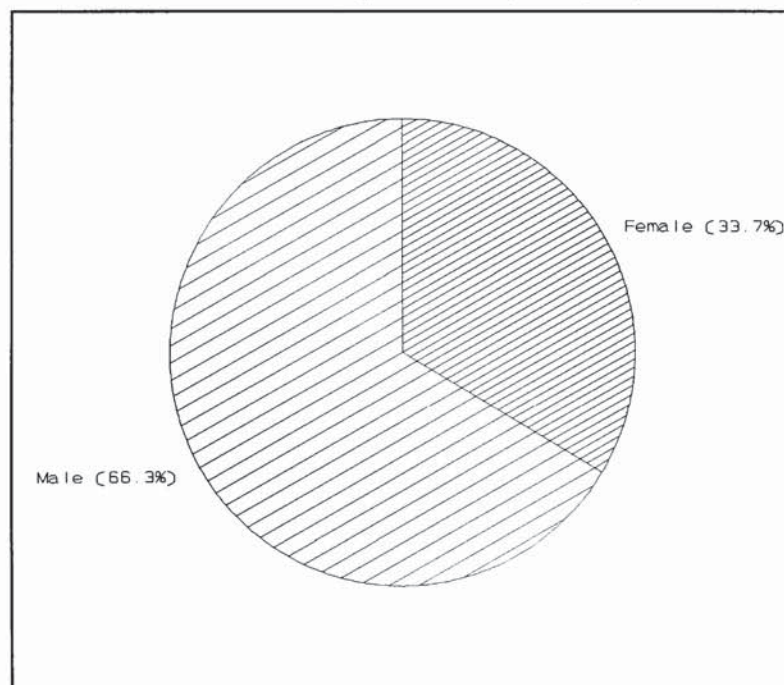


Figure 6.10:
Gender of Respondents (Malaysia)



Ethnic Origin of Respondents in the UK and Malaysia

Figure 6.11
Ethnic Origin of Respondents
(UK)

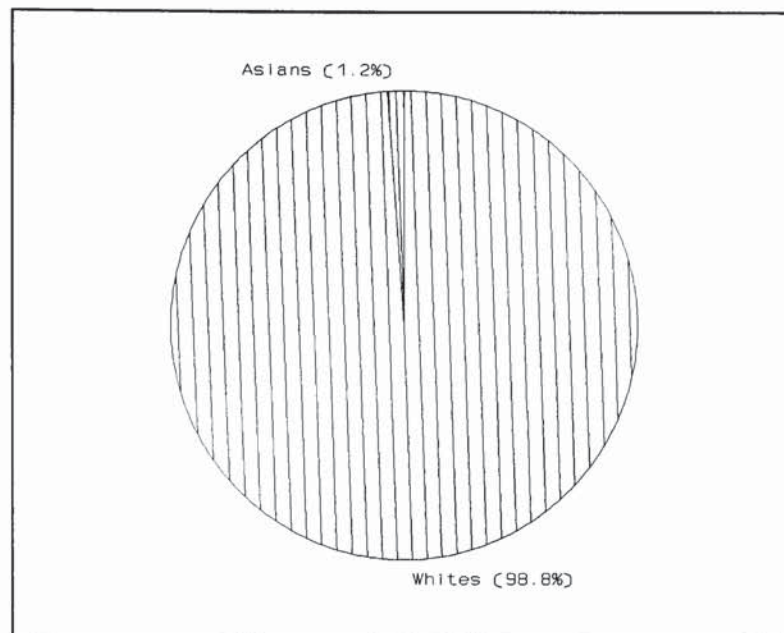
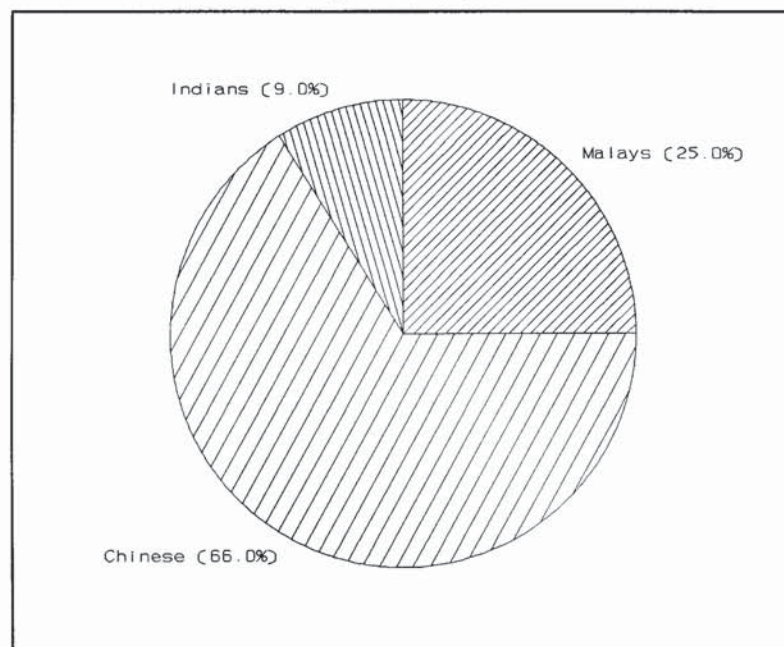


Figure 6.12:
Ethnic Origins of Respondents
(Malaysia)



Religion of Respondents in the UK and Malaysia

Figure 6.13:
Religion of Respondents (UK)

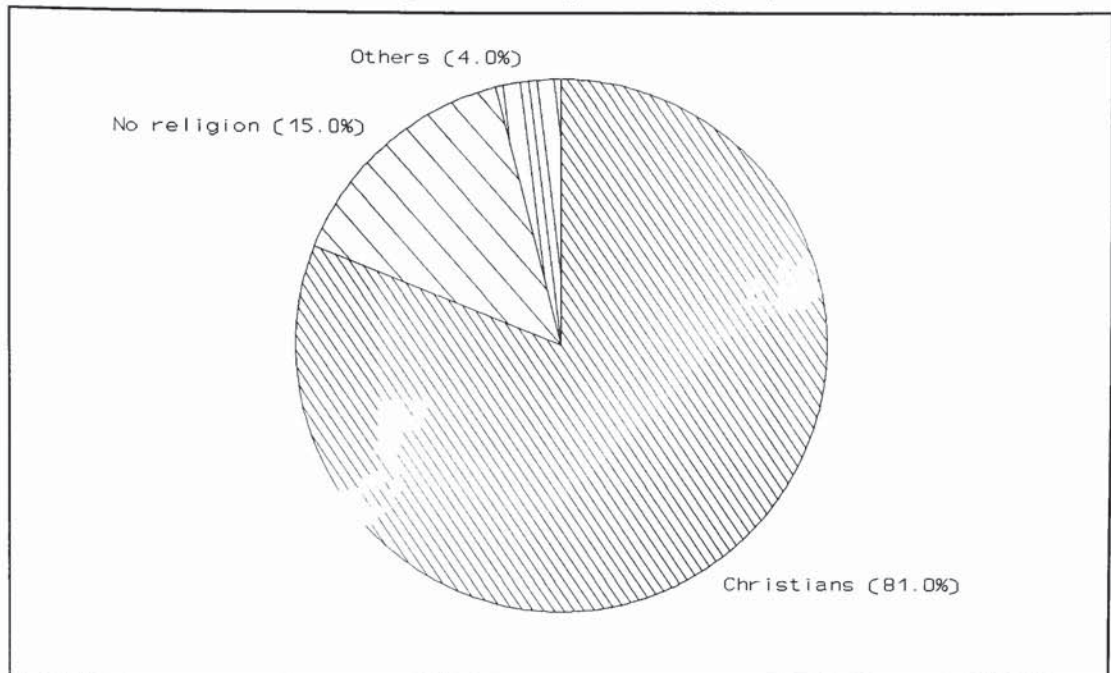


Figure 6.14:
Religion of Respondents
(Malaysia)

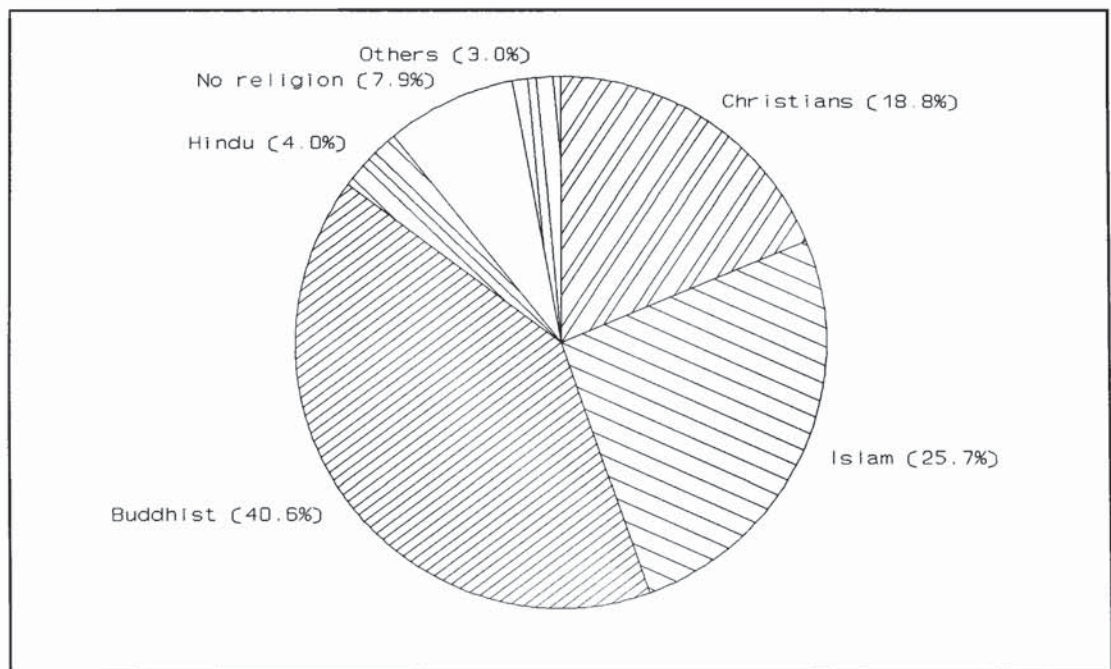


Figure 6.15: Demographic Differences Between UK and Malaysia.

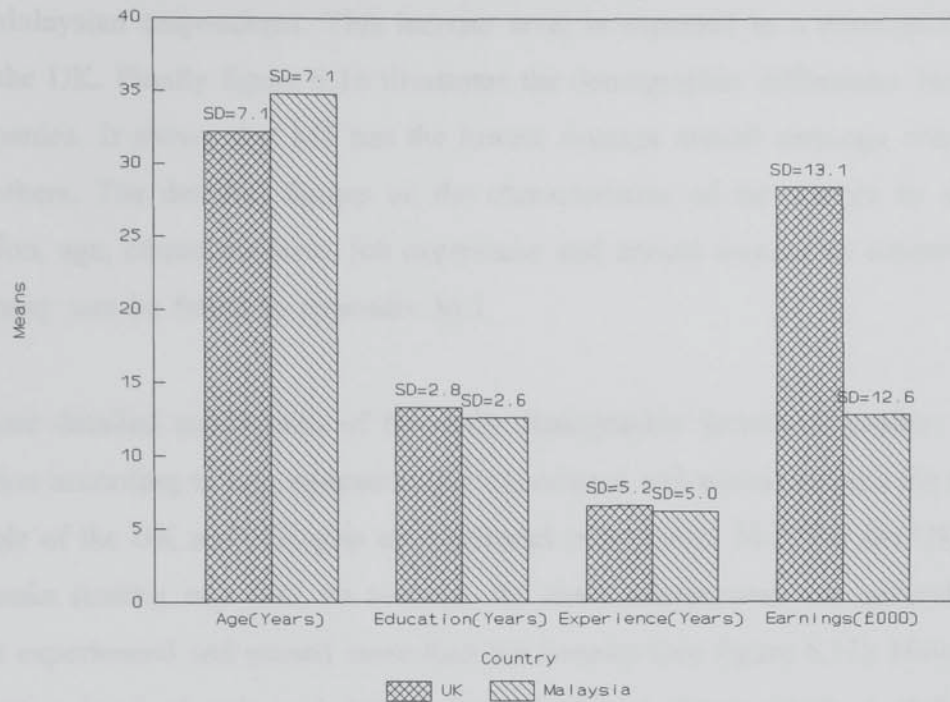
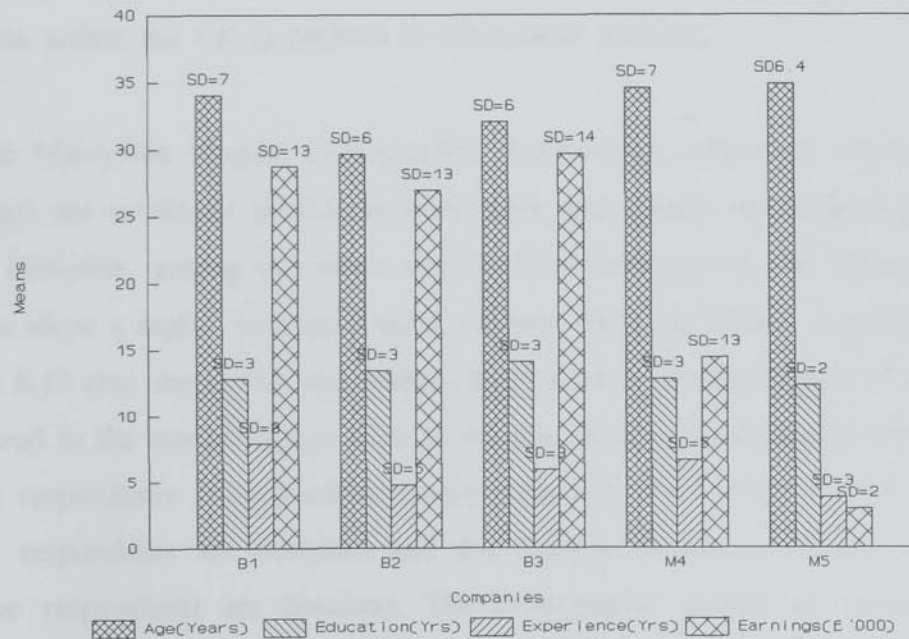


Figure 6.16: Demographic Differences Between Companies



sales of respondents from both countries was also quite similar i.e. an average of 6.5 years. The average annual earnings for the UK sample is more than double that of the Malaysian respondents. This income level is expected in a developed country like the UK. Finally figure 6.16 illustrates the demographic differences between all companies. It shows that M5 has the lowest average annual earnings compared to the others. The detailed figures on the characteristics of the sample by sex, race, religion, age, education level, job experience and annual income by country and by company can be found in appendix M.1.

A more detailed subdivision of the main demographic factors of gender, race and religion according to age, education, job experience and annual income for the entire sample of the UK and Malaysia are presented in appendix M.2. For the UK sample, the main finding was that, on average, the male salespersons are generally older, more experienced and earned more than the females (see figure 6.17). However, the education level of male and female respondents are almost equal. A statistical (or a tabular) comparison between ethnic origin in the UK cannot be justified because of the small sample of minor ethnic origins (only 1%) (refer figure 6.11). The whites made up 99% of the total sample in the UK, in which figure 6.13 indicates that they are mostly Christians or having no religion. Consequently, comparison between religions within the UK is omitted in subsequent analysis.

For the Malaysian sample, demographic factors (age, education, experience and earnings) are relatively similar between male and female respondents (see figure 6.18). However, among the ethnic origin of the respondents, the Chinese and the Indians show a higher average annual earnings than the Malays (see figure 6.19). Figure 6.19 also shows that the Malays have a lower average length of experience compared to the others. Figure 6.20 shows that there is a substantial percentage of female respondents in each ethnic origin, especially the Malays (about half of the Malay respondents are females) and the Chinese (about two third of the total Chinese respondents are females). The demographic profile of respondents by religion in Malaysia (see figure 6.21) gives further support to the above findings, although it has to be acknowledged that this is confounded by company, i.e. M5 is

Figure 6.17: Demographic Profile of Respondents by Gender (UK)

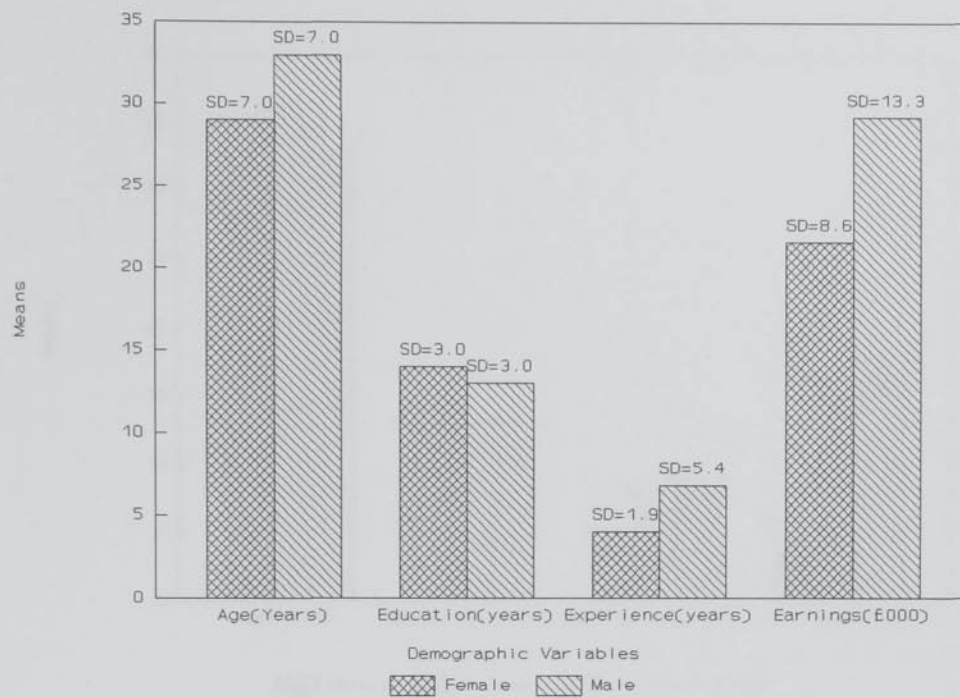


Figure 6.18: Demographic Profile of Respondents by Gender (Malaysia)

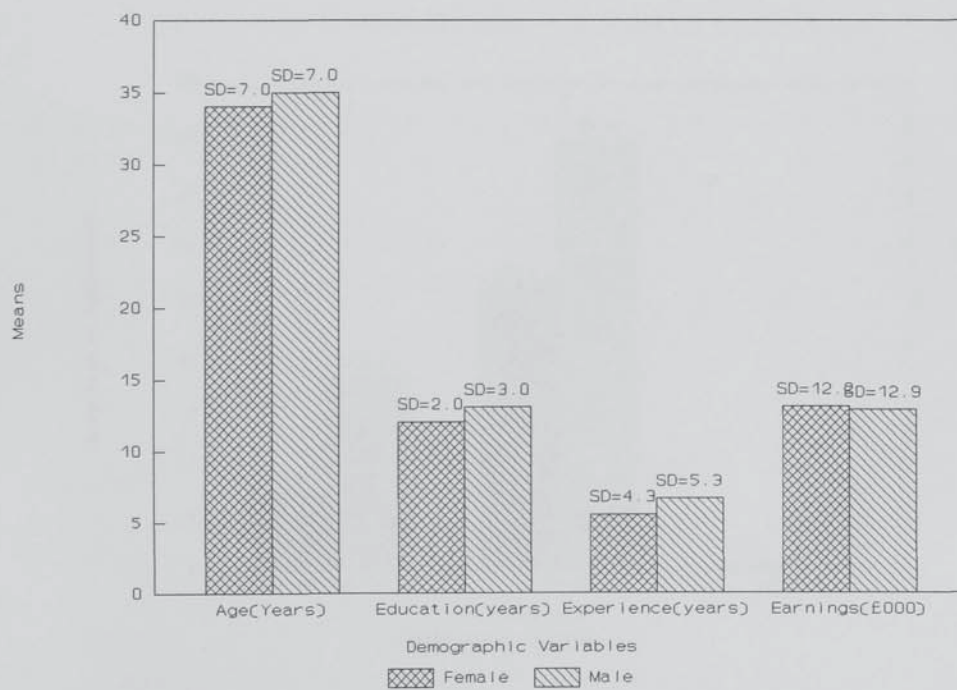


Figure 6.19: Demographic Profile of Respondents by Ethnic Origin (Malaysia)

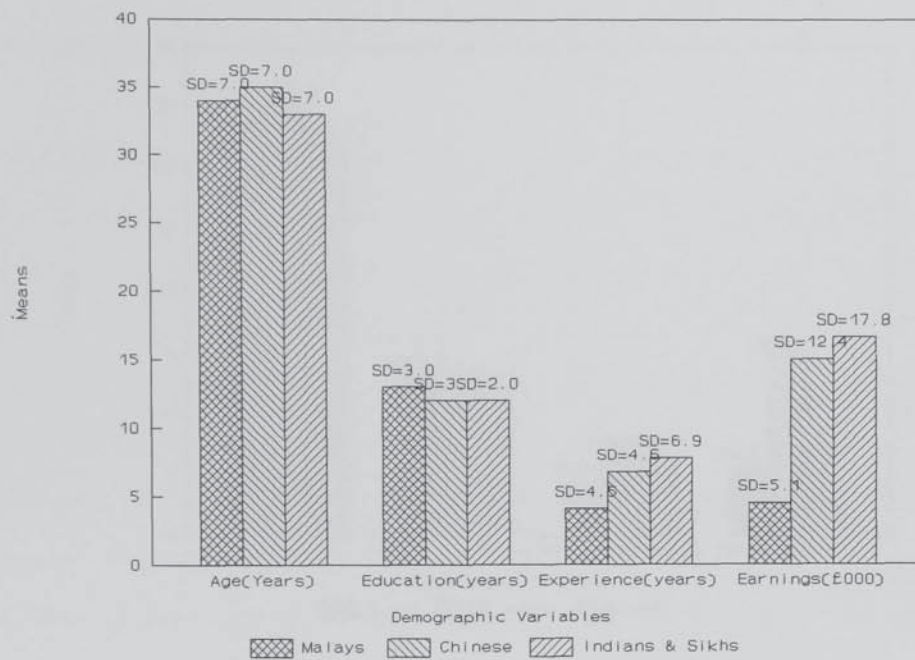


Figure 6.20: Genders of Respondents by Ethnic Origin (Malaysia)

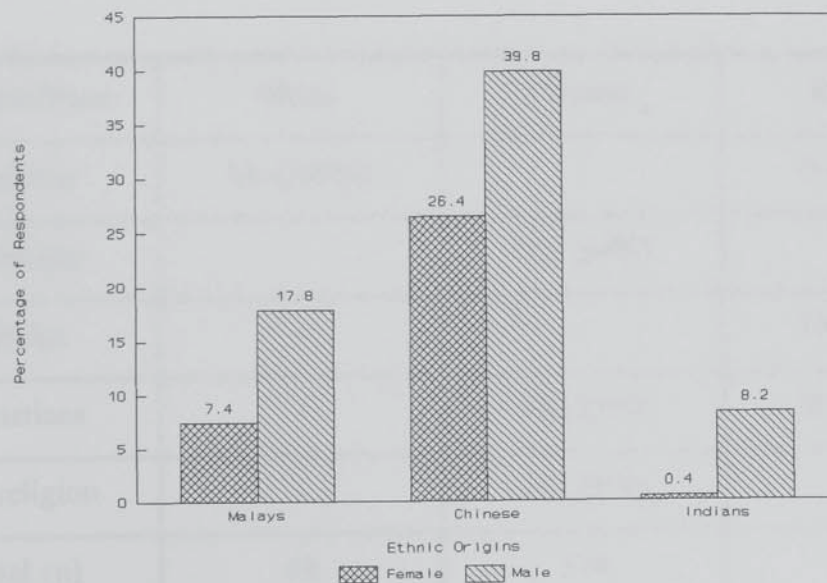


Figure 6.21: Demographic Profile of Respondents by Religion (Malaysia)

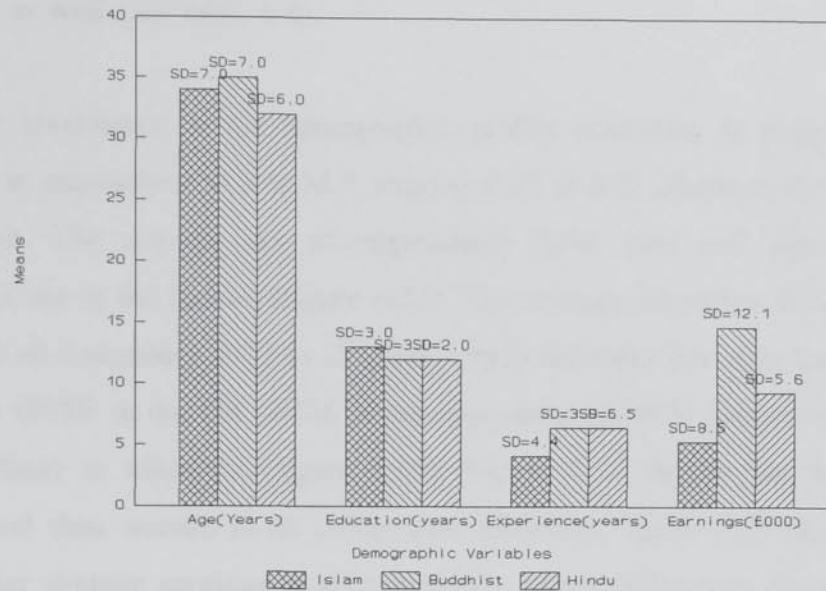


Table 6.4
Proportion of religious beliefs within Ethnic Origins

Religion/Race	Malay	Chinese	Indians
Moslems	68 (100%)	-	3 (13%)
Buddhists	-	112 (64%)	-
Hindus	-	-	10 (43%)
Christians	-	40 (23%)	10 (43%)
No religion	-	22 (13%)	-
Total (n)	68	174	23

an all Malay company. The Buddhists earned the highest average annual income compared to the Moslems and the Hindus. This can be explained by the fact that the majority of Chinese are Buddhists and all Malays are Moslems. The majority of Indians are Hindus or Christians although there is a small proportion of Indian Moslems as well (see table 6.4).

A further breakdown of the demographic profile according to companies is also tabulated in appendices M.3 to M.5. Figures 6.22 to 6.25 illustrate the results in bar chart form. The average age of respondents (both men and women) from all companies are in the thirties (figure 6.22). The average education level of men and women in all companies is 12 to 13 years, which indicates that they have completed minimum GCSE in the UK which is the equivalent of MCE (Malaysian Certificate of Education) in Malaysia (figure 6.23). Figure 6.24 shows that men are more experienced than women in all companies. Similarly, figure 6.25 shows that men have higher average earnings in all companies. Other differences found in race and religion between companies are tabled in appendices M.3 to M.5.

Figure 6.22: Average age of Respondents by Gender (All Companies)

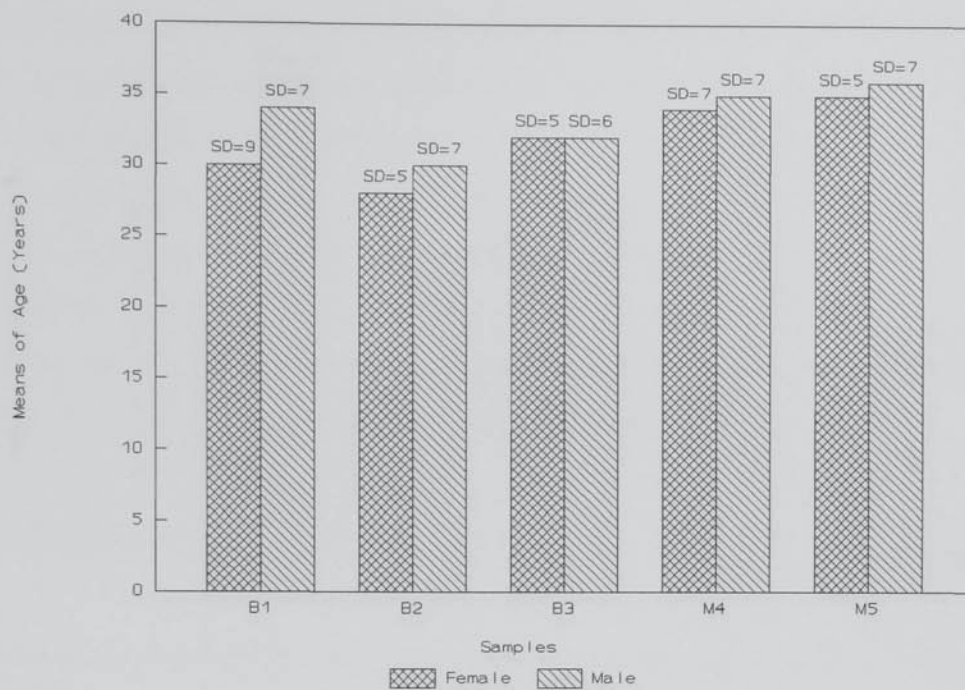


Figure 6.23: Education Differences by Gender (All Companies)

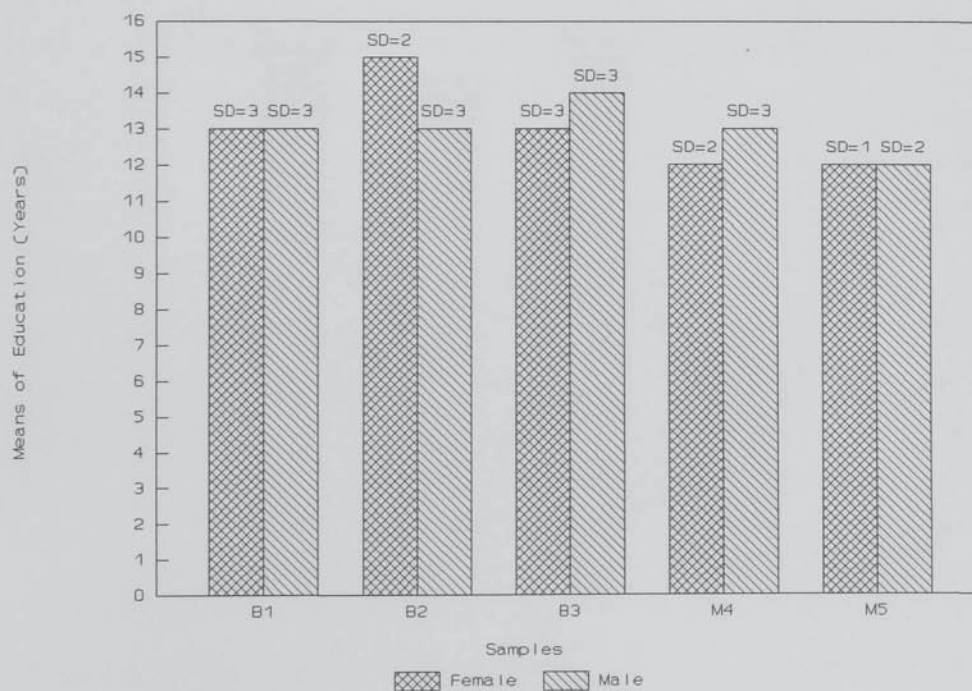


Figure 6.24: Differences in Experience by Gender (All Companies)

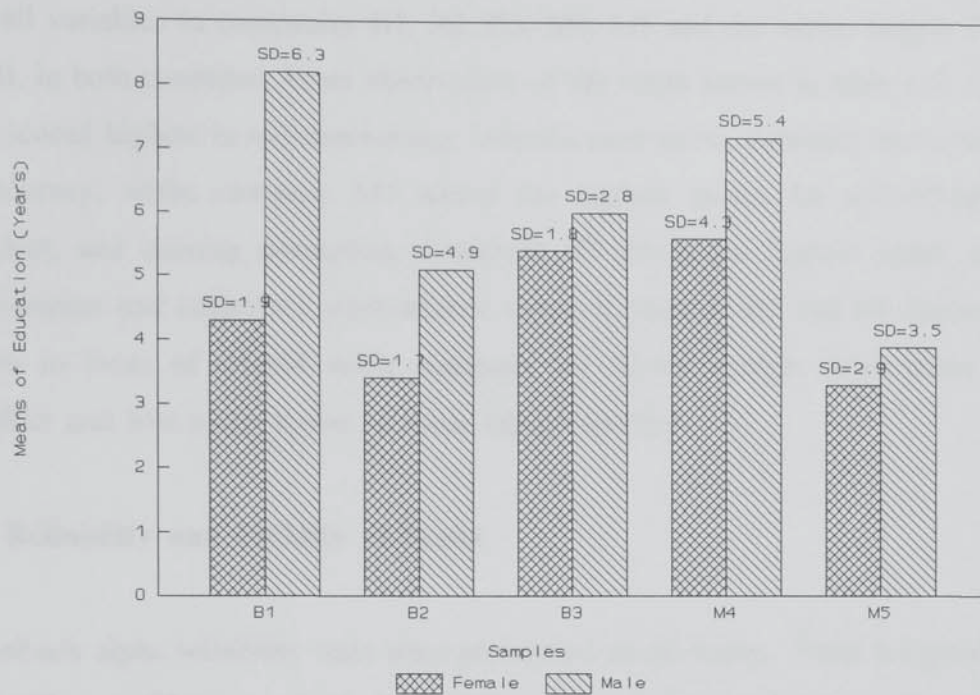
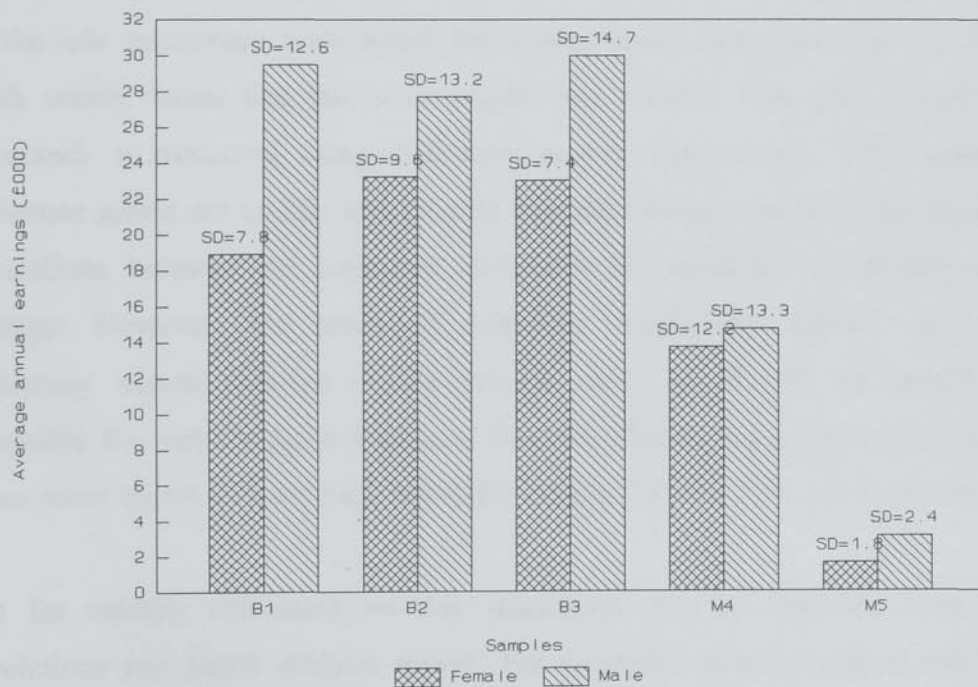


Figure 6.25: Differences in Earnings by Gender (All Companies)



6.7 Descriptive Statistics of Scales

Table 6.5 presents the variables names, score range, mean, and standard deviation for all variables in companies B1, B2, B3, M4, M5 and the entire sample (UK and Mal), in both countries. From observation of the mean scores in table 6.5, company M4 scored highest in self-monitoring, intrinsic motivation, extrinsic motivation, role inaccuracy, while company M5 scored the highest means for self-efficacy, role conflict, and training perception. Company B3 shows the highest mean scores in self-esteem and subjective performance rating. Company B2 had the highest mean score in locus of control while company B1 shows a high mean score in role conflict and low mean scores in most other variables.

6.8 Reliability and Validity of Scales

Cronbach alpha reliability tests were performed on all scales. Table 6.6 presents the reliability coefficients of all the psychometric scales used by company and by country. The reliability coefficients were generally found to be internally consistent (coefficients of 0.60 and above) and similar across firms and across countries, except for the role inaccuracy scale which had scores lower than 0.60 (for e.g: 0.52 and 0.56), which means that this scale maybe less reliable. The main reason is role inaccuracy is measured using difference scores. Peter et al., 1993, argues that difference scores are usually less reliable than their component variables because the correlations between the measures attenuates the reliability of difference score measure. However, the levels of reliability coefficients (above .50) of role inaccuracy across samples in the present study could still be considered as acceptable for many research purposes. The self-efficacy and subjective performance scales were found to have high reliability scores of over 0.90 for both countries.

Test for validity conducted on role inaccuracy can be observed from several correlations and factor analysis results. For example, criterion-related validity can be indicated by the size of correlation between role inaccuracy and sales performance, which shows role inaccuracy is significantly and negatively related to

Table 6.5
Descriptive Statistics for Scales Used in the Study

Variables	Possible range	Means (Standard Deviation)						
		B1 (N=154)	B2 (N=91)	B3 (N=83)	M4 (N=236)	M5 (N=37)	UK (N=328)	Mal (N=273)
Predictors:								
Self-efficacy(X_1)	0-220	129.7(55.2)	149.9(44.1)	155.1(48.5)	162.5(48.8)	172.6(34.6)	141.7(51.8)	164.3(46.3)
Self-esteem(X_2)	10-40	35.4 (2.9)	27.4 (2.9)	36.2 (3.8)	34.2 (3.2)	33.7 (2.8)	32.3 (5.4)	32.7 (3.9)
Self-monitoring(X_3)	13-78	58.4 (7.9)	59.2 (8.2)	61.5 (7.4)	62.2 (7.7)	57.5 (7.7)	59.4 (7.9)	61.6 (7.8)
Locus of control(X_4)	16-96	38.4 (10.1)	54.1 (7.3)	37.5 (10.9)	37.9 (10.4)	37.6(10.4)	42.6 (12.1)	37.9 (10.4)
Intrinsic motivation(X_5)*	-	113.1(39.0)	121.0(37.9)	124.6(36.4)	147.0(47.2)	127.2(53.2)	118.2(38.3)	144.2(48.4)
Extrinsic motivation(X_6)*	-	116.2(42.8)	125.5(39.5)	126.7(38.3)	173.2(57.3)	156.0(49.8)	121.4(41.0)	170.9(56.6)
Role ambiguity(X_7)	6-42	16.2 (5.0)	31.1 (5.4)	15.5 (4.9)	12.6 (4.7)	11.5 (3.8)	20.1 (8.5)	12.5 (4.6)
Role conflict(X_8)	8-56	32.7 (10.0)	28.3 (8.8)	31.4 (8.8)	28.6 (8.9)	34.2 (7.8)	31.2 (9.5)	29.3 (9.0)
Role inaccuracy(X_9)	0-80	19.0 (5.4)	17.9 (5.5)	20.3 (6.5)	21.0 (7.0)	14.2 (8.1)	19.0 (5.8)	20.1 (7.5)
Training(X_{10})	10-50	35.8 (6.0)	35.3 (5.9)	35.0 (6.3)	42.7 (5.6)	43.5 (5.7)	35.5 (6.0)	42.8 (5.6)
Criterion:								
Subjective performance ratings (Y_2)	10-50	32.4 (7.1)	31.3 (7.6)	35.5 (6.6)	32.9 (5.6)	29.7 (7.2)	32.9 (7.3)	32.5 (5.9)

* Intrinsic and extrinsic motivation were calculated based on formulae given in chapter 2. See also appendix C.5.

Table 6.6
Reliability Coefficients (Cronbach Alpha)

Variables	Reliability (Alpha Coefficients)						
	B1 (N=154)	B2 (N=91)	B3 (N=83)	M4 (N=236)	M5 (N=37)	UK (N=328)	Mal (N=273)
Predictors:							
Self-efficacy(X ₁)	.92	.93	.92	.92	.89	.93	.91
Self-esteem(X ₂)	.77	.79	.89	.70	.61	.82	.69
Self-monitoring(X ₃)	.88	.89	.87	.83	.73	.88	.82
Locus of control(X ₄)	.78	.56	.79	.72	.76	.72	.72
Intrinsic motivation(X ₅)	.91	.88	.91	.87	.89	.90	.88
Extrinsic motivation(X ₆)	.83	.78	.82	.90	.75	.82	.88
Role ambiguity(X ₇)	.80	.84	.82	.85	.84	.91	.85
Role conflict(X ₈)	.86	.84	.81	.80	.72	.85	.80
Role inaccuracy(X ₉)	.52	.59	.61	.63	.85	.56	.70
Training(X ₁₀)	.90	.87	.89	.91	.90	.89	.90
Criterion:							
Subjective performance ratings (Y ₂)	.93	.92	.90	.91	.94	.92	.92

performance ratings ($r = -.37$ in B3, UK, see table 6.11). Further analysis of content validity using factor analysis for role inaccuracy measures is explained in detail by the researcher in a separate article, (see Nik Mat, 1994).

6.9 Correlation Matrix

Pearson product-moment correlation matrices of all predictor and criterion variables for the entire sample, and within each of the companies, are presented in tables 6.7 to 6.13. Coefficients with one-tailed correlation analysis were used because the direction of the hypotheses is known. Observed significance levels of less than 0.001 and less than 0.01 were used. Significance level of less than 0.05 were discarded because of the large number of variables used, such that if many coefficients are computed, some would be expected to be statistically significant by chance alone.

Performance Measures

The salesperson's performance measured by performance target achieved (Y_1), performance rating (Y_2) and earnings (Y_3), are positively correlated to each other, i.e. performance target achieved is positively related to both performance rating and annual earnings in both countries. This relationship pattern persists in all the companies except M5 (see table 6.13) where only performance rating is positively related to performance target achieved and earnings are not related to either performance target achieved or performance rating.

Performance Target Achieved

From an analysis of tables 6.7 to 6.13, it is found that performance target achieved is significantly correlated to five variables. This is illustrated diagrammatically in figure 6.26. Performance target achieved is positively related to: (1) performance rating (in UK, B1, B2, Malaysia (Mal), M4, and M5); (2) performance earnings (UK, B1, B2, B3, Mal, M4); (3) self-efficacy (UK, B1, B2, B3); (4) experience (Mal, M4, and B2), while it is negatively related to: (5) training (UK, B2). The results indicate that self-efficacy is positively related to performance target achieved in the UK only, while training is negatively related to performance target achieved

Table 6.7:

Pairwise Correlation Matrix for all Variables for the Entire Sample (The U.K)

Variables	Y_1	Y_2	Y_3	X_1	X_2	X_3	X_4	X_5	X_6	X_7	X_8	X_9	X_{10}	X_{11}	X_{12}	X_{13}
Performance target(Y_1)	1.00															
Performance rating(Y_2)	.38 ^a	1.00														
Performance earnings(Y_3)	.40 ^a	.44 ^a	1.00													
Self-efficacy(X_1)	.30 ^a	.36 ^a	.29 ^a	1.00												
Self-esteem(X_2)	-.02	.19 ^a	.10	.11	1.00											
Self-monitoring(X_3)	.03	.01	-.04	.15 ^b	.15 ^b	1.00										
Locus of control(X_4)	-.04	-.25 ^a	-.12	-.10	-.48 ^a	-.17 ^a	1.00									
Intrinsic motivation(X_5)	.01	.15 ^b	.02	.17 ^a	.06	.32 ^a	-.25 ^a	1.00								
Extrinsic motivation(X_6)	.03	.16 ^b	-.05	.18 ^a	.03	.30 ^a	-.21 ^a	.83 ^a	1.00							
Role ambiguity(X_7)	.001	-.16 ^b	-.10	.04	-.71 ^a	-.09	.57 ^a	-.03	.001	1.00						
Role conflict(X_8)	.01	.09	.07	-.01	.14 ^b	-.01	.09	-.09	-.03	-.05	1.00					
Role inaccuracy(X_9)	-.02	-.12	-.02	-.05	.09	-.003	.001	-.14	-.12	-.11	.22 ^a	1.00				
Training(X_{10})	-.15 ^b	-.11	-.23 ^a	-.03	.07	.21 ^a	-.24 ^a	.30 ^a	.28 ^a	-.07	-.20 ^a	-.13	1.00			
Experience(X_{11})	-.001	.20 ^a	.46 ^a	.11	.17 ^a	-.14 ^b	-.15 ^b	.05	-.05	-.21 ^a	-.07	-.04	-.09	1.00		
Age (X_{12})	-.06	.05	.39 ^a	-.03	.16 ^b	-.10	-.13	.03	-.12	-.22 ^a	-.03	-.07	-.07	.67 ^a	1.00	
Education(X_{13})	.10	-.01	-.003	.01	.03	.01	-.004	-.07	-.09	.002	-.04	.02	-.04	-.09	-.13 ^b	1.00

Significant levels of probabilities at ^a $p < 0.001$, and ^b $p < 0.01$, (1-tailed test)

Table 6.8

Pairwise Correlation Matrix for all Variables for the Entire Sample(Malaysia)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating (Y ₂)	.24 ^a	1.00														
Performance earnings(Y ₃)	.30 ^a	.33 ^a	1.00													
Self-efficacy(X ₁)	.05	.10	.26 ^a	1.00												
Self-esteem(X ₂)	.03	.10	.11	.12	1.00											
Self-monitoring(X ₃)	.04	.10	.30 ^a	.22 ^a	.41 ^a	1.00										
Locus of control(X ₄)	-.04	-.03	-.06	-.16 ^b	-.33 ^a	-.39 ^a	1.00									
Intrinsic motivation(X ₅)	.02	.09	.24 ^a	.22 ^a	.37 ^a	.47 ^a	-.33 ^a	1.00								
Extrinsic motivation(X ₆)	-.04	.08	.20 ^a	.26 ^a	.32 ^a	.41 ^a	-.29 ^a	.88 ^a	1.00							
Role ambiguity(X ₇)	-.03	-.04	-.17 ^b	-.23 ^a	-.38 ^a	-.51 ^a	.32 ^a	-.45 ^a	-.49 ^a	1.00						
Role conflict(X ₈)	-.01	-.06	.01	.002	-.23 ^a	-.22 ^a	.32 ^a	-.08	-.03	.03	1.00					
Role inaccuracy(X ₉)	.13	.14 ^b	.10	.02	-.01	.04	-.11	-.05	-.11	.12	-.16 ^b	1.00				
Training(X ₁₀)	-.03	.08	-.03	.18 ^b	.09	.22 ^a	-.19 ^a	.25 ^a	.35 ^a	-.41 ^a	.04	-.06	1.00			
Experience(X ₁₁)	.21 ^a	.14 ^b	.47 ^a	-.03	.13 ^b	.17 ^b	-.08	.14 ^b	.11	-.02	-.10	.16 ^b	-.07	1.00		
Age (X ₁₂)	.09	.05	.23 ^a	-.01	.12	.14 ^b	.0003	.09	.04	-.01	-.14 ^b	.05	.01	.41 ^a	1.00	
Education(X ₁₃)	-.01	.003	.01	-.02	.12	-.0004	-.03	.07	.03	.01	-.04	-.01	-.15 ^b	-.15 ^b	-.29 ^a	1.00

Significant levels of probabilities at ^a p < 0.001, and ^b p < 0.01, (1-tailed test)

Table 6.9
Pairwise Correlation Matrix for all Variables for B1(U.K.)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating (Y ₂)	.44 ^a	1.00														
Performance earnings(Y ₃)	.20 ^b	.52 ^a	1.00													
Self-efficacy(X ₁)	.19 ^b	.55 ^a	.49 ^a	1.00												
Self-esteem(X ₂)	.03	.17	.21 ^b	.38 ^a	1.00											
Self-monitoring(X ₃)	-.03	.13	.001	.16	.38 ^a	1.00										
Locus of control(X ₄)	.07	-.24 ^b	-.06	-.35 ^a	-.33 ^a	-.22 ^b	1.00									
Intrinsic motivation(X ₅)	-.10	.14	.05	.19 ^b	.26 ^a	.35 ^a	-.46 ^a	1.00								
Extrinsic motivation(X ₆)	-.10	.16	-.05	.16	.22 ^b	.31 ^a	-.43 ^a	.83 ^a	1.00							
Role ambiguity(X ₇)	.03	-.08	-.01	-.13	-.26 ^a	-.21 ^b	.40 ^a	-.25 ^a	-.21 ^b	1.00						
Role conflict(X ₈)	.02	.05	.02	-.09	-.04	.08	.18	-.03	-.03	.38 ^a	1.00					
Role inaccuracy(X ₉)	-.10	-.08	.15	-.08	-.09	-.003	.05	-.15	-.10	.16	.26 ^b	1.00				
Training(X ₁₀)	.002	.02	-.23 ^b	.10	.21 ^b	.14	-.38 ^a	.30 ^a	.25 ^a	-.29 ^a	-.18	-.11	1.00			
Experience(X ₁₁)	-.02	.21 ^b	.52 ^a	.29 ^a	.07	-.14	-.11	.08	-.04	-.11	-.18	-.10	-.17	1.00		
Age (X ₁₂)	-.01	.10	.43 ^a	.16	.04	-.12	-.04	.04	-.11	-.07	-.11	-.18	-.16	.70 ^a	1.00	
Education(X ₁₃)	-.08	-.09	-.14	-.09	-.12	-.06	.01	-.06	-.11	-.03	-.01	.12	.03	-.11	-.09	1.00

Significant levels of probabilities at ^a p < 0.001, and ^b p < 0.01, (1-tailed test)

Table 6.10
Pairwise Correlation Matrix for all Variables for B2 (U.K.)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating(Y ₂)	.47 ^a	1.00														
Performance earnings(Y ₃)	.63 ^a	.43 ^a	1.00													
Self-efficacy(X ₁)	.24 ^b	.22	.26 ^a	1.00												
Self-esteem(X ₂)	.09	.20	-.09	.22	1.00											
Self-monitoring(X ₃)	-.08	.21	-.09	.07	-.08	1.00										
Locus of control(X ₄)	-.14	.04	.04	.05	.02	-.13	1.00									
Intrinsic motivation(X ₅)	-.17	.01	-.07	.21	.08	.29 ^b	.02	1.00								
Extrinsic motivation(X ₆)	-.14	-.02	-.13	.23 ^b	.09	.32 ^b	.02	.84 ^a	1.00							
Role ambiguity(X ₇)	-.12	-.05	-.10	-.09	-.40 ^a	.18	.04	.34 ^a	.35 ^a	1.00						
Role conflict(X ₈)	.14	.15	.32 ^a	.16	.16	-.09	.23	-.02	-.07	-.39 ^a	1.00					
Role inaccuracy(X ₉)	.11	-.06	.06	-.12	.09	-.07	-.20	-.02	-.08	-.29 ^b	.17	1.00				
Training(X ₁₀)	-.28 ^a	-.28 ^a	-.37 ^a	-.08	-.16	.33 ^a	-.05	.34	.36 ^a	.33 ^a	-.36 ^a	-.15	1.00			
Experience(X ₁₁)	.26 ^a	.28 ^a	.55 ^a	-.14	-.06	-.08	.14	.07	-.02	-.003	.03	.02	-.06	1.00		
Age (X ₁₂)	.13	.03	.56 ^a	-.07	-.14	-.09	.21	-.02	-.13	.04	.13	-.02	-.16	.62 ^a	1.00	
Education(X ₁₃)	.06	.15	-.05	.02	.17	-.04	-.07	-.16	-.22	-.07	-.06	-.07	-.10	-.02	-.21	1.00

Significant levels of probabilities at ^a p < 0.001, and ^b p < 0.01, (1-tailed test)

Table 6.11
Pairwise Correlation Matrix for all Variables for B3 (U.K.)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating (Y ₂)	.23	1.00														
Performance earnings(Y ₃)	.45 ^a	.33 ^b	1.00													
Self-efficacy(X ₁)	.39 ^a	.12	-.01	1.00												
Self-esteem(X ₂)	-.17	.01	.04	.16	1.00											
Self-monitoring(X ₃)	-.0002	-.06	-.07	.12	.09	1.00										
Locus of control(X ₄)	-.24	-.40 ^a	-.25 ^b	-.01	-.01	-.25 ^b	1.00									
Intrinsic motivation(X ₅)	.17	.35 ^a	.05	-.04	.02	.22	-.41 ^a	1.00								
Extrinsic motivation(X ₆)	.22	.35 ^a	.04	.07	-.01	.22	-.31 ^b	.81 ^a	1.00							
Role ambiguity(X ₇)	-.03	-.10	-.16	.15	-.14	-.36 ^a	.40 ^a	-.39 ^a	-.30 ^b	1.00						
Role conflict(X ₈)	-.04	.06	-.12	.17	-.02	-.07	.31 ^b	-.25 ^b	-.05	.40 ^a	1.00					
Role inaccuracy(X ₉)	-.21	-.37 ^a	-.25	.03	-.04	-.001	.34 ^b	-.26 ^b	-.20	.11	.18	1.00				
Training(X ₁₀)	-.10	-.12	-.12	-.18	.12	.27 ^b	-.22	.30 ^b	.31 ^b	-.24 ^b	-.13	-.14	1.00			
Experience(X ₁₁)	-.03	.10	.28 ^b	-.28 ^b	.05	-.16	-.05	.12	.11	-.21	-.17	-.06	.03	1.00		
Age (X ₁₂)	-.17	-.04	.17	-.27 ^b	-.03	.01	-.12	.20	.10	-.18	-.22 ^b	-.05	.15	.50 ^a	1.00	
Education(X ₁₃)	.09	-.17	.22	-.11	-.10	.10	-.05	-.10	-.10	-.02	.01	-.04	-.05	.01	-.04	1.00

Significant levels of probabilities at ^a $p < 0.001$, and ^b $p < 0.01$, (1-tailed test)

Table 6.12
Pairwise Correlation Matrix for all Variables for M4 (Malaysia)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating (Y ₂)	.18 ^b	1.00														
Performance earnings(Y ₃)	.26 ^a	.34 ^a	1.00													
Self-efficacy(X ₁)	.08	.18 ^b	.32 ^a	1.00												
Self-esteem(X ₂)	.01	.11	.10	.12	1.00											
Self-monitoring(X ₃)	-.003	.10	.28 ^a	.26 ^a	.44 ^a	1.00										
Locus of control(X ₄)	-.04	-.04	-.10	-.17 ^b	-.34 ^a	-.39 ^a	1.00									
Intrinsic motivation(X ₅)	-.03	.06	.22 ^a	.26 ^a	.40 ^a	.44 ^a	-.33 ^a	1.00								
Extrinsic motivation(X ₆)	-.08	.06	.19 ^b	.29 ^a	.34 ^a	.41 ^a	-.33 ^a	.89 ^a	1.00							
Role ambiguity(X ₇)	-.05	-.10	-.24 ^a	-.22 ^a	-.42 ^a	-.58 ^a	.35 ^a	-.49 ^a	-.51 ^a	1.00						
Role conflict(X ₈)	.03	-.03	.07	-.003	-.22 ^a	-.15 ^b	.31 ^a	-.04	-.02	.07	1.00					
Role inaccuracy(X ₉)	.09	.06	.02	.06	-.07	-.06	-.05	-.14 ^b	-.20 ^a	.10	-.07	1.00				
Training(X ₁₀)	-.03	.12	.02	.21 ^a	.16 ^b	.27 ^a	-.25 ^a	.31 ^a	.36 ^a	-.41 ^a	-.02	-.03	1.00			
Experience(X ₁₁)	.20 ^a	.12	.43 ^a	.01	.12	.13	-.08	.11	.09	-.03	-.09	.09	-.05	1.00		
Age (X ₁₂)	.10	.03	.29 ^a	-.002	.10	.21 ^a	-.01	.10	.03	-.02	-.19 ^b	.06	-.004	.47 ^a	1.00	
Education(X ₁₃)	-.04	.02	.004	-.04	.10	.002	-.03	.04	.01	.004	-.02	-.04	-.12	-.17 ^b	-.29 ^a	1.00

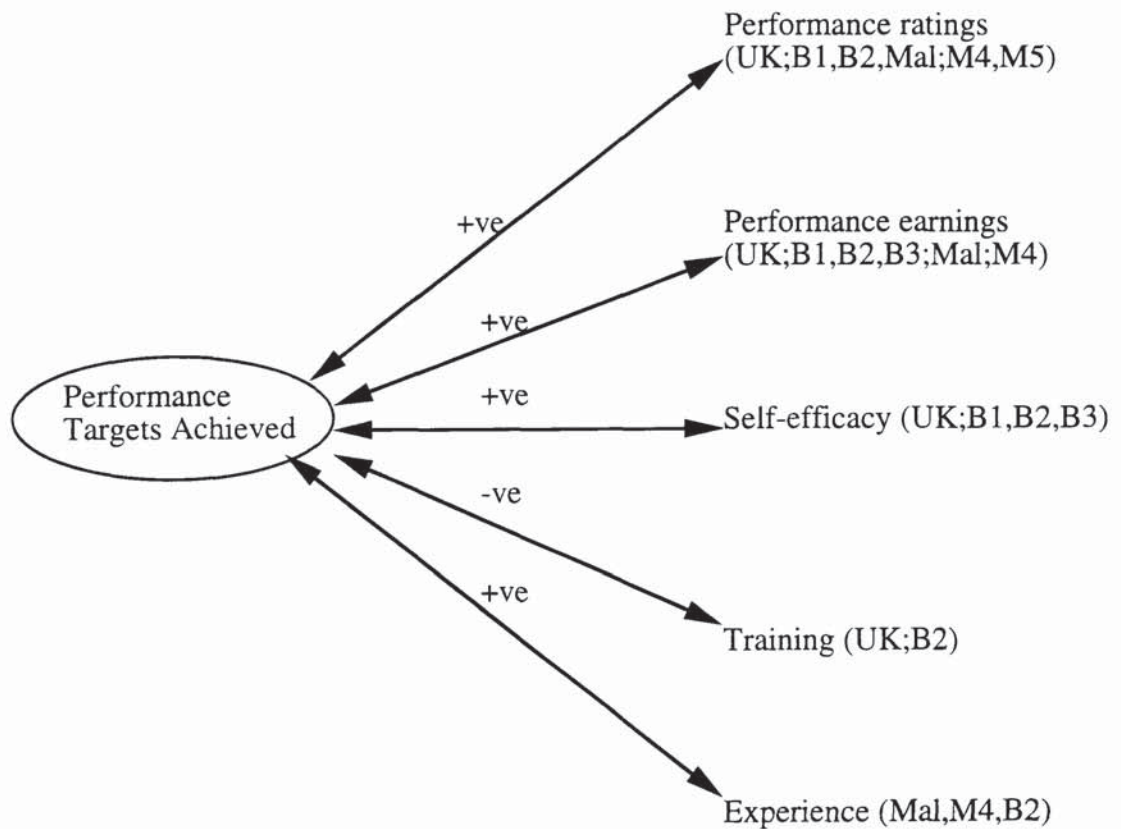
Significant levels of probabilities at ^a p < 0.001, and ^b p < 0.01, (1-tailed test)

Table 6.13
Pairwise Correlation Matrix for All Variables for M5 (Malaysia)

Variables	Y ₁	Y ₂	Y ₃	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀	X ₁₁	X ₁₂	X ₁₃
Performance target(Y ₁)	1.00															
Performance rating (Y ₂)	.54 ^a	1.00														
Performance earnings(Y ₃)	.26	.09	1.00													
Self-efficacy(X ₁)	-.15	-.23 ^b	.001	1.00												
Self-esteem(X ₂)	.10	-.04	.20	.22	1.00											
Self-monitoring(X ₃)	.13	-.09	.03	.19	.17	1.00										
Locus of control(X ₄)	-.10	-.001	-.25	-.15	-.26	-.47 ^b	1.00									
Intrinsic motivation(X ₅)	.27	.08	.19	.11	.21	.51 ^a	-.35	1.00								
Extrinsic motivation(X ₆)	.33	.11	.17	.03	.14	.27	-.08	.82 ^a	1.00							
Role ambiguity(X ₇)	-.03	.18	-.20	-.19	-.10	.25	.19	-.32	-.44 ^b	1.00						
Role conflict(X ₈)	.01	-.01	.25	-.18	-.29	-.37 ^b	.48 ^a	-.15	.12	-.10	1.00					
Role inaccuracy(X ₉)	.09	.19	.28	-.04	.25	.14	-.42 ^b	.16	.12	.01	-.30	1.00				
Training(X ₁₀)	.06	-.06	-.22	-.12	-.36	.14	.12	.03	.28	-.42 ^b	.37 ^b	-.14	1.00			
Experience(X ₁₁)	-.08	.24	.16	-.15	.07	.12	-.07	.18	.15	-.07	.26	.26	-.15	1.00		
Age (X ₁₂)	.20	.04	.59 ^a	-.07	.29	-.16	.06	.09	.23	.13	.07	.25	.04	.13	1.00	
Education(X ₁₃)	.12	-.21	.05	.35	.29	-.15	-.02	.15	.16	.04	-.04	.03	-.31	-.18	-.24	1.00

Significant levels of probabilities at ^a $p < 0.001$, and ^b $p < 0.01$, (1-tailed test)

Figure 6.26: Statistically Significant Correlations with Performance Targets Achieved



Legend:
 UK :entire UK sample
 Mal:entire Malaysian sample
 B :UK companies
 M : Malaysian Companies
 +ve:positive correlations
 -ve :negative correlations

in the UK only. Experience is positively related to performance target achieved in Malaysia and one British company.

Performance Rating

Performance rating is significantly correlated with eleven variables (see figure 6.27). Performance rating is positively related to: (1) performance target achieved (UK, B1, B2, Mal, M4 and M5); (2) performance earnings (UK, B1, B2, B3, Mal, M4); (3) self-efficacy (UK, B1, M4) but negatively related to self-efficacy in M5; (4) self-esteem (UK); (5) intrinsic motivation (UK, B3); (6) extrinsic motivation (UK, B3); (7) experience (UK, B1, B2, Mal), while it is negatively related to (8) locus of control (UK, B1, B3); (9) role ambiguity (UK); (10) role inaccuracy in B3, with the exception in Malaysia (positive); and (11) training (B2). Self-esteem, locus of control, intrinsic motivation, extrinsic motivation, role ambiguity and training are significantly related to performance rating in the UK only while other relationships are significant in both countries. It can be seen that there are more significant relationships in the UK than in Malaysia. See also tables 6.7 to 6.13 for these results.

Performance Earnings

Performance earnings is found to be significantly correlated to 13 variables: (1) performance target achieved (positive) -(UK, B1, B2, B3, Mal, M4); (2) performance rating (positive) -(UK, B1, B2, B3, Mal, M4); (3) self-efficacy (positive) - (UK, B1, B2, Mal, M4); (4) self-esteem (positive) - (B1); (5) self-monitoring (positive)-(Mal, M4); (6) locus of control (negative)-(B3); (7) intrinsic motivation (positive) - (Mal, M4); (8) extrinsic motivation (positive)- (Mal, M4); (9) role ambiguity (negative) - (Mal, M4); (10) role conflict (positive) (B2); (11) training (positive) - (UK, B1, B2); (12) experience (positive) (UK, B1, B2, B3, Mal, M4); and (13) age (positive) (UK, B1, B2, Mal, M4, M5). A diagrammatic presentation of these correlations is found in figure 6.28. All relationships are in the hypothesized direction except for role conflict and training. Associations with performance target achieved, performance rating, self-efficacy, experience and age are universal for both countries, while relationships with self-esteem and role

Figure 6.27: Statistically Significant Correlations With Performance Ratings

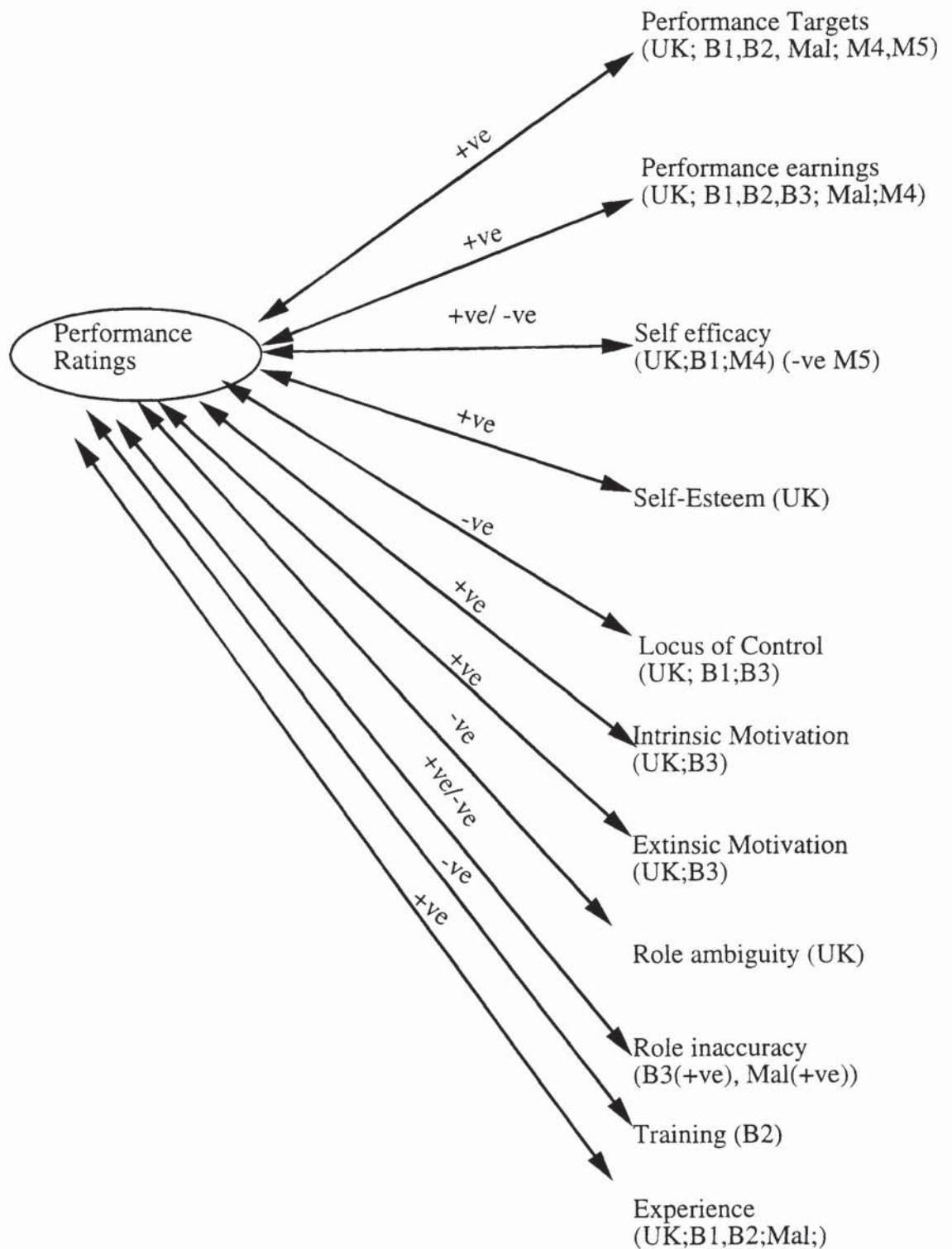
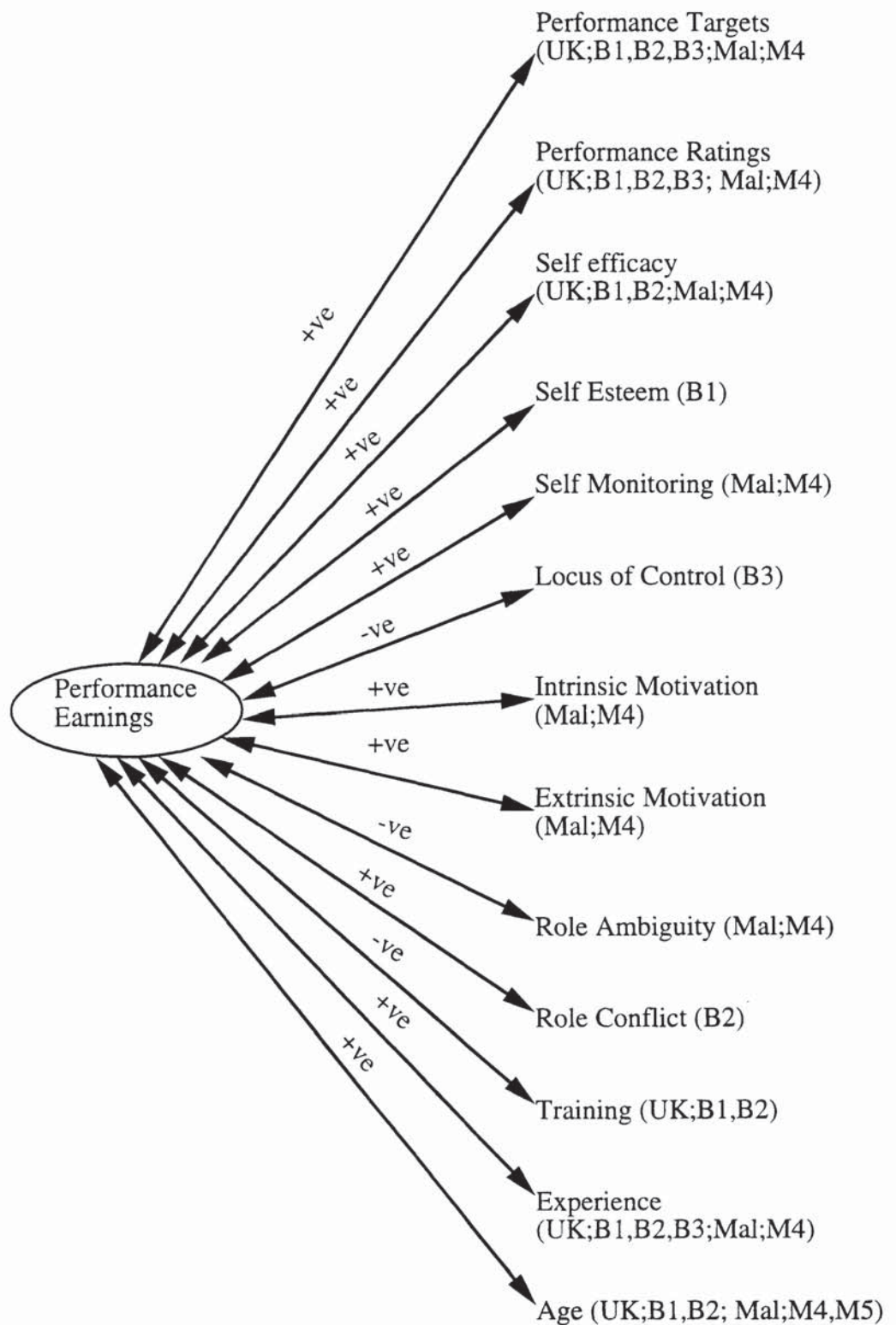


Figure 6.28: Statistically Significant Correlations with Performance Earnings



conflict are peculiar to the British. Significant relationships with self-monitoring, intrinsic motivation, extrinsic motivation and role ambiguity are common only in the Malaysian samples.

Self-Efficacy

Self-efficacy is significantly and positively correlated to : (1) performance target achieved (UK, B1, B2, B3); (2) performance rating (UK, B1, B2, Mal, M4); (3) performance earnings (UK, B1, B2, Mal, M4); (4) self-esteem (B1); (5) self-monitoring (UK, Mal, M4); (6) intrinsic motivation (UK, B1, Mal, M4) (7) extrinsic motivation (UK, B2, Mal, M4); (8) training (Mal, M4); (9) experience (B3). Self-efficacy is negatively related to: (1) locus of control (B1, Mal, M4); (2) role ambiguity (Mal, M4); (3) age (B3); (4) experience (B3); and (5) performance rating (M5). A diagrammatic presentation of these correlations is found in figure 6.29.

Self-efficacy shows a strong positive associations with all performance measures in both countries, except performance target achieved which is only true for the UK samples. Only in company M5, is self-efficacy negatively related to performance rating. The association of self-efficacy with locus of control indicate that self-efficacy is positively related to Internals (negative = Internals). Self-efficacy also shows a significant positive relationship with training.

Self-Esteem

Self-esteem is shown to have significant correlations with 11 variables. It is positively related with (1) performance rating (UK); (2) performance earnings (B1); (3) self-efficacy (B1); (4) self-monitoring (UK, B1, Mal, M4); (5) intrinsic motivation (B1, Mal, M4); (6) extrinsic motivation (B1, Mal, M4); (7) training (B1, M4); and (8) age (UK). It is negatively related to (9) locus of control (UK, B1, Mal, M4); (10) role ambiguity (UK, B1, B2, Mal, M4); and (11) role conflict (Mal, M4) but positively related to role conflict in the UK. A diagrammatic presentation of these correlations is found in figure 6.30. It seems that self-esteem is significantly related to all the variables shown in the UK, while not all relationships are significant in Malaysia.

Figure 6.29: Statistically Significant Correlations with Self - Efficacy

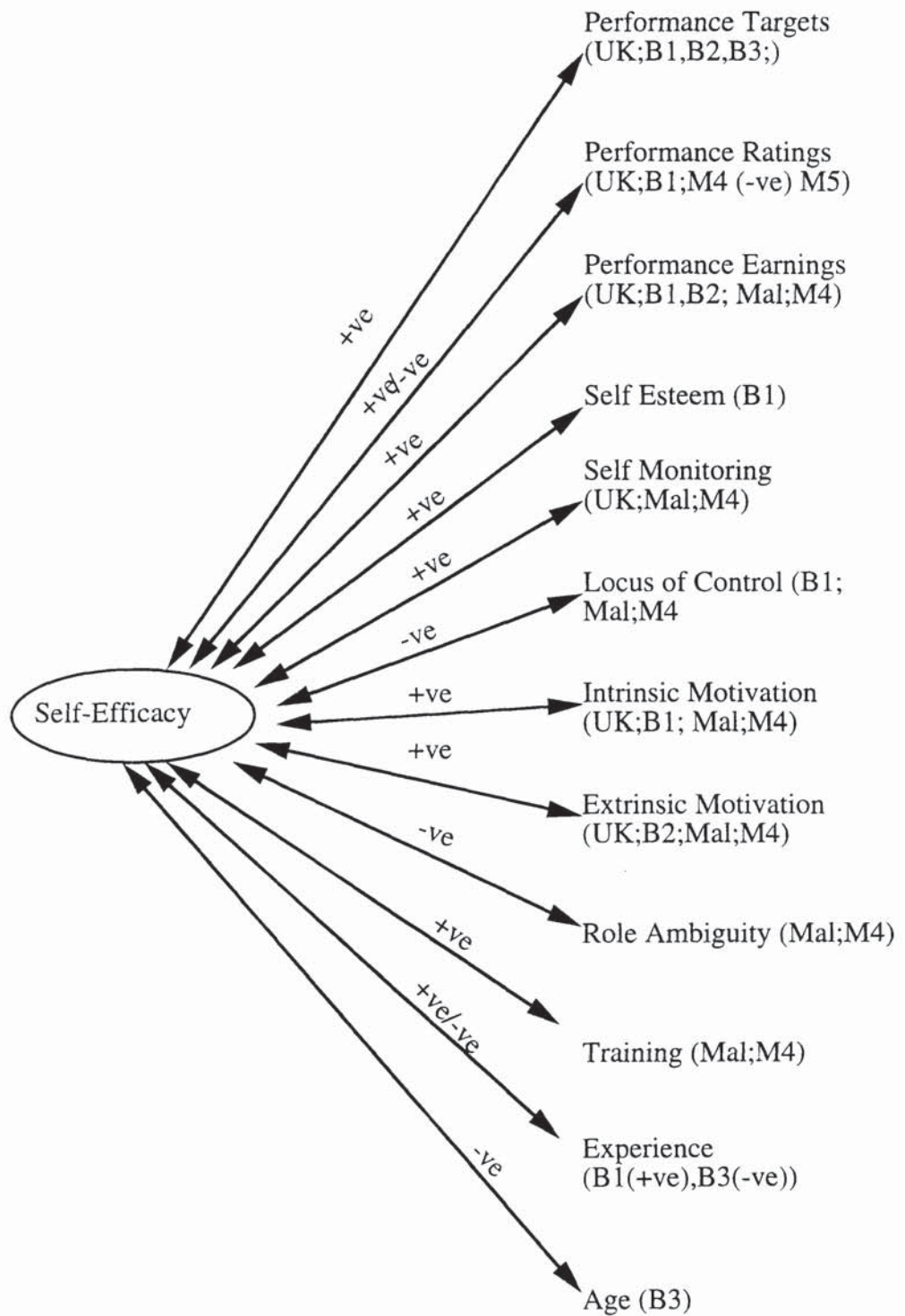
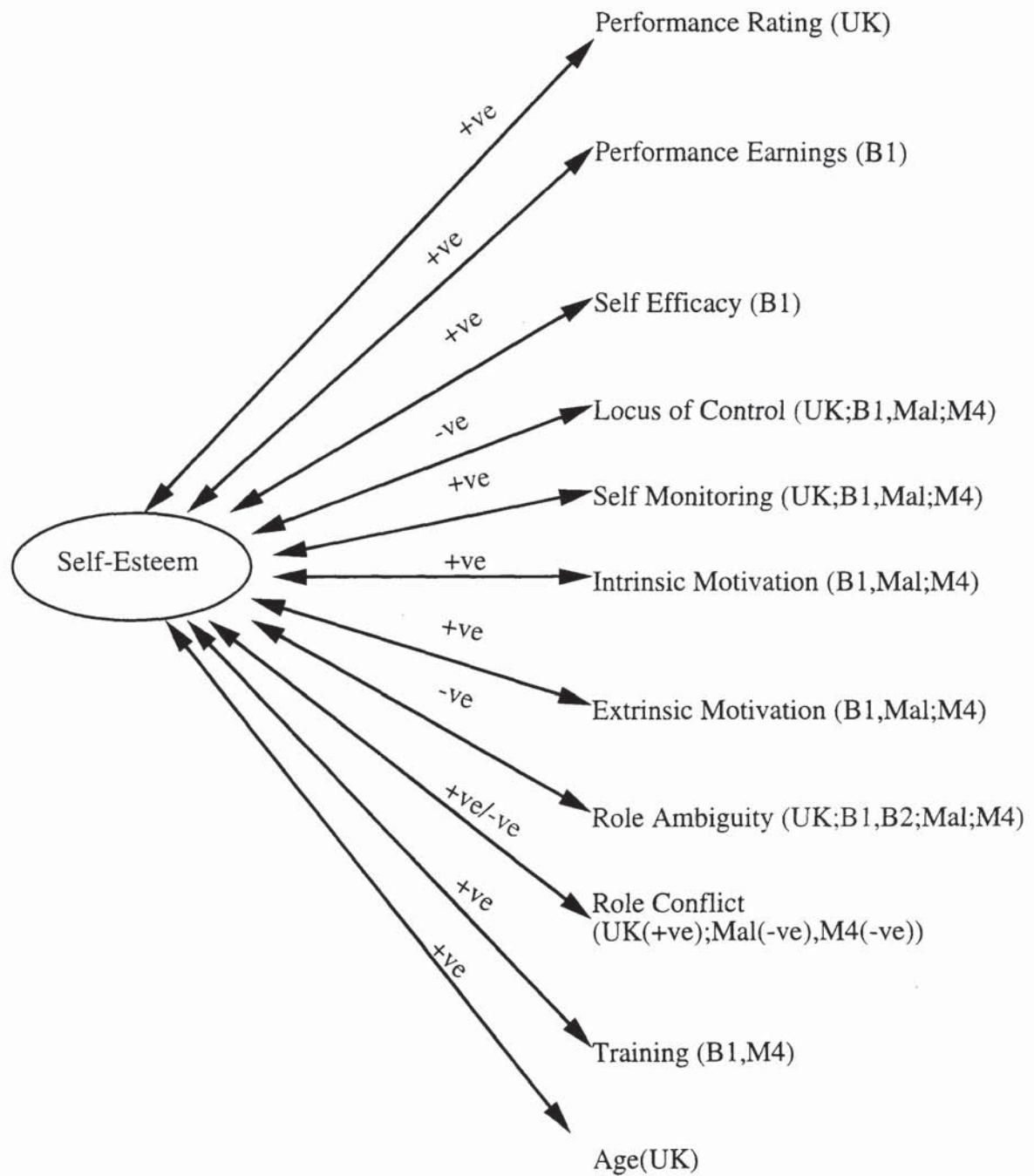


Figure 6.30: Statistically Significant Correlations with Self-esteem



Self-Monitoring

Self-monitoring is found to be significantly correlated to 11 variables. It is positively related to (1) performance earnings (Mal, M4); (2) self-efficacy (UK, Mal, M4); (3) self-esteem (UK, B1, Mal, M4); (4) intrinsic motivation (UK, B1, B2, Mal, M4, M5); (5) extrinsic motivation (UK, B1, B2, Mal, M4); (6) training (UK, B2, B3, Mal, M4); (7) age (Mal, M4); and is negatively related to (8) locus of control (UK, B1, B3, Mal, M4, M5); (9) role ambiguity (B1, B3, Mal, M4); (10) role conflict (Mal, M4, M5) and (11) experience (UK, Mal). Self-monitoring is significantly related to role conflict, performance earnings and age, in Malaysia only. A diagrammatic presentation of these correlations is found in figure 6.31.

Locus of Control

Locus of control is significantly correlated to 12 variables in the model. It is negatively related to (1) performance rating (UK, B1, B3); (2) performance earnings (B3); (3) self-efficacy (B1, Mal, M4); (4) self-esteem (UK, B1, Mal, M4); (5) self-monitoring (UK, B1, B3, Mal, M4, M5); (6) intrinsic motivation (UK, B1, B3, Mal, M4, M5) (7) extrinsic motivation (UK, B1, B3, Mal, M4); (8) role inaccuracy (M5); (9) training (UK, B1, Mal, M4); (10) experience (UK). Locus of control is positively related to (11) role ambiguity (UK, B1, B3, Mal, M4); (12) role conflict (B3, Mal, M4, M5). A diagrammatic presentation of these correlations is found in figure 6.32.

Intrinsic Motivation

Intrinsic motivation is significantly related to 11 variables. It is positively related to (1) performance rating (UK, B3); (2) performance earnings (Mal, M4); (3) self-efficacy (UK, B1, Mal, M4); (4) self-esteem (B1, Mal, M4); (5) self-monitoring (UK, B1, B2, Mal, M4, M5); (6) extrinsic motivation (UK, B1, B2, B3, Mal, M4, M5); (7) training and it is negatively related to (8) locus of control (UK, B1, B3, Mal, M4, M5); (9) role ambiguity (B1, B2, B3, Mal, M4, M5); (10) role conflict (B3); and (11) role inaccuracy (B3, M4). A diagrammatic presentation of these correlations is found in figure 6.33.

Fig 6.31: Statistically Significant Correlations with Self-Monitoring

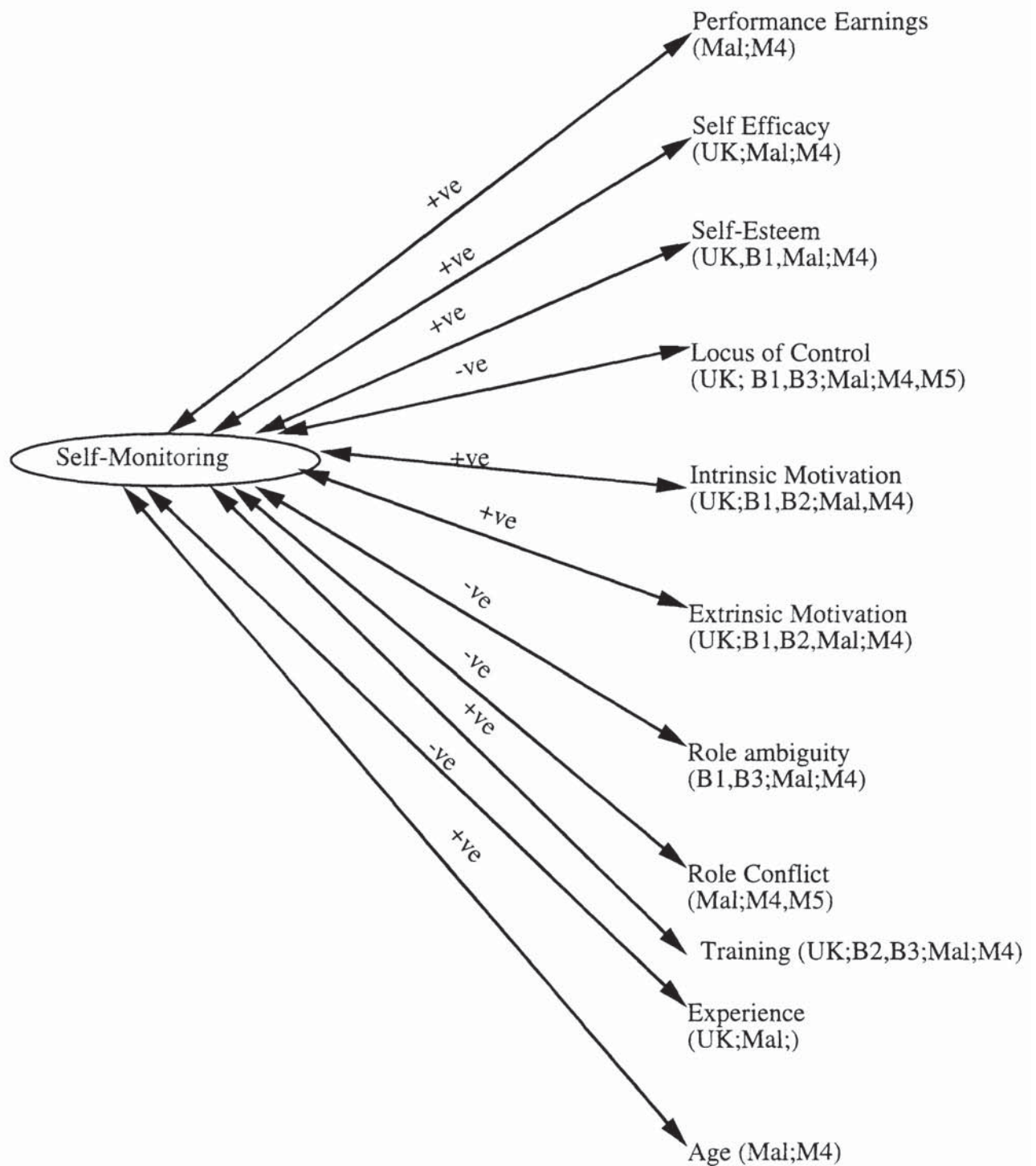


Figure 6.32: Statistically Significant Correlations with Locus of Control

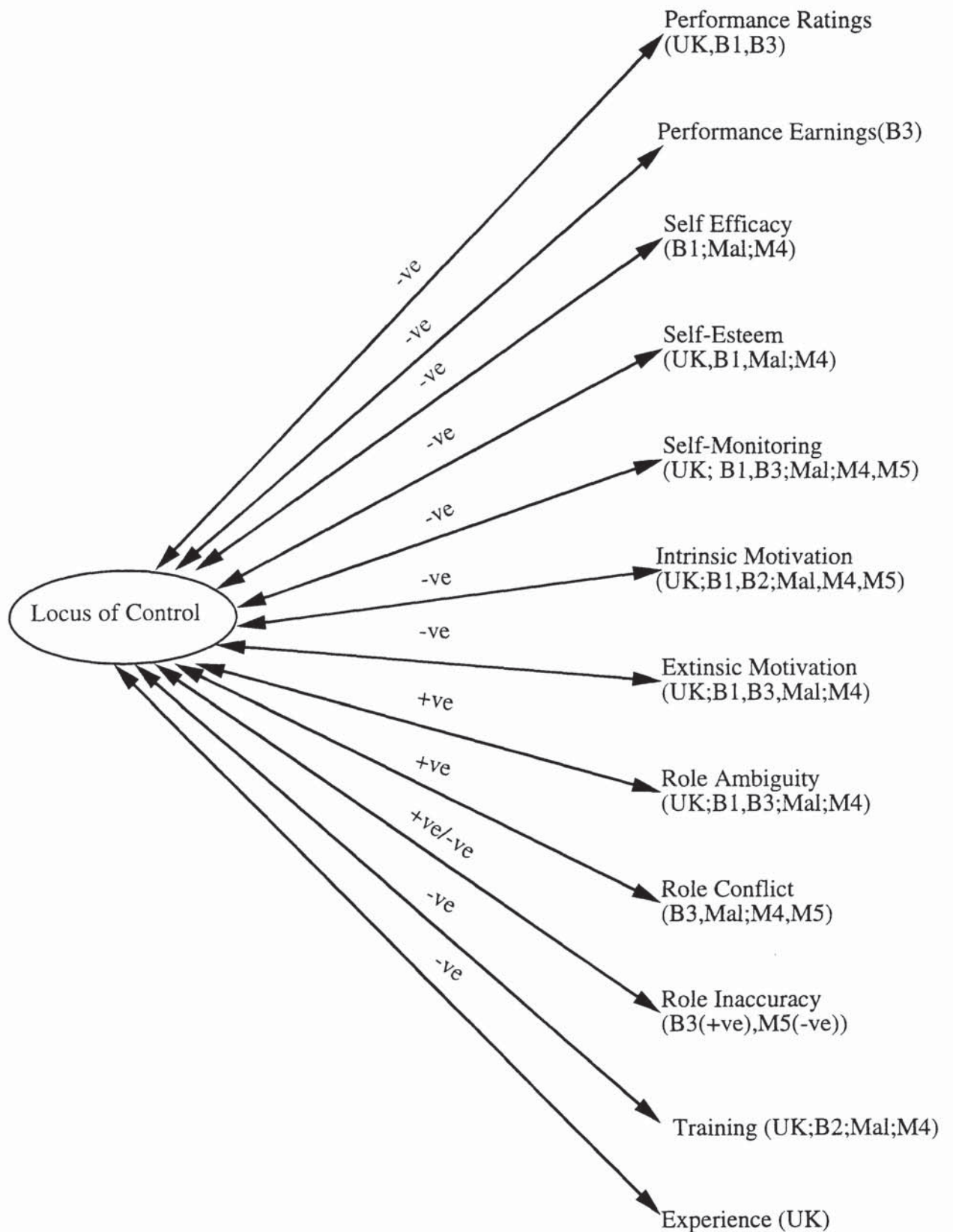
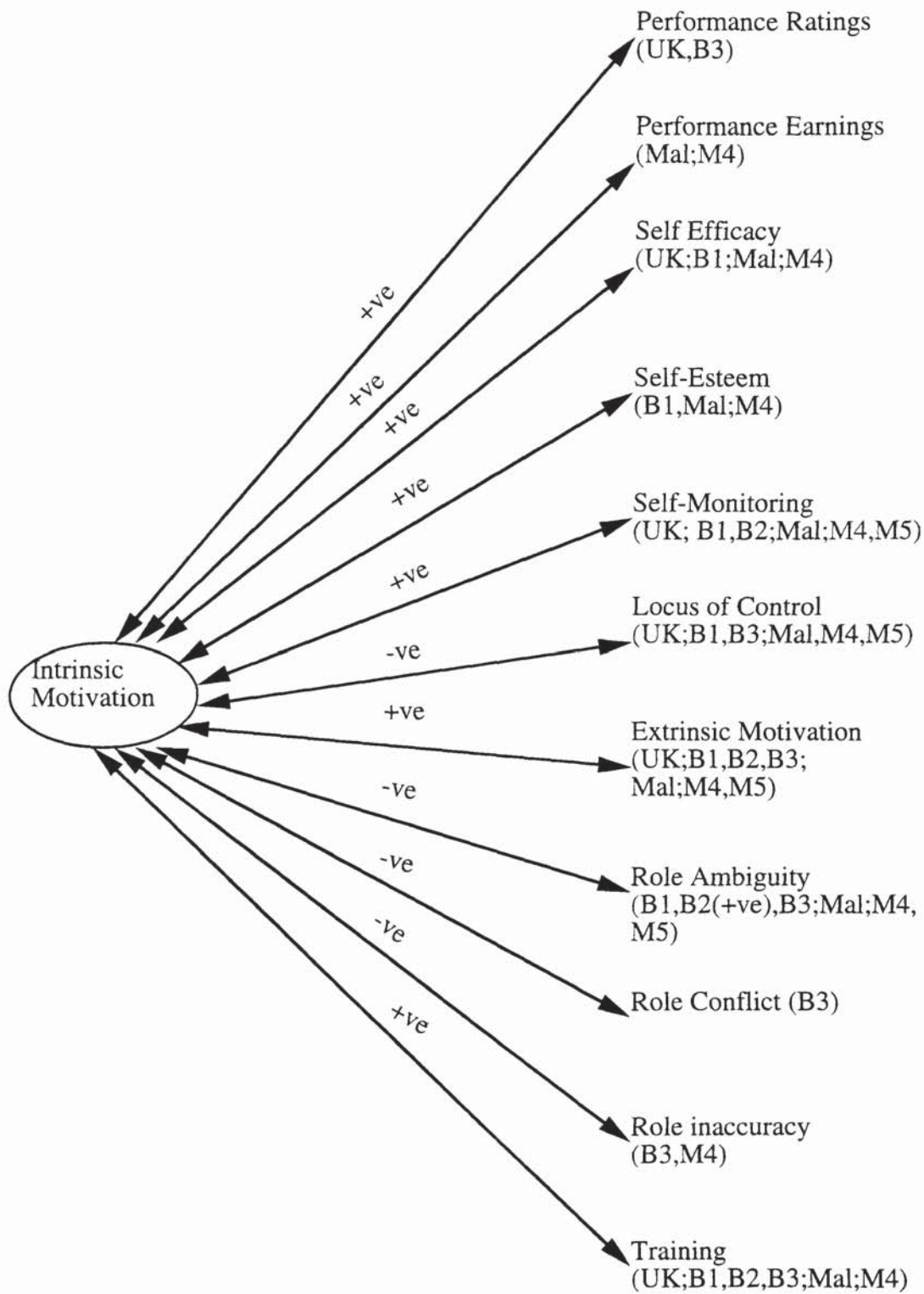


Figure 6.33: Statistically Significant Correlations with Intrinsic Motivation



Extrinsic Motivation

Extrinsic motivation is found to be positively related to (1) performance rating (UK, B3); (2) performance earnings (Mal, M4); (3) self-efficacy (UK, B2, Mal, M4); (4) self-esteem (B1, Mal, M4); (5) self-monitoring (UK, B1, B2, Mal, M4); (6) intrinsic motivation (all companies); (7) training (UK, B1, B2, B3, Mal, M4), and it is negatively related to (8) role ambiguity (B1, B3, Mal, M4, M5); (9) role inaccuracy (M4). A diagrammatic presentation of these correlations is found in figure 6.34.

Role Ambiguity

Role ambiguity is found to be negatively related to 11 variables: (1) performance ratings (UK), (2) performance earnings (Mal, M4), (3) self-efficacy (Mal, M4), (4) self-esteem (UK, B1, B2, Mal, M4), (5) self-monitoring (B1, B3, Mal, M4), (6) intrinsic motivation (B1, B2, B3, Mal, M4), (7) extrinsic motivation (B1, B2, B3, Mal, M4), (8) role inaccuracy (B2), (9) training (B1, B2, B3, Mal, M4, M5), (10) experience (UK), and (11) age (UK). It is positively related to locus of control (UK, B1, B3, Mal, M4), and role conflict (B1, B3) but role conflict is inversely related to role ambiguity in B2. A diagrammatic presentation of these correlations is found in figure 6.35.

Role Conflict

Role conflict is found to be positively related to four variables: (1) performance earnings (B2); (2) locus of control (B3, Mal, M4, M5); (3) role ambiguity (B1, B3) with the exception of B2, where it is negatively related; (4) role inaccuracy (UK, B1), with the exception of Malaysia, which is negatively related. A diagrammatic presentation of these correlations is found in figure 6.36. Role conflict is negatively related to five variables: (1) self-esteem (Mal, M4, M5) with the exception of the UK (entire sample) which shows a positive relationship, (2) self-monitoring (Mal, M4, M5), (3) intrinsic motivation (B3), (4) training (UK, B2) with the exception of M5 which shows a positive relationship, and (5) age (B3, Mal, and M4).

Role Inaccuracy

Role inaccuracy is negatively related to six variables: (1) performance ratings (B3,

Figure 6.34: Statistically Significant Correlations with Extrinsic Motivation

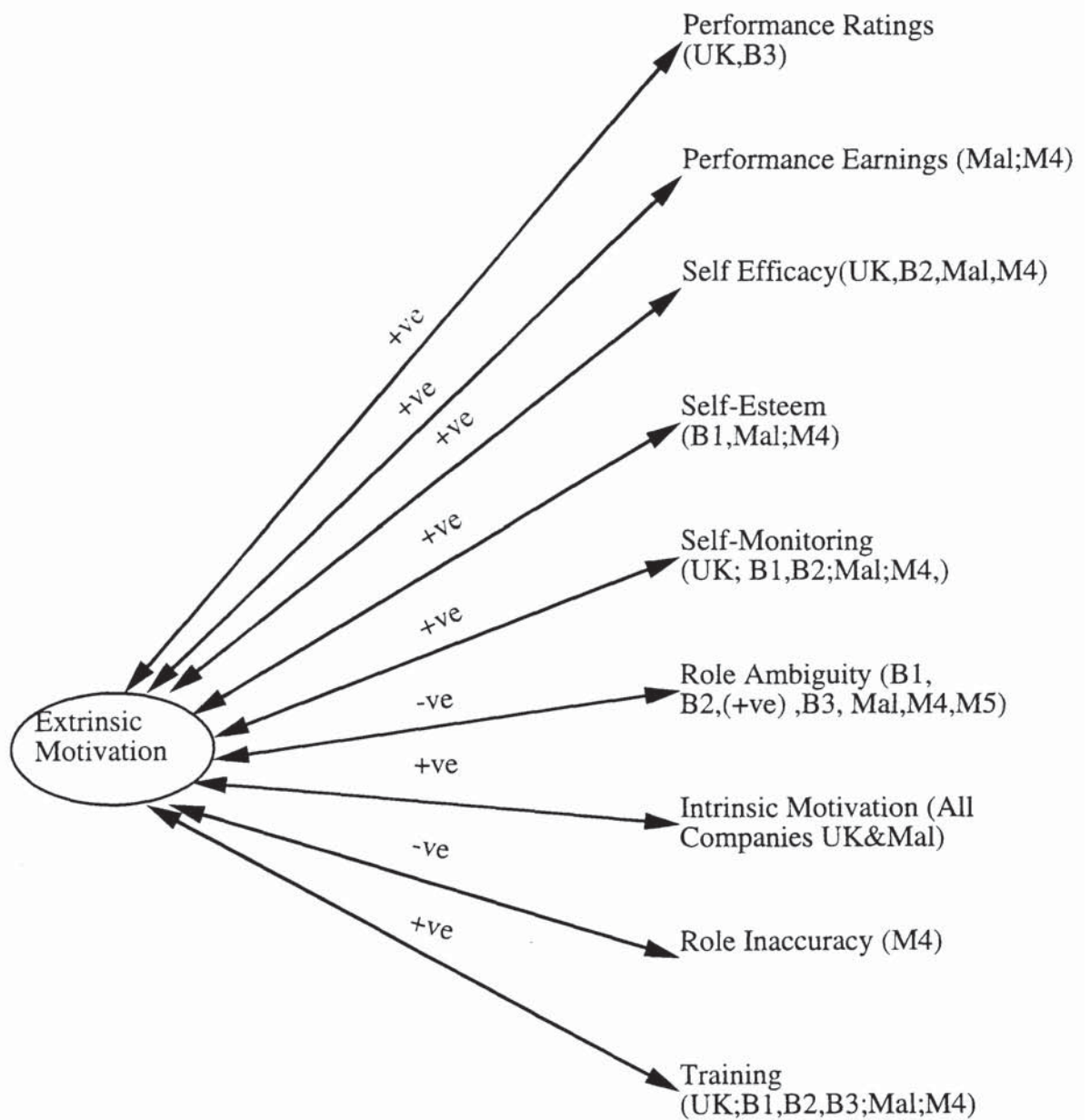


Figure 6.35: Statistically Significant Correlations with Role Ambiguity

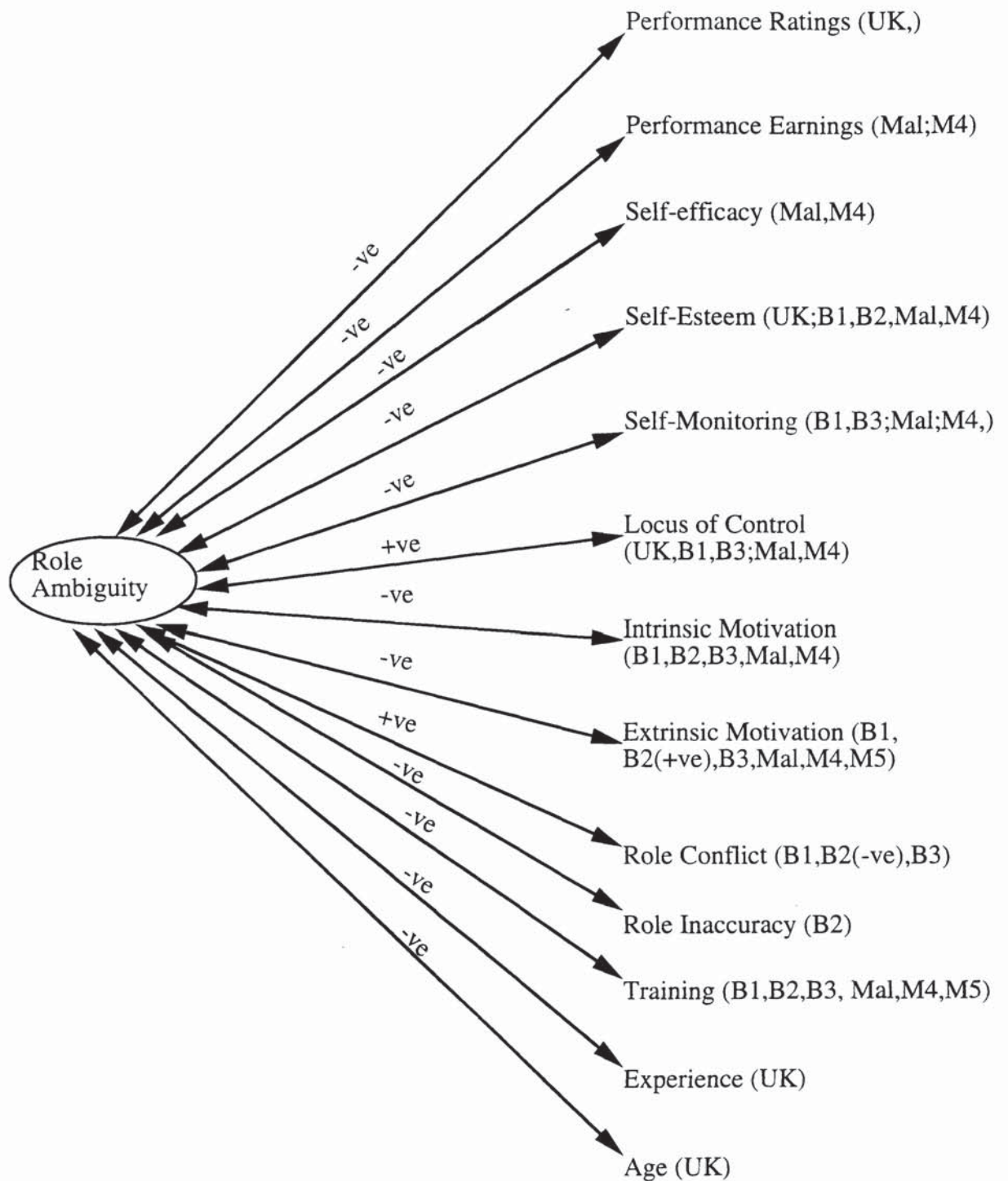
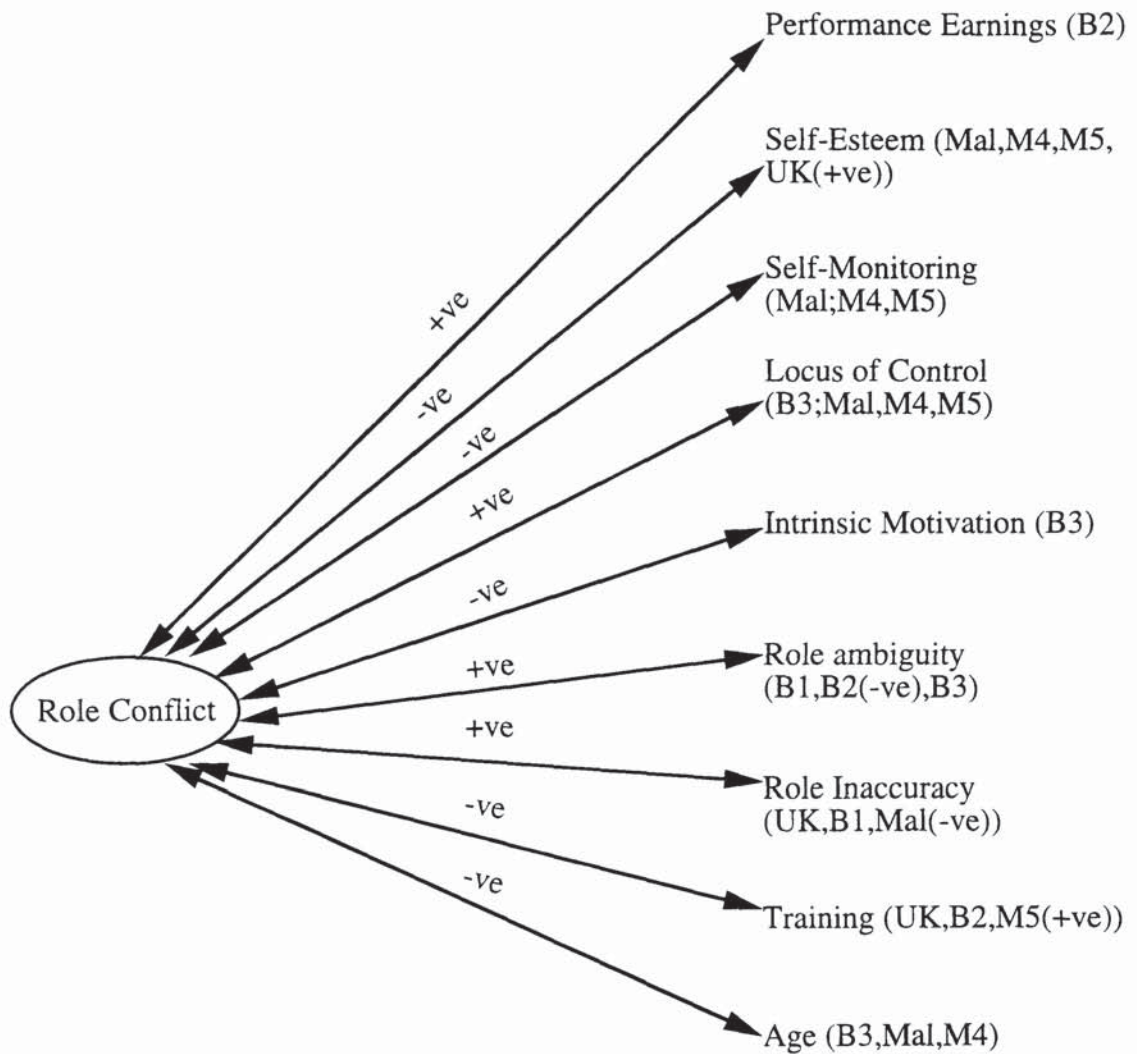


Figure 6.36: Statistically Significant Correlations with Role Conflict



Mal), (2) performance earnings (B3), (3) intrinsic motivation (B3, M4), (4) extrinsic motivation (M4), (5) role ambiguity (B2). It is also positively related to: (1) locus of control (B3), but negatively related to locus of control in M5, (2) role conflict (UK, B1) but shows a negative relationship in Malaysia, (3) experience (Malaysia). A diagrammatic presentation of these correlations is found in figure 6.37.

Training Perceptions

Training perceptions is negatively correlated to all three performance measures and four predictor variables, making an aggregate of seven negative relationships as follows: (1) performance target (UK, B2), (2) performance ratings (B2); (3) performance earnings (UK, B1, B2); (4) locus of control (UK, B2, Mal, M4), (5) role ambiguity (B1, B2, B3, Mal, M4, M5), (6) role conflict (UK, B2) with the exception of M5 (positive linkage), (7) education (Mal). Training is positively related to five other predictor variables: (1) self-efficacy (Mal, M4), (2) self-esteem (B1, M4) with the exception of M5 (negatively related), (3) self-monitoring (UK, B2, B3, Mal, M4), (4) intrinsic motivation (UK, B1, B2, B3, Mal, M4), and (5) extrinsic motivation (UK, B1, B2, B3, Mal, M4). A diagrammatic presentation of these correlations is found in figure 6.38.

Experience

Experience is found to be positively related to all three performance measures and four other predictor variables (7 positive relationships): (1) performance ratings (UK, B1, B2, Mal), (2) performance earnings (UK, B1, B2, B3, Mal, M4), (3) performance target (Mal, M4), (4) self-efficacy (B1), with the exception of B3 (negative linkage observed), (5) self-esteem (UK, Mal), (6) role inaccuracy (Mal), and (7) age (UK, B1, B2, B3, Mal, M4). Experience is negatively related to four other variables: (1) self-monitoring (UK, Mal), locus of control (UK), (3) role ambiguity (UK), and (4) education (Mal, M4). A diagrammatic presentation of these correlations is found in figure 6.39.

Figure 6.37: Statistically Significant Correlations with Role Inaccuracy

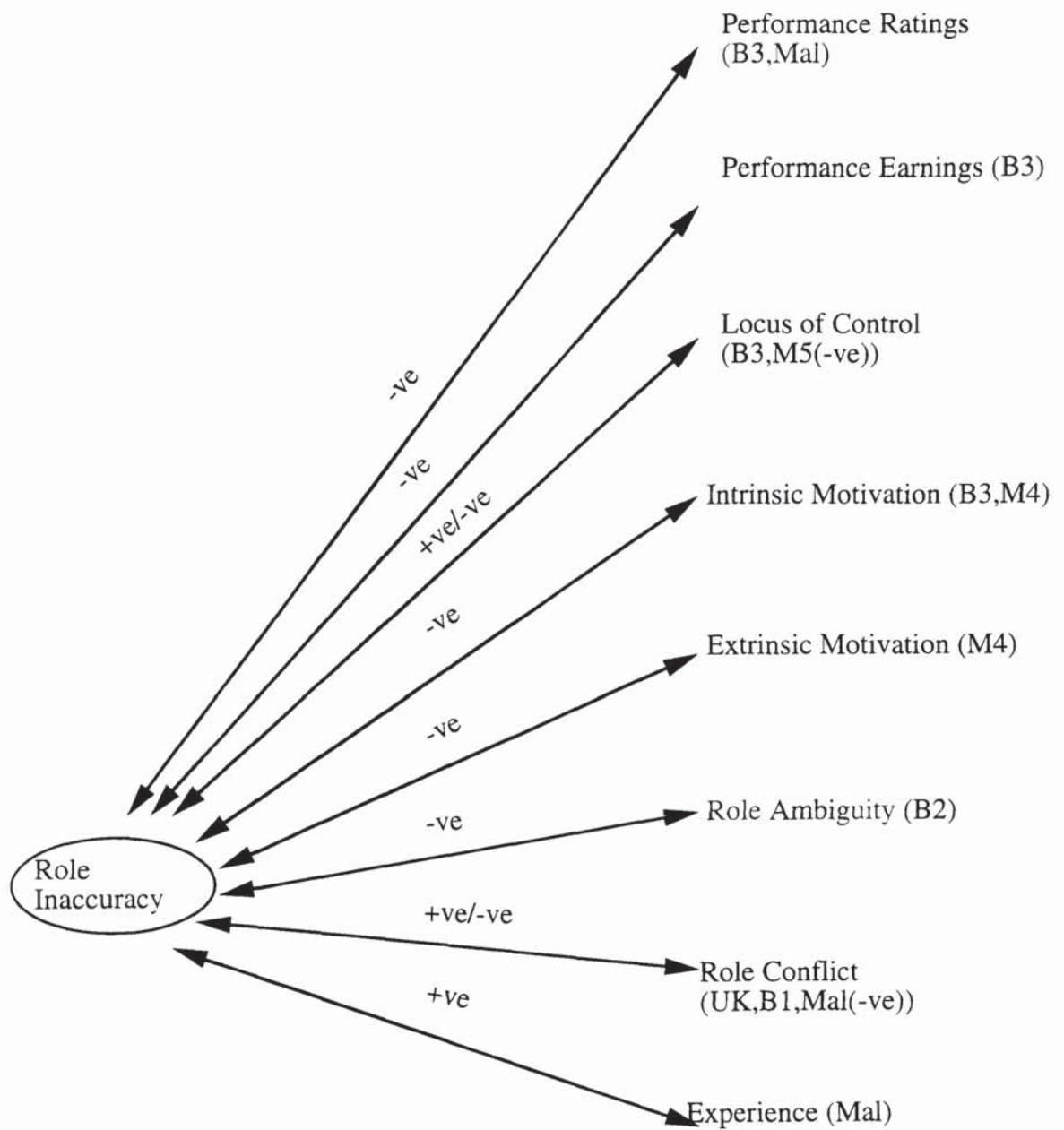


Figure 6.38: Statistically Significant Correlations with Training Perceptions

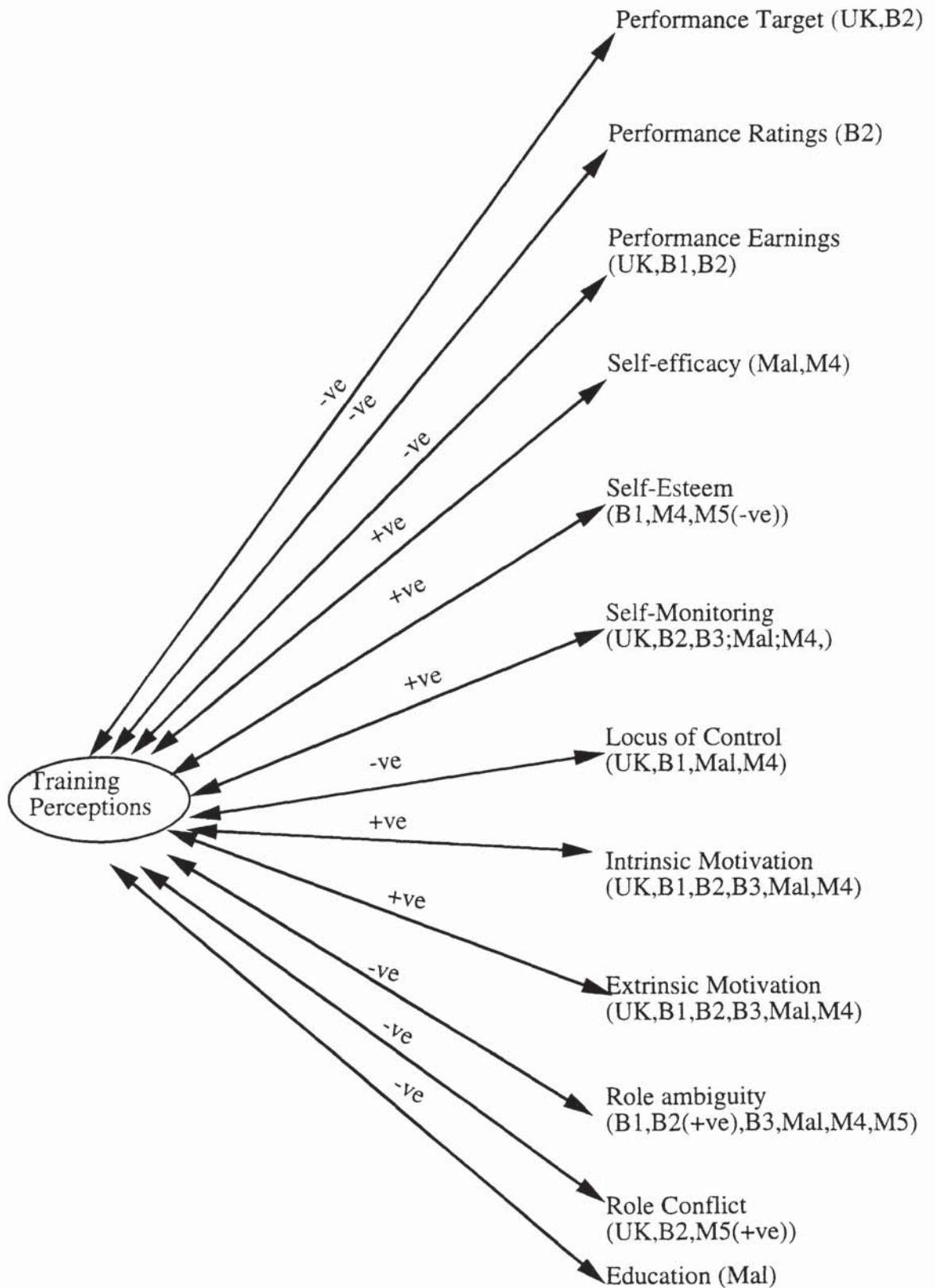
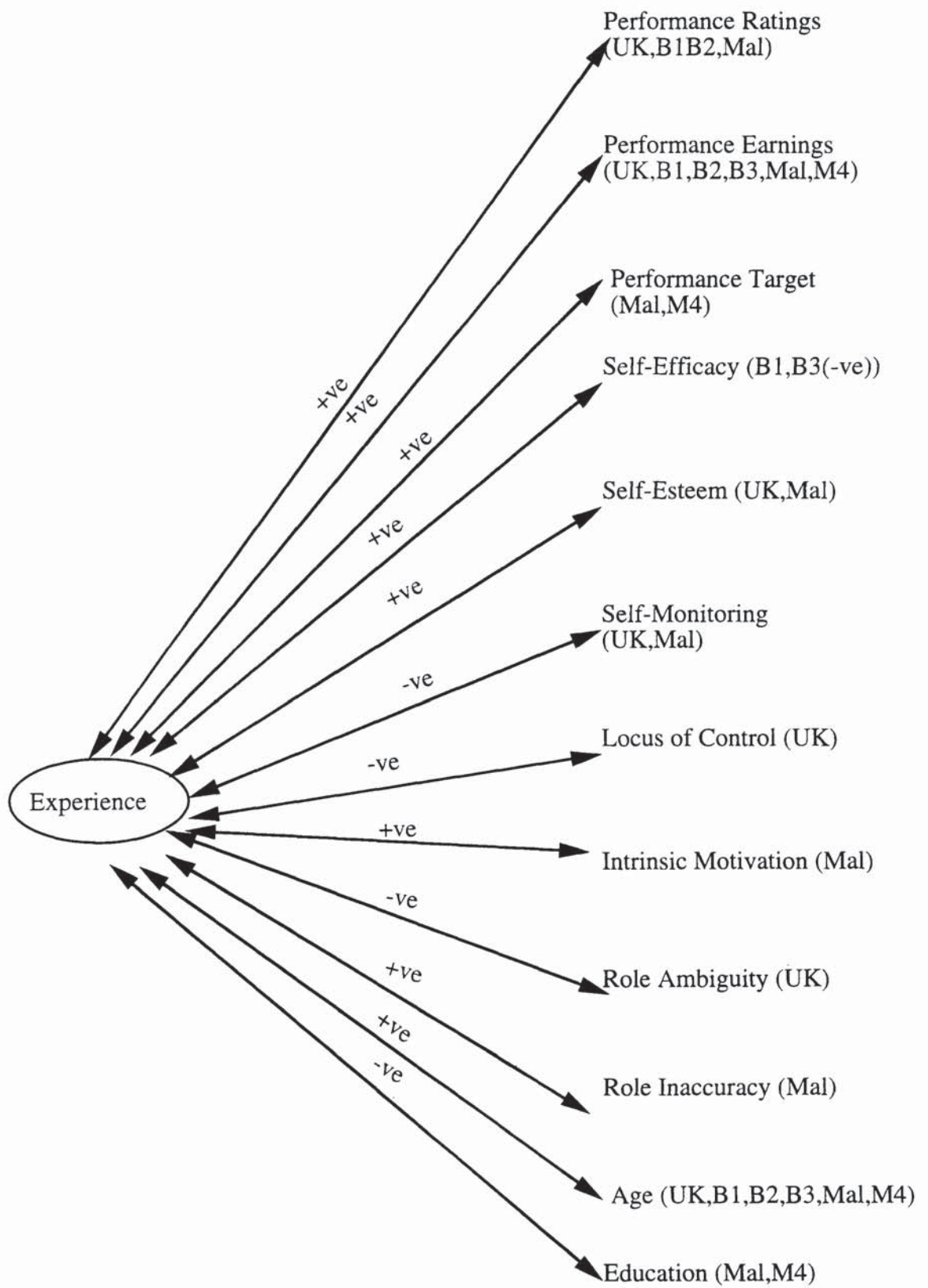


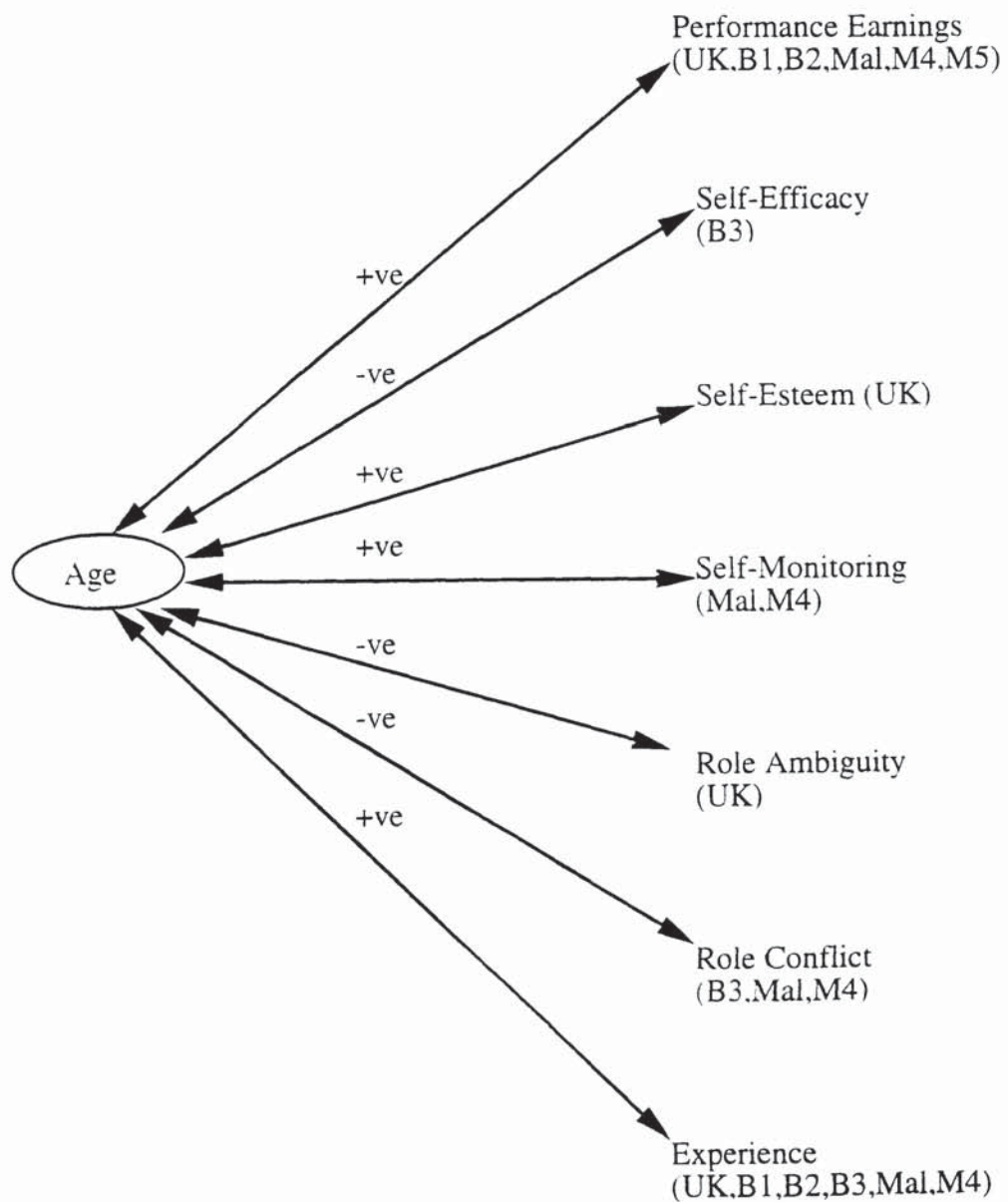
Figure 6.39: Statistically Significant Correlations with Experience



Age

Age is related positively to one performance measure - earnings and also to three other variables: (1) self-esteem (UK), (2) self-monitoring (Mal, M4), and (3) experience (UK, B1, B2, B3, Mal, M4). Age is found to be negatively related to (1) self-efficacy (B3), (2) role ambiguity (UK), and (3) role conflict (B3, Mal, M4). A diagrammatic presentation of these correlations is found in figure 6.40.

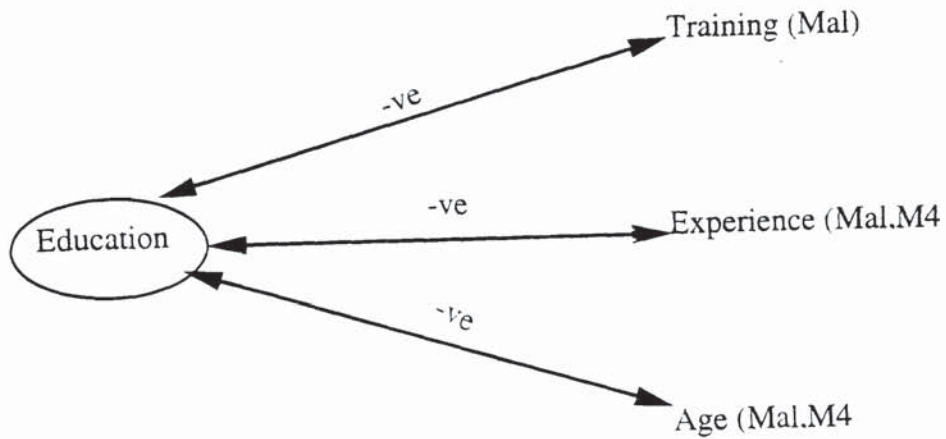
Figure 6.40: Statistically Significant Correlations with Age



Education

Education is negatively related to three predictor variables: (1) training (Mal), (2) experience (Mal, M4), and (3) age (Mal, M4), while it is unrelated to any performance measures. All these relationships are prevalent only in the Malaysian sample and not in the UK. A diagrammatic presentation of these correlations is found in figure 6.41.

Figure 6.41: Statistically Significant Correlations with Education



6.10 Stepwise Multiple Regression Results

The data were subjected to stepwise multiple regression (pairwise) analysis to find out the relationships of the predictor variables with the criterion variables. The study consists of three models for each of the two countries which can be illustrated in the following equations:

$$Y_1 = B_0 + B_1X_1 + B_2X_2 + \dots B_{13}X_{13} + u \dots (1)$$

$$Y_2 = B_0 + B_1X_1 + B_2X_2 + \dots B_{13}X_{13} + u \dots (2)$$

$$Y_3 = B_0 + B_1X_1 + B_2X_2 + \dots B_{13}X_{13} + u \dots (3)$$

where:

Y_1 = Performance target achieved (% of actual sales against quota/target).

Y_2 = Performance rating (subjective rating by immediate supervisor).

Y_3 = Performance earnings (self-reported).

$X_1 - X_{13}$ = predictor variables(see table 6.7-6.13).

B_0 = intercept (constant).

$B_1 - B_{13}$ = regression coefficients.

u = standard error

The results of stepwise multiple regression analyses for models 1-3 are presented in tables 6.14 to 6.22.

Regression Model 1

Table 6.14 shows that for model 1, 11% of the variance in performance target is accounted for by self-efficacy ($R^2 \Delta = 9\%$) and training ($R^2 \Delta = 2\%$) in the UK sample. The F-value is significant at the .0001 level, but the values of the R^2 change are relatively small. Thus, hypothesis H1 which posits that self efficacy is related positively to performance target was supported. However, training is found to be negatively related to performance target, thus hypothesis H10 is not supported (a positive relationship was hypothesized). Five percent of variance in performance target is accounted for by experience in the Malaysian sample (table 6.14). This supports hypothesis H11, i.e. experience is related positively to performance target. An examination of model 1 with the UK companies, shows that 4% of variance in

Table 6.14
Stepwise Regression Results for Model 1 (The UK and Malaysia, entire sample)

Dependent variable = Y_1 (Performance target)

Entire UK Sample

$R^2 = .109$

$N = 328$

$F = 15.044$

$\text{Sig } F = .0000$

Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Self-efficacy	.298	.089	.296	.294	4.874	.000
Training	.331	.020	-1.248	-.145	-2.392	.017
Constant	112.694					

Dependent variable = Y_1 (Performance target)

Entire Malaysian Sample

$R^2 = .045$

$N = 273$

$F = 10.941$

$\text{Sig } F = .0011$

Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Experience	.212	.045	.123	.212	3.308	.0011
Constant	66.799					

performance target is accounted for by self-efficacy in B1, thus supporting hypothesis H1 (see table 6.15). 14% of the variance in performance target is accounted for by training ($R^2 \Delta = 8\%$) and experience ($R^2 \Delta = 6\%$) in B2, thus supporting H11 but not H10 (training perception is found to be negatively related to performance target). In B3, 26% of the variance in performance target is explained by self-efficacy ($R^2 \Delta = 15\%$), locus of control ($R^2 \Delta = 6\%$), and self-esteem ($R^2 \Delta = 5\%$), thus supporting hypotheses H1, H4, and H3 respectively. Some of the R^2 change is very small, indicating that these variables can only explain a small proportion of the variance in performance target. Internal locus of control (indicated by negative Beta) is positively related to performance target (i.e. the more external, the less performance), while self-esteem is positively related to performance target (i.e. the more self-esteem, the more performance). For model 1, the values of R^2 are highest in company B3 (e.g. explaining 26% of variance in performance target) (see table 6.15).

For the Malaysian companies, 4% of the variance in performance target is accounted for by experience in M4 (table 6.16). Although a small R^2 was observed, it supports hypothesis H11. All other variables did not predict performance target in M4 or in the entire Malaysian sample. No variables predict performance in M5. Figures 6.42a and 6.42b summarize the predictors of performance target (Model 1) for the UK and Malaysia.

Regression Model 2

The results for model 2 indicate that for the entire UK sample, 23% of the variance in performance ratings is accounted for by self-efficacy ($R^2 \Delta = 13\%$), locus of control ($R^2 \Delta = 5\%$), training ($R^2 \Delta = 2.4\%$), role inaccuracy ($R^2 \Delta = 1.5\%$) and role conflict ($R^2 \Delta = 1.3\%$) (see table 6.17). These results indicate that external locus of control is negatively related to performance rating, training is negatively related to performance rating, role inaccuracy is negatively related to performance rating, and role conflict is positively related to performance rating. These results support hypotheses H1 (self-efficacy), H4 (locus of control), and H9 (role inaccuracy) but do not support H10 (training) and H7 (role conflict). Experience is found to be

Table 6.15
Stepwise Regression Results For Model 1 (The UK Companies: B1,B2,B3)

Dependent variable = Y_1 (Performance target)

Company: B1 (UK)

$R^2 = .038$
 $N = 154$
 $F = 3.899$

Sig F = .0511

Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Self-efficacy	.195	.038	.085	.195	1.975	.0511
Constant	79.999					

Dependent variable = Y_1 (Performance target)

Company: B2 (UK)

$R^2 = .141$
 $N = 91$
 $F = 5.967$

Sig F = .0040

Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Training	.282	.079	-3.198	-.282	-2.524	.013
Experience	.375	.061	.303	.247	2.281	.025
Constant	204.399					

Dependent variable = Y_1 (Performance target)

Company: B3 (UK)

$R^2 = .258$
 $F = 7.399$

$N = 83$
Sig F = .0002

Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Self-efficacy	.392	.1538	.479	.417	3.849	.0003
Locus of control	.459	.0567	-1.478	-.249	-2.317	.0237
Self-esteem	.507	.0471	2.774	.218	2.014	.0482
Constant	90.359					

Table 6.16
Stepwise Regression Results for Model 1 (The Malaysian Companies: M4, M5)

Dependent variable = Y_1 (Performance target)

Company: M4 (Malaysia)

$R^2 = .041$

$N = 236$

$F = 8.512$

Sig F = .0039

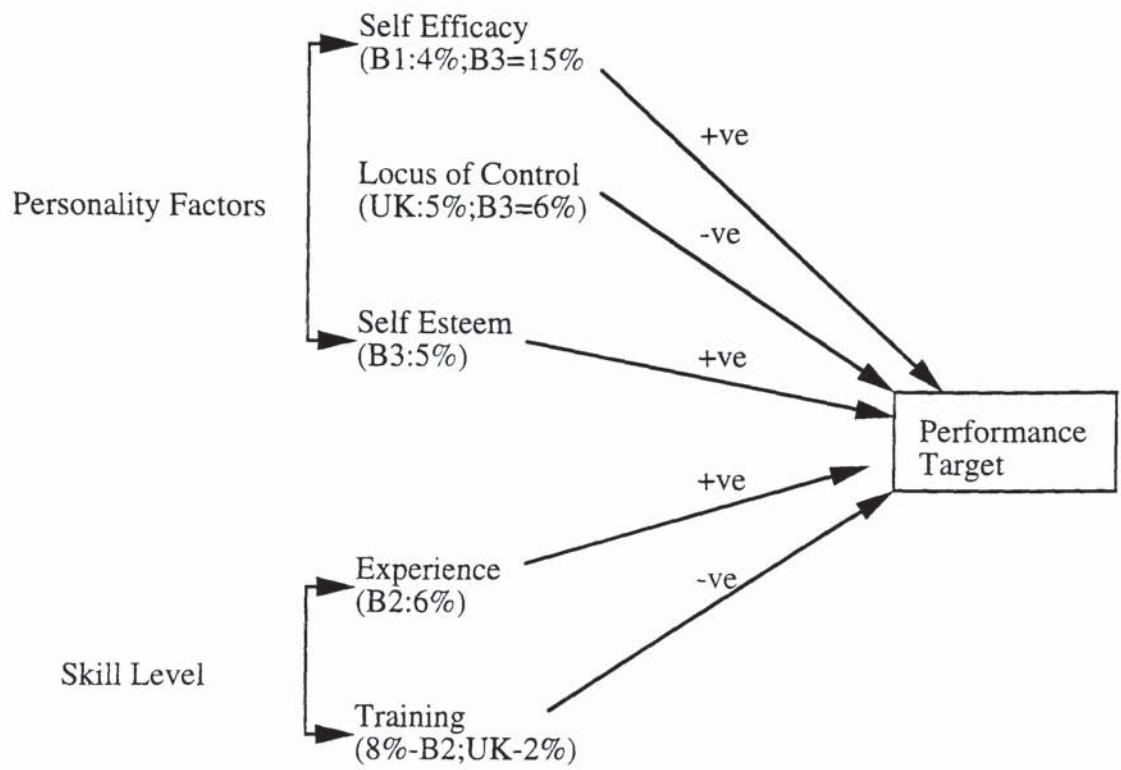
Variable	Multiple R	R^2 Change	B	Beta	T	Sig T
Experience	.202	.041	.117	.201	2.918	.0039
Constant	69.152					

Dependent variable = Y_1 (Per cent target)

(N=37)

Company: M5 (Malaysia) (No variables entered/removed for this sample)

**Figure 6.42a: Predictors of Sales Performance Target Achieved
Model 1 (UK)**



**Figure 6.42b: Predictors of Sales Performance Target Achieved
Model 1 (Mal)**

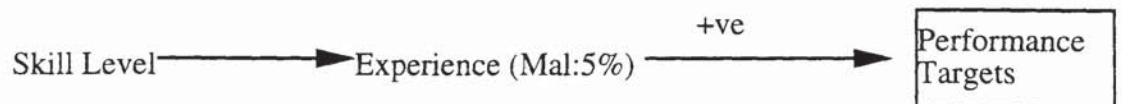


Table 6.17
Stepwise Regression Results for Model 2 (The UK and Malaysia, entire sample)

Dependent variable = Y² (Supervisor's performance ratings)

Sample: Entire UK

R² = .228

N = 328

F = 14.271

Sig F = .0000

Variable	R ² Multiple	R ² Change	B	Beta	T	Sig T
Self-efficacy	.362	.131	.046	.362	5.734	.000
Locus of control	.419	.045	-.190	-.263	-4.485	.000
Training	.447	.024	-.190	-.158	-2.650	.0086
Role inaccuracy	.464	.015	-.189	-.149	-2.56	.0111
Role conflict	.477	.013	.089	.117	1.981	.0487
Constant	42.845					

Dependent variable = Y² (Performance ratings)

Entire Malaysian sample

R² = .020

N = 273

F = 4.967

Sig F = .0268

Variable	R ² Multiple	R ² Change	B	Beta	T	Sig T
Experience	.143	.020	.0141	.143	2.229	.0268
Constant	31.397					

positively related to performance rating in the Malaysian sample (table 6.17) i.e. 2% of variance in performance rating is accounted for by experience, thus supporting hypothesis H11. In table 6.18, self-efficacy is found to be positively related to performance rating in company B1 ($R^2 = 30\%$), supporting H1. In company B2, training is negatively related to performance ratings ($R^2 \Delta = 8\%$), not supporting H11, experience is positively related to performance rating ($R^2 \Delta = 7\%$), supporting H11 and age is related negatively to performance ratings ($R^2 \Delta = 5\%$), not supporting H12 (these variables explained 20% of the variance in performance ratings). In B3, 36% of variance is accounted for by locus of control ($R^2 \Delta = 16\%$), role inaccuracy ($R^2 \Delta = 6\%$), training ($R^2 \Delta = 5\%$) and extrinsic motivation ($R^2 \Delta = 6\%$).

Locus of control is negatively related to performance rating (supports H4), role inaccuracy is negatively related to performance rating (supports H9), training is related negatively to performance rating (not supporting H10) and extrinsic motivation is positively related to performance rating (supporting H6). For the Malaysian companies, table 6.19 shows that self-efficacy is positively related to performance rating in company M4, thus supporting hypothesis H1. All other variables are not related to performance ratings. These results are presented diagrammatically in figures 6.43a and 6.43b.

Regression Model 3

For model 3, in the entire UK, experience ($R^2 \Delta = 21\%$), self-efficacy ($R^2 = 6\%$) and age ($R^2 \Delta = 2.4\%$) are related positively to performance earnings while training ($R^2 \Delta = 4\%$) is negatively related to performance earnings. These variables accounted for a larger 33% of variance in performance earnings (see table 6.20), compared to other criterion variables mentioned above. These results support hypotheses H11 (experience), self-efficacy (H1), H12 (age), but do not support hypothesis H10 (training). In the entire Malaysian sample, experience ($R^2 \Delta = 21\%$), self-efficacy ($R^2 \Delta = 8\%$) and self-monitoring ($R^2 \Delta = 3\%$) are positively related to performance earnings. These variables explained 32% of the variance in earnings, with experience being the largest predictor of performance in both countries. These results further strengthened the predictive power of experience (H11) and self-efficacy (H1), while

Table 6.18
Stepwise Regression Results for Model 2 (The UK Companies: B1, B2, B3)

Dependent variable = Y_2 (Performance ratings) Company: B1 (UK) $R^2 = .299$ $N = 154$ $F = 43.131$ $\text{Sig } F = .0000$						
Variable	R^2 Multiple	R^2 change	B	Beta	T	Sig T
Self-efficacy	.547	.299	.071	.547	6.567	.0000
Constant	23.201					
Dependent variable = Y_2 (Performance ratings) Company: B2 (UK) $R^2 = .199$ $N = 91$ $F = 5.951$ $\text{Sig } F = .0011$						
Variable	R^2 Multiple	R^2 change	B	Beta	T	Sig T
Training	.280	.079	-.386	-.301	-2.818	.0062
Experience	.383	.068	.061	.440	3.281	.0016
Age	.446	.052	-.349	-.293	-2.161	.0341
Constant	204.399					
Dependent variable = Y_2 (Performance ratings) Company: B3 (UK) $R^2 = .359$ $N = 83$ $F = 8.835$ $\text{Sig } F = .0000$						
Variable	R^2 Multiple	R^2 change	B	Beta	T	Sig T
Locus of control	.401	.161	-.199	-.285	-2.544	.0134
Role inaccuracy	.472	.062	-.258	-.255	-2.360	.0214
Training	.526	.054	-.332	-.318	-2.963	.0043
Extrinsic motivation	.599	.061	.0005	.316	2.857	.0000
Constant	54.223					

Table 6.19
Stepwise Regression Results for Model 2 (The Malaysian Companies: M4, M5)

Dependent variable = Y_2 (Performance ratings)
Company: M4 (Malaysia)

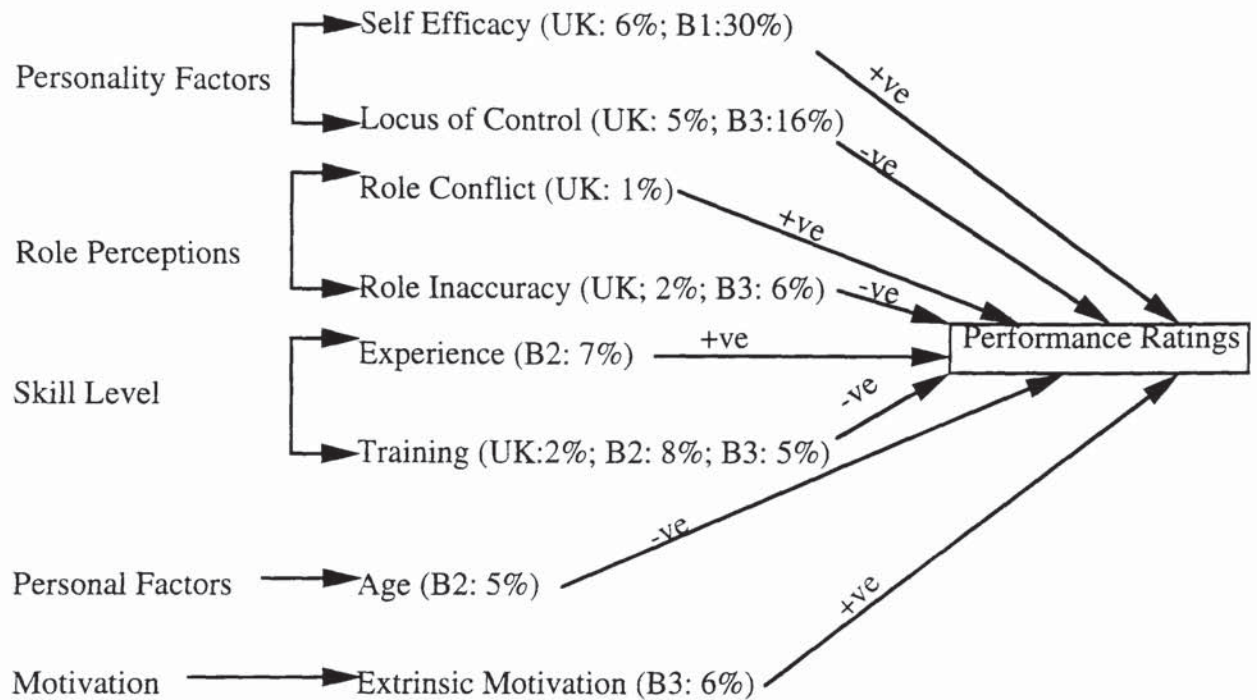
$R^2 = .034$
 $N = 236$
 $F = 7.083$

Sig F = .0084

Variable	R Multiple	R^2 Change	B	Beta	T	Sig T
Self-efficacy	.184	.034	.021	.184	2.661	.0084
Constant	29.427					

Dependent variable = Y_2 (Performance ratings) (N=37)
Company: M5 (Malaysia) (No variables entered/removed for this sample).

**Figure 6.43a: Predictors of Sales Performance Ratings
Model 2 (UK)**



**Figure 6.43b: Predictors of Sales Performance Ratings
Model 2 (Malaysia)**

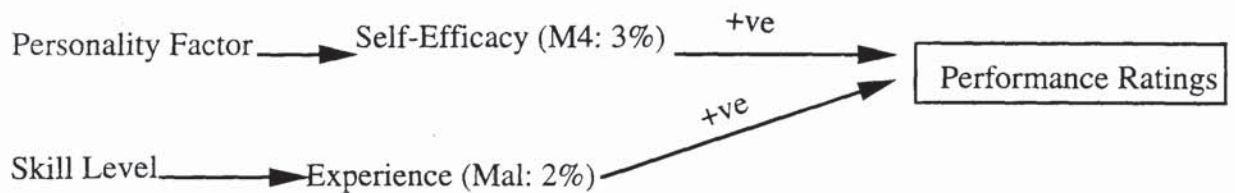


Table 6.20
Stepwise Regression Results for Model 3 (The UK and Malaysia, entire sample)

Dependent variable = Y³ (Performance earnings)

Sample: Entire UK

R² = .326
N = 328
F = 28.44

Sig F = .0000

Variable	Multiple R	R ² Change	B	Beta	T	Sig T
Experience	.456	.208	56.92	.271	3.713	.0003
Self-efficacy	.516	.059	66.70	.263	4.834	.0000
Training	.550	.036	-407.94	-.188	-3.488	.0006
Age	.571	.024	384.28	.208	2.869	.0045
Constant	16580.561					

Dependent variable = Y³ (Performance earnings)

Entire Malaysian Sample

R² = .318
N = 273
F = 35.610

Sig F = .0000

Variable	Multiple R	R ² Change	B	Beta	T	Sig T
Experience	.458	.209	322.84	.435	7.849	.0000
Self-efficacy	.539	.082	234.83	.246	4.378	.0000
Self-monitoring	.564	.027	962.96	.171	3.000	.0030
Constant	-77043.127					

supporting hypothesis H3 (self-monitoring). The regression results from the UK data reveals that in B1, experience ($R^2 \Delta = 27\%$), self-efficacy ($R^2 \Delta = 13\%$), role inaccuracy ($R^2 \Delta = 5\%$) are positively related to performance earnings, while training is negatively related to performance earnings. These variables are found to be able to explain 48% of the variance in performance earnings (see table 6.21). These findings support hypotheses H11, H1, and H10 respectively but do not support the hypothesis on role inaccuracy (H9). In company B2, age ($R^2 \Delta = 32\%$), self-efficacy ($R^2 \Delta = 9\%$), training ($R^2 \Delta = 7\%$) and experience ($R^2 \Delta = 4\%$) explained 52% of the variance in performance earnings. Age, self-efficacy and experience are found to be positively related to performance earnings, thus supporting hypotheses H12, H1 and H11 respectively, while training is negatively related to earnings, therefore H10 is not supported. In B3, experience ($R^2 \Delta = 8\%$) is found to be positively related to earnings, supporting hypothesis H11, and role inaccuracy ($R^2 \Delta = 6\%$) is found to be negatively related to earnings (see table 6.21), thus supporting hypothesis H9. Experience and training explained 14 percent of variance in performance earnings.

Table 6.22 shows the relationships of the predictor variables to performance earnings in the Malaysian companies. In company M4, experience ($R^2 \Delta = 19\%$), self-efficacy ($R^2 \Delta = 10\%$), role conflict ($R^2 \Delta = 2\%$), age ($R^2 \Delta = 2\%$), and education ($R^2 \Delta = 2\%$) are found to be positively related to performance earnings, thus supporting hypotheses H11, H1, H12, and H13, but for H7 (role conflict), the finding shows the opposite direction to the hypothesized relationship. Role ambiguity ($R^2 \Delta = 3\%$) is negatively related to annual earnings, thus supporting hypothesis H8. All these variables explained 36 percent of the variance in performance earnings. In company M5, experience is found to be positively related to performance earnings, explaining 35 percent of the variance in earnings (see table 6.22). This supports hypothesis H11 of the study. The significant relationships of variables in model 3 are presented diagrammatically in figures 6.44a and 6.44b.

It is interesting to note that, by and large, performance earnings show the largest variance (between 32% and 52%), compared to the other two performance measures,

Table 6.21
Stepwise Multiple Regression Results for Model 3 (The British Companies: B1, B2, B3)

Dependent variable = Y ₃ (Performance earnings) Company: B1 (UK)									
		R ² = .480		N = 154		Sig F = .0000			
		F = 21.703							
Variable	R	Multiple	R ² Change	B	Beta	T	Sig	T	Sig
Experience	.520		.271	66.66	.389	4.878			.0000
Self-efficacy	.634		.132	95.89	.418	5.324			.0000
Role inaccuracy	.670		.047	461.32	.195	2.592			.0111
Training	.693		.031	-384.22	-.182	-2.367			.0200
Constant	14935.73								
Dependent variable = Y ₃ (Performance earnings) Company: B2 (UK)									
		R ² = .517		N = 91		Sig F = .0000			
		F = 18.462							
Variable	R	Multiple	R ² Change	B	Beta	T	Sig	T	Sig
Age	.562		.316	739.53	.369	3.347			.0013
Self-efficacy	.639		.092	66.47	.230	2.657			.0098
Training	.688		.065	-595.41	-.276	-3.239			.0018
Experience	.719		.043	62.94	.272	2.479			.0156
Constant	12473.58								
Dependent variable = Y ₃ (Performance earnings) Company: B3 (UK)									
		R ² = .137		N = 83		Sig F = .0090			
		F = 5.080							
Variable	R	Multiple	R ² Change	B	Beta	T	Sig	T	Sig
Experience	.283		.079	117.91	.269	2.316			.0238
Role inaccuracy	.370		.057	-538.97	-.239	-2.058			.0437
Constant	31951.06								

Table 6.22
Stepwise Multiple Regression Results for Model 3 (The Malaysian Companies: M4, M5)

Dependent variable = Y_3 (Performance earnings)

Company: M4 (Malaysia)

$R^2 = .362$

$N = 236$

$F = 18.339$

$\text{Sig } F = .0000$

Variable	R^2 Change	B	Beta	T	Sig T
Experience	.189	282.289	.382	5.891	.0000
Self-efficacy	.099	266.164	.284	4.819	.0000
Role ambiguity	.026	-1687.768	-.176	-2.977	.0033
Role conflict	.016	801.459	.158	2.694	.0077
Age	.015	1121.097	.179	2.626	.0093
Education	.017	2306.214	.138	2.280	.0237
Constant		-85317.383			

Dependent variable = Y_3 (Performance earnings)

Company: M5 (Malaysia)

$R^2 = .350$

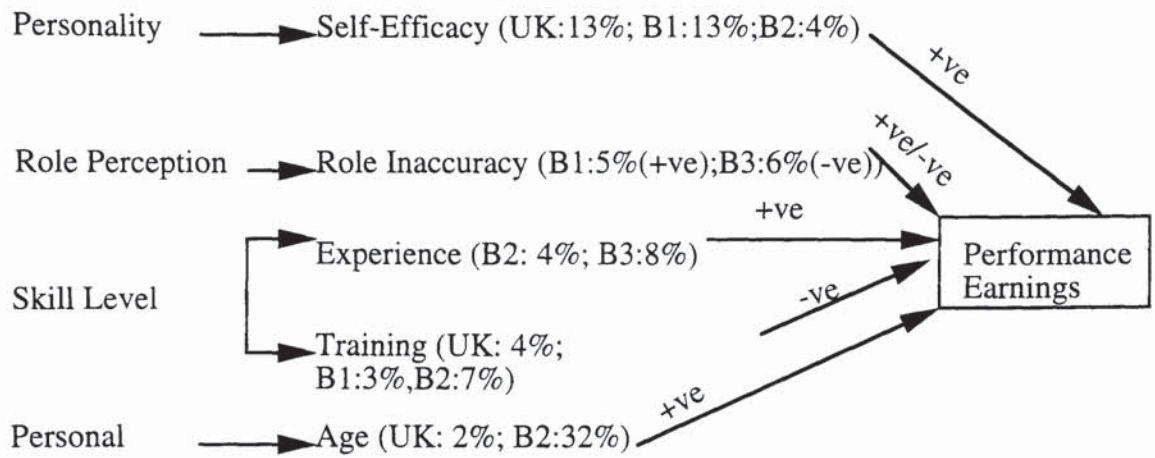
$N = 37$

$F = 15.623$

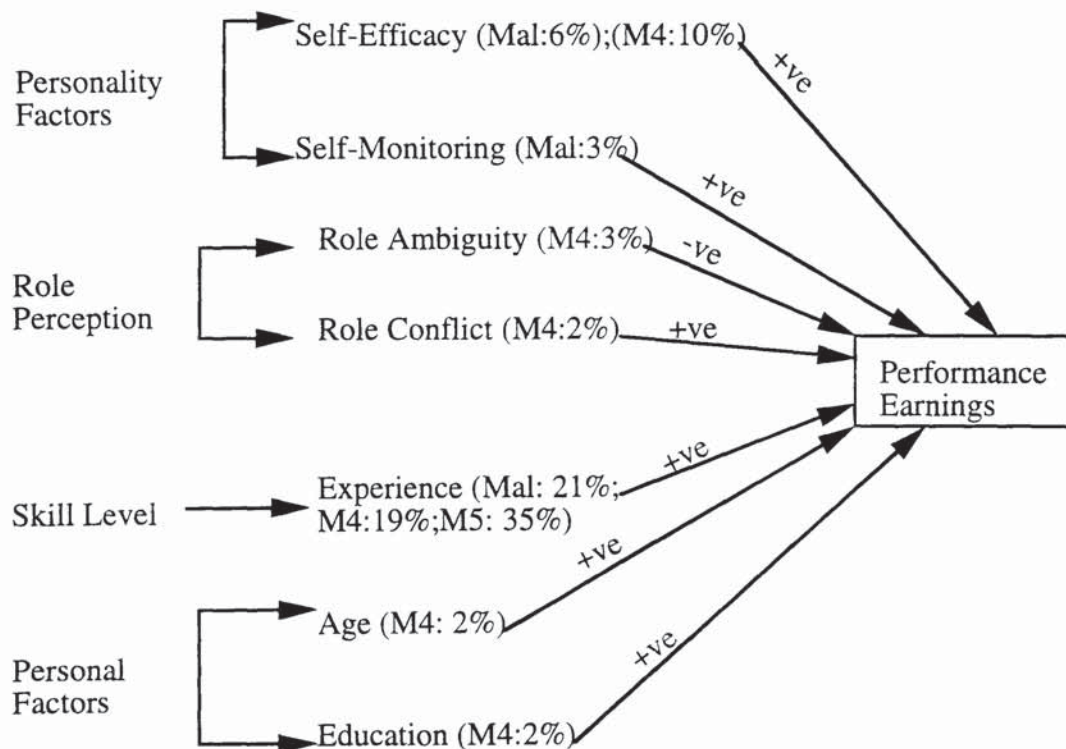
$\text{Sig } F = .0005$

Variable	R^2 change	B	Beta	T	Sig T
Experience	.350	121.495	.592	3.953	.0005
Constant		4374.546			

**Figure 6.44a: Predictors of Sales Performance Earnings
Model 3 (UK)**



**Figure 6.44b: Predictors of Sales Performance Earnings
Model 3 (Mal)**



performance target achieved and supervisor's performance rating. It was observed that different sets of predictors explain performance in different countries and different companies. These significant results according to country and company are presented diagrammatically in figures 6.45 to 6.51. Figures 6.45 and 6.46 present the summary of the factors that determine sales performance in the UK and Malaysia respectively. Figures 6.47 to 6.51 illustrate the characteristics of successful salespersons in each company. Table 6.23 shows the main differences in the determinants of performance in the five companies investigated. One possible explanation for this observation is perhaps, the presence of some overriding organizational, environmental and cultural characteristics differences between the two countries. This is discussed further in the Discussion.

Characteristics of Successful Sales Consultants in B1

The results in table 6.23 and figure 6.47 suggest that the sales performance of sales consultants in B1 is related to self-efficacy, experience, role inaccuracy and training. High self-efficacy is linked with more experienced sales consultants, which can mean that only older sales consultants are high in self-efficacy. Some element of role inaccuracy is present between salespersons and managers but this discrepancy seemed to have a positive impact on performance. Training perception is negatively related to sales performance.

Characteristics of Successful Sales Inspectors in B2.

As shown in table 6.23 and figure 6.48, self-efficacy is the only personality factor that predicts performance significantly. Age appears to be a very strong predictor of performance-related earnings but also age is a negative predictor of performance ratings. It looks like the older the sales inspector, the higher the sales earnings, but at the same time they are rated lower on performance by their supervisors. The skill level components, experience and training perception react to performance in two opposite directions, experience positive and training perception negative. While the experience of sales inspectors in this company, no doubt, contribute to better performance levels, but the same cannot be expressed for training. Why is there negative attitude on training? This will be discussed in the next chapter.

Figure 6.45: Predictors of Sales Performance for the UK Entire Sample

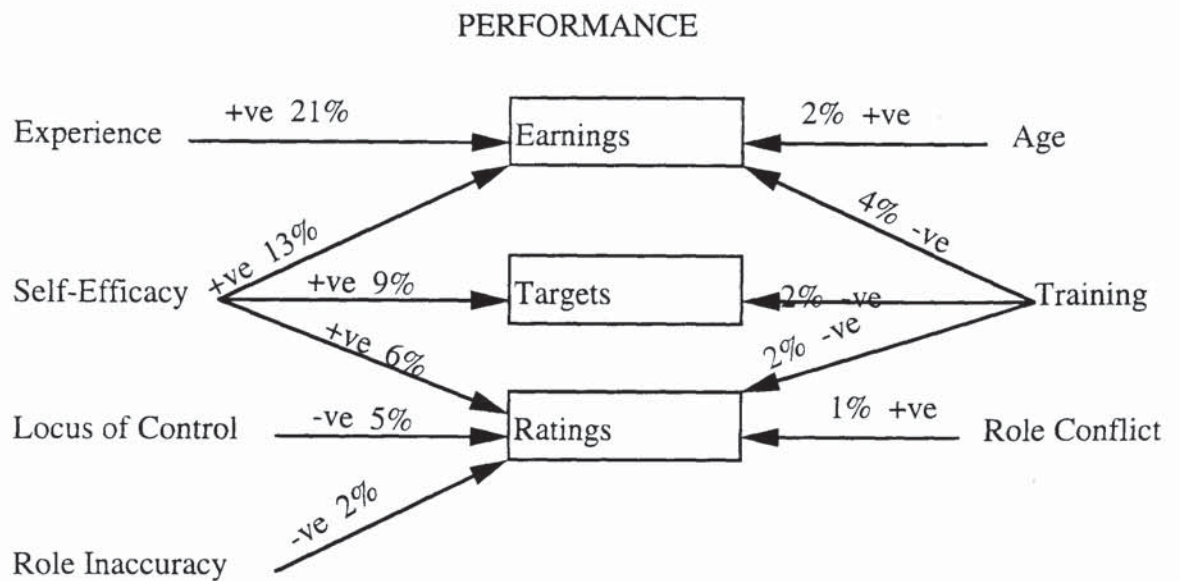


Figure: 6.46: Predictors of Sales Performance for the Malaysian Entire Sample

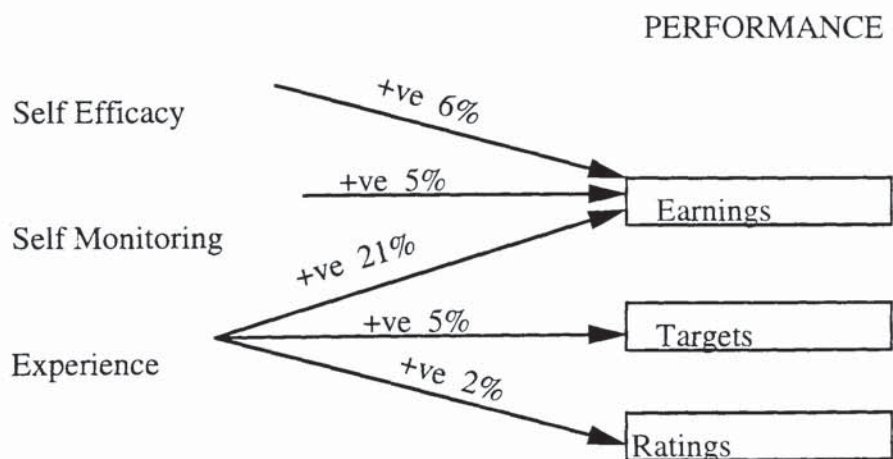


Table 6.23
Predictors of Performance in Each Company

British Companies			Malaysian Companies	
B1	B2	B3	M4	M5
Self-efficacy (+4-+30%)*	Self- efficacy(+4%)*	Self-efficacy (+15%)*	Self- efficacy(+3- +10%)*	Experience (+35%)*
Experience (+27%)*	Training(+7- +8%)*	Internal locus of control(+16%)*	Experience(+4- +19%)*	
Role- inaccuracy (+5%)*	Experience (+4-+7%)*	Self-esteem(+5%)*	Role ambiguity(-3%)*	
Training (-3%)*	Age(-5-+32%)*	Extrinsic motivation(+6%)*	R o l e conflict(+2%)*	
		* Role inaccuracy(-6%)*	Age (+2%)*	
		Training(-5%)*	Education(+2%)*	
		Experience(+8%)*		

*** significant at $p < .001$

** significant at $p < .01$

* significant at $p < .05$

Figure: 6.47: Predictors of Sales Performance for B1 (UK)

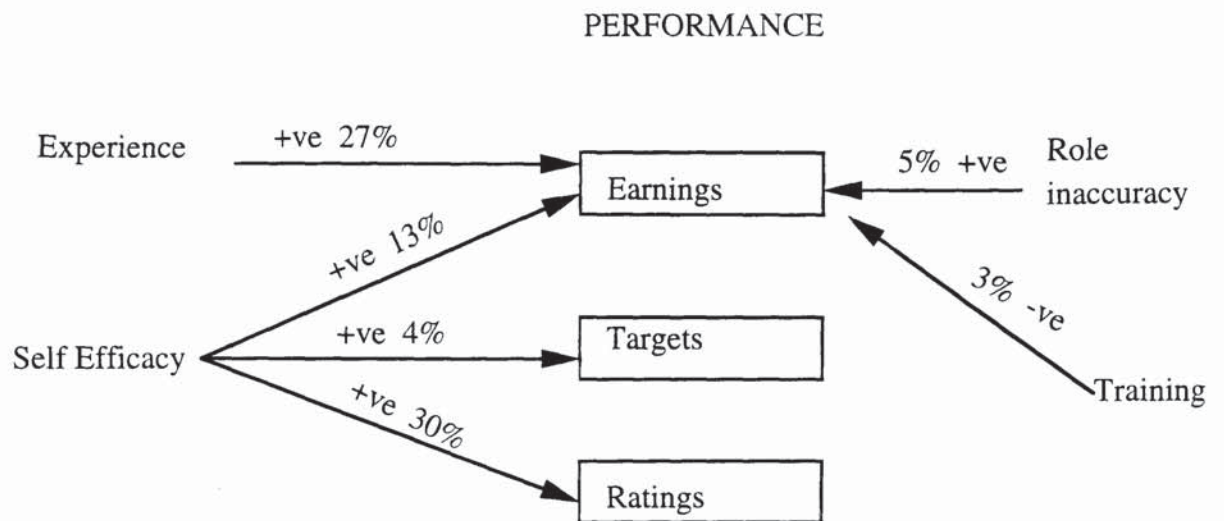
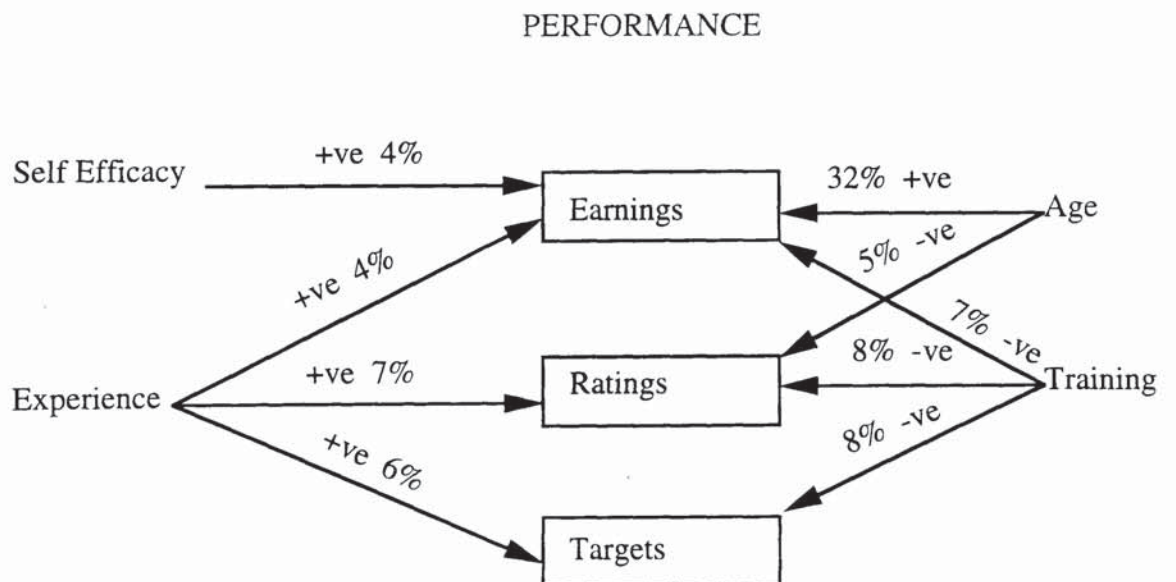


Figure: 6.48: Predictors of Sales Performance for B2 (UK)



Characteristics of Successful Sales Inspectors in B3

From table 6.23 and figure 6.49, three personality factors, self-efficacy, self-esteem and internal locus of control are found to predict performance. This may imply that the sales inspectors who are high in self-efficacy, high self-esteem and have internal locus of control belief are better performers. Internals are also highly rated by their supervisors. It indicates that these personality qualities are needed for successful performance. The result also shows that the sales inspectors are extrinsically motivated, through high pay, or promotion. Elder sales inspectors (experienced) are found to be have more earnings because of their increased skill level in the field. Unfortunately, the sales inspector agreed with the other two UK companies in suggesting that training has a negative impact on performance. Role inaccuracy is felt by the sales inspectors as to have a negative impact on performance especially supervisor's ratings and earnings. This implies that role inaccuracy can lead to an unfavourable supervisor's ratings on the salespersons.

Characteristics of Successful Sales Agents in M4

As table 6.23 and figure 6.50 show, one personality factor, self-efficacy is a significant predictor for successful sales agents in Malaysia. Personal factors such as age and education are also important to be successful. Experience is very important to succeed. There is also the presence of role ambiguity which negatively predict performance. Role conflict however, is a positive predictor which means that it is good to have role conflict among sales agents to encourage competition, perhaps.

Characteristic of Successful Sales Agents in M5

Ironically, only experience predicts performance of sales agents in M5 (see figure 6.51). This implies other components of the model are not important for success in M5. To remind the readers again, M5 is a 100% Malay company, which means that they represent the authentic Malaysian culture. For example, they are a collectivist and large power distance society. They still maintain the extended family policy and emphasize on paternalistic decision making. Their belief in religion (Islam) is very strong which inhibit some of the modern selling activities required of them.

Figure 6.49: Predictors of Sales Performance For B3 (UK)

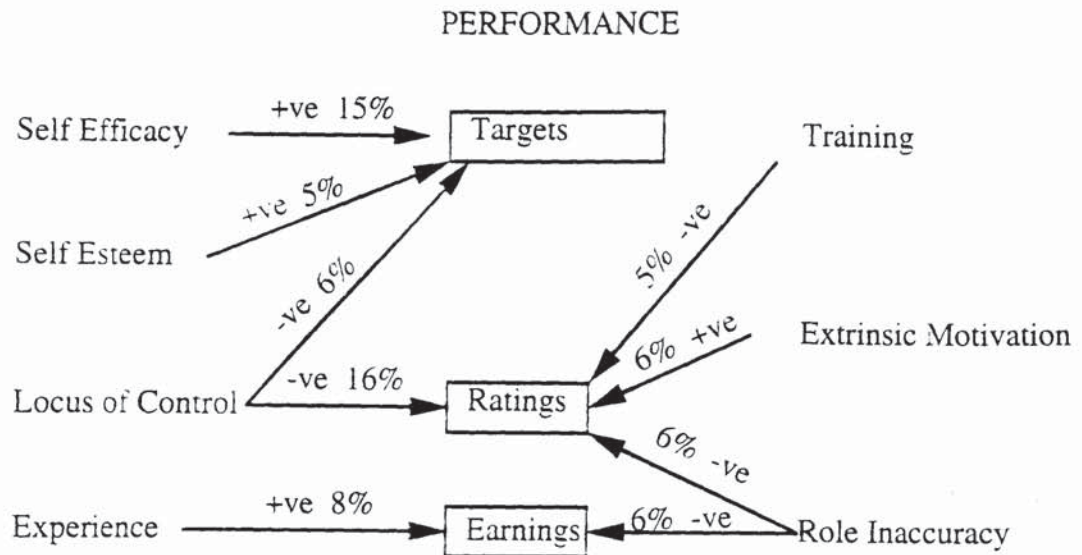


Figure: 6.50: Predictors of Sales Performance for M4 (Malaysia)

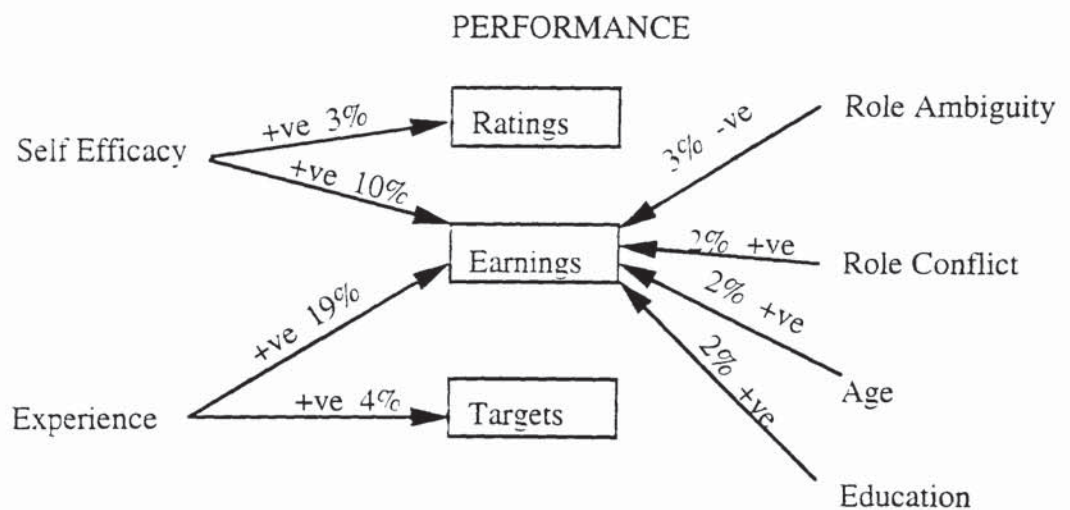
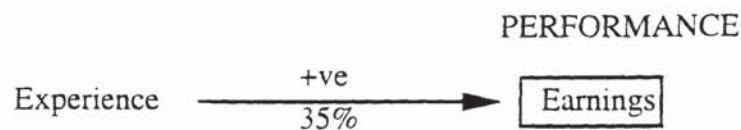


Figure 6.51: Predictors of Sales Performance for M5 (Malaysia)



6.11 t-tests and ANOVA Results

Gender Differences

The results of t-test analyses in table 6.24 show that there are significant differences in performance earnings between males and females in the UK ($t = 4.31$, $p < .001$) and in company B1 ($t = 4.09$, $p < .001$). These results suggest that salesmen earn more than their female counterparts in the UK. This finding supports hypothesis H14, which suggests that there is a difference in sales performance (earnings) between male and female salespersons. In the Malaysian samples, hypothesis H14 is also weakly supported when a significant difference in performance target achieved is detected between men and women in company M5 ($t = 2.59$, $p < .01$) as seen in table 6.25. However, this result should be interpreted with caution because of the small sample of women ($n=7$). Since experience has been observed as having a significant explanatory power for the variance in performance (from regression results, e.g. figures 6.43a,b), experience was controlled as a covariate in the ANOVA analysis of the performance variables. It was observed that for the gender differences in both countries (see tables 6.24 and 6.25) controlling for experience resulted in different significance levels, for example, the significance levels for differences in performance earnings in the entire UK changes from $p < .001$ to $p < .05$) (but it is still significant). This means that to some extent, experience does affect the t-test results in the first instance. It also means that the differences in performance may be attributed to experience rather than to gender. In Malaysia, gender difference in performance target is also observed. The difference in performance target between genders can be accounted for by the length of time in employment. This is supported by the insignificant F-value when an ANOVA on performance measures controlling for experience was conducted.

Ethnic Origin Differences within Malaysia

Table 6.26 shows the differences in mean scores of main variables between ethnic origins in Malaysia. There are significant differences in self-esteem, locus of control, motivation, role perceptions, experience and training perceptions between the races. The results indicate that the Indians are more motivated (intrinsically and extrinsically),

Table 6.24
Results of t-test Examining Gender Differences
UK

Performance Measures	Mean Scores		t-value	Anova Covar=Exp F-value
	Male	Female		
(Entire Sample)	(n=287)	(n=31)		
Performance target	111.66	98.68	1.47 (NS)	1.69(NS)
Performance rating	33.06	31.72	1.02 (NS)	1.73(NS)
Performance earnings (£ 000)	29.17	21.57	4.31 ***	3.90 *
(Company B1)	(n=137)	(n=10)		
Performance target	91.52	84.10	.81 (NS)	.97(NS)
Performance rating	32.57	30.18	.98 (NS)	.44(NS)
Performance earnings (£ 000)	29.51	18.92	4.09 ***	3.50(NS)
(Company B2)	(n=70)	(n=16)		
Performance target	117.47	101.18	.98 (NS)	.26(NS)
Performance rating	31.16	32.06	-.43 (NS)	.75(NS)
Performance earnings (£ 000)	27.67	23.15	1.50 (NS)	.36(NS)
(Company B3)	(n=78)	(n=5)		
Performance target	141.68	119.80	1.82 (NS)	.68(NS)
Performance rating	35.64	34.00	1.50 (NS)	.24(NS)
Performance earnings (£ 000)	30.03	23.00	1.89 (NS)	.94(NS)

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant

Table 6.25
Results of t-Test Examining Gender Differences
Malaysia

Performance Measures	Mean Scores		t-value	ANOVA Covar=Experience F-value
	Male	Female		
(Entire Sample)	(n=169)	(n=87)		
Performance target	74.26	79.37	-1.13 (NS)	2.6(NS)
Performance rating	32.08	33.19	-1.57 (NS)	3.2(NS)
Performance earnings (M\$ 000)	44.77	45.37	- .10 (NS)	1.95(NS)
(Company M4)	(n=151)	(n=85)		
Performance target	76.71	81.40	- .97 (NS)	2.4(NS)
Performance rating	32.49	33.61	-1.55 (NS)	3.2(NS)
Performance earnings (M\$ 000)	51.31	47.83	.57 (NS)	.7(NS)
(Company M5)	(n=30)	(n=7)		
Performance target	61.37	46.00	2.59 **	1.96(NS)
Performance rating	30.00	28.14	.80 (NS)	.34(NS)
Performance earnings (M\$ 000)	10.86	5.05	1.80 (NS)	3.1(NS)

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant

Table 6.26
Results of One-Way ANOVA Examining Ethnic Origin Differences Within Malaysia

Variables	Mean Scores(Standard Deviation)			F-value
	Malays (n=68)	Chinese (n=178)	Indians (n=23)	
Performance target	59.92 (30.62)	81.88 (35.00)	72.08 (29.10)	9.38***
Performance ratings	31.10 (6.67)	32.85 (5.58)	33.22 (5.59)	2.44 (NS)
Performance earnings ^(a) (M\$000)	15.66 (17.75)	52.55 (43.32)	58.22 (62.17)	18.10***
Self-efficacy	162.48 (48.29)	164.04 (45.56)	170.09 (44.37)	.23 (NS)
Self-esteem	32.79 (3.65)	32.23 (3.87)	35.45 (3.85)	7.07 ***
Self-monitoring	60.25 (8.95)	61.76 (7.25)	63.70 (8.63)	2.03 (NS)
Locus of control	34.87 (10.65)	39.91 (9.84)	32.50 (9.99)	9.68 ***
Intrinsic motivation	137.00 (51.63)	143.08 (47.52)	170.94 (37.06)	4.90 ***
Extrinsic motivation	165.75 (54.59)	166.87 (57.10)	209.98 (43.04)	7.51 ***
Role ambiguity	11.88 (5.08)	13.03 (4.33)	10.04 (4.10)	5.72 **
Role conflict	29.93 (9.58)	29.19 (9.54)	28.69 (10.27)	.23 (NS)
Role inaccuracy	18.06 (8.77)	20.45 (7.08)	23.04 (5.36)	4.77 **
Training	43.56 (5.55)	42.06 (5.58)	45.37 (4.59)	5.24 **
Education(Years)	13.27 (2.60)	12.44 (2.64)	12.37 (2.42)	2.63 (NS)
Age(Years)	34.46 (7.40)	35.15 (7.03)	32.96 (6.53)	1.19 (NS)
Experience(Years)	4.12 (4.46)	6.81 (4.59)	7.81 (6.86)	9.25 ***

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant, ^a conversion ratio £1=M\$3.5

self-efficacy, self-monitoring, and Internals (locus of control) then the Chinese and the Malays. The Indians also show less ambiguity and conflict in their job compared to the other two races. The Malays have the highest role conflict score but the least in role inaccuracy. The Chinese are the eldest in the job while the Malays are the most educated. Caution should be taken when interpreting these results because of the small Indian sample ($n=23$).

In table 6.27, the results of ANOVA indicate that there are differences in performance target and earnings between the races in Malaysia, but not performance ratings. The Indians have the highest earnings followed by the Chinese. This means that all races are rated the same by superiors. Thus, hypothesis H15 (ethnic origin differences) is somewhat supported. When experience was controlled as a covariate in the same analysis, the results show no change in significance levels (see table 6.27), which indicates that experience does not have much effect on the t-test result in the first instance. So, it can be deduced that differences in performance are mostly attributed to ethnic origin differences with little effect from experience. The same analysis was not conducted on the UK samples because of the very small sample of non-whites in the UK.

Religion Differences

The results of the ANOVA on religion and performance measures in table 6.28 support H16, which hypothesized that there is a significant difference in performance earnings between respondents with different religions. Differences are detected in earnings between the respondents with different religions in two of the UK samples (entire sample and B2). However, when experience was controlled for as a covariate in the analysis, the significant difference levels changed. This finding indicates that experience is an important moderator variable, i.e. it moderates the relationship between earnings and religion. Experience may have a positive influence on the differences in performance earnings between the respondent of different religions. Consequently, results in table 6.28 support hypothesis H16, which posits that there is a significant difference in performance between respondents with different religions. Differences in performance targets and earnings are

Table 6.27
ANOVA (Pairwise) Results Examining Ethnic Origin Differences
Malaysia

Performance Measures	Mean Scores			F-value	F-value Covar=Experience
	Malays	Chinese	Indians		
(Entire Sample)	(n=68)	(n=178)	(n=27)		
Performance target	59.92 (30.62)	81.88 (35.00)	72.08 (29.10)	9.38 ***	7.60 ***
Performance rating	31.10 (6.67)	32.85 (5.58)	33.22 (5.59)	2.44 (NS)	1.30 (NS)
Performance earnings ^(a) (M\$ 000)	15.66 (17.75)	52.55 (43.32)	58.22 (62.17)	18.10 ***	12.90 ***
Company M4	(n=25)	(n=173)	(n=26)		
Performance target	61.16 (38.96)	81.88 (35.00)	72.08 (29.10)	4.35 **	4.20 **
Performance rating	32.83 (5.64)	32.85 (5.58)	33.22 (5.59)	.05 (NS)	.07 (NS)
Performance earnings ^(a) (\$000)	23.28 (23.59)	52.55 (43.32)	58.22 (62.17)	5.10 **	3.7 *

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant

^(a) Conversion ratio £1=M\$3.5.

Table 6.28
ANOVA Results Examining Religion Differences
UK

Performance Measures	Mean Scores		F-value	Sig.	F-value Cov=Exp
	Christians	No Religion			
(Entire UK)	(n=247)	(n=56)			
Performance target	111.09	105.13	.85	NS	.59(NS)
Performance rating	33.22	32.15	.96	NS	.73(NS)
Performance earnings (£ 000)	29.35	25.64	2.12 *	.04	2.44(NS)
(Company B1)	(n=113)	(n=26)			
Performance target	89.92	91.23	-.32	NS	.08(NS)
Performance rating	32.39	33.46	-.64	NS	.51(NS)
Performance earnings (£ 000)	29.50	26.92	.94	NS	.64(NS)
(Company B2)	(n=70)	(n=18)			
Performance target	118.29	99.83	1.30	NS	.54(NS)
Performance rating	31.95	28.76	1.57	NS	1.67(NS)
Performance earnings (£ 000)	28.78	20.43	3.61 ***	.001	4.37 *
(Company B3)	(n=64)	(n=12)			
Performance target	140.61	143.17	-.14	NS	.04(NS)
Performance rating	36.03	34.78	1.01	NS	.83(NS)
Performance earnings (£ 000)	29.72	31.41	-.41	NS	.003(NS)

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant

observed between the religious groups in Malaysia. When experience was controlled for as a covariate in the Malaysian data, the results remain significant (see table 6.29). The significant differences in performance between the respondents with different religion may not be attributed largely to experience.

Cross-Cultural Differences

Table 6.30 presents the t-tests results to show the differences in the mean scores of the variables between the two countries. There is a significant difference in performance target achieved between the two countries ($t = 9.08, p < .001$). Performance target is reflected in the percentage of target achieved in the UK, and is more than the performance target achieved in Malaysia. The mean score for self-efficacy is significantly different between Malaysia and the UK ($t = -5.51, p < .001$), where the self-efficacy scores of the Malaysian salespersons are higher than those of the British salespersons. Training perception of the salespersons is also significantly different ($t = -15.24, p < .001$), indicating that the Malaysian salespersons perceive training more favourably than their British counterparts. The significant t-value on self-monitoring also indicates that the Malaysians are more self-monitoring than the British. It is found that the UK sample has more role conflict than the Malaysian sample ($t\text{-value} = 2.37, p < .01$). The mean scores on locus of control for the British and Malaysian samples are significantly different ($t\text{-value} = 5.02, p < .001$). It shows that the Malaysian salespersons are more internal than the British. The t-value for role ambiguity, however, is highly statistically significant which suggests that there is a big difference between the role ambiguity levels of the two countries. The results suggest that role ambiguity is more prevalent in the UK sample than in Malaysia. Both intrinsic and extrinsic motivation are highly significantly different between the two countries.

The results indicate that Malaysian salespersons are more strongly extrinsically and intrinsically motivated, when compared to the British salespersons. The British salespersons are significantly different in education and age, but similar in skill level (as indicated by experience). The British salespersons have had more years in education and are younger than their Malaysian counterparts.

Table 6.29
ANOVA (Pairwise) Results Examining Religion Differences
Malaysia

Performance Measures	Mean Scores						F-value Cov=Exp
	Christians (n=50)	No Religion (n=21)	Buddhist (n=109)	Muslims (n=59)	Hindus (n=18)		
(Entire Malaysian sample)							
Performance target	80.32 (28.33)	76.24 (28.25)	82.69 (38.53)	61.12 (31.36)	71.65 (29.21)	4.21**	3.23 **
Performance rating	31.96 (4.96)	34.59 (6.12)	32.88 (5.75)	31.30 (6.98)	33.11 (3.39)	1.69 (NS)	1.59(NS)
Performance earnings ^(a) (M\$000)	58.86 (48.04)	58.36 (58.29)	51.26 (42.24)	18.68 (29.87)	36.05 (26.97)	8.46***	5.26***
Company M4	(n=51)	(n=22)	(n=112)	(n=33)	(n=18)		
Performance target	80.32 (28.33)	76.24 (28.25)	82.69 (38.53)	63.67 (39.56)	71.65 (29.21)	1.81 (NS)	1.59(NS)
Performance rating	31.96 (4.96)	34.59 (6.12)	32.88 (5.75)	33.15 (6.35)	33.11 (3.39)	.89 (NS)	1.34(NS)
Performance earnings ^(a) (M\$000)	58.86 (48.04)	58.36 (58.29)	51.26 (42.24)	29.43 (41.63)	36.05 (26.97)	2.50*	1.32(NS)

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant, ^(a) £1=M\$3.5.

Table 6.30
Results of t-tests Examining Cross-Cultural Differences

Variables	Mean Scores(Standard Deviation)		t-value
	UK n=328)	Malaysia (n=273)	
Performance target(%)	110.39 (52.08)	75.99 (34.61)	9.08 ***
Performance ratings	32.9 (7.3)	32.5 (5.9)	.84 (NS)
Performance earnings (£000)	28.4 (13.6)	12.8 (12.6)	14.23 ***
Self-efficacy	141.71 (51.78)	164.25 (46.33)	-5.51 ***
Self-esteem	32.27 (5.43)	32.67 (3.90)	-1.01 (NS)
Self-monitoring	59.40 (7.93)	61.58 (7.85)	-3.35 ***
Locus of control	42.56 (12.04)	37.86 (10.40)	5.02 ***
Intrinsic motivation	118.19 (38.28)	144.24 (48.42)	-7.31 ***
Extrinsic motivation	121.39 (41.03)	170.87 (56.59)	-12.33 ***
Role ambiguity	20.11 (8.48)	12.45 (4.59)	13.33 ***
Role conflict	31.16 (9.53)	29.33 (8.96)	2.37 **
Role inaccuracy	19.04 (5.76)	20.09 (7.52)	-1.79 (NS)
Training	35.47 (6.03)	42.76 (5.57)	-15.35 ***
Education(Years)	13.25 (2.78)	12.63 (2.63)	2.74 **
Age(Years)	32.24 (7.11)	34.76 (7.09)	-4.31 ***
Experience(Years)	6.55 (5.21)	6.24 (4.97)	.75 (NS)

Significant levels: *** = $p < .001$, ** = $p < .01$, * = $p < .05$, NS = not significant

6.12 Discriminant Function Analysis

The objective of discriminant function analysis is to see whether the variables used in this study (see table 6.30), discriminate between the countries (UK and Malaysia) and to predict into which category each case falls, based upon the values of these variables. Table 6.31 presents the classification results of the discriminant function analysis. It shows that 90 per cent of cases in the UK were correctly predicted while 88 per cent of cases in Malaysia were correctly predicted. As a group about 90 per cent of cases were correctly classified. The canonical discriminant function correlation was .77, (i.e. significant at .000). This indicates that the variables used in this study showed a reasonably remarkable and stable differences between countries.

Table 6.31: Discriminant Classification Results

Country	No. of cases	Predicted country membership	
		UK	Malaysia
The UK	205	185 90.2%	20 9.8%
Malaysia	215	25 11.6%	190 88.4%

Percent of "grouped" cases correctly classified: 89.29%

Canonical discriminant function correlation: .77

6.13 Summary

The quantitative results indicate support for some of the hypotheses of this study. However, some of the R^2 are very small and the results suggest country and company differences. Also the Malaysian data on performance ratings and targets (but not performance earnings) were not so well explained as in the UK. The results from the quantitative analyses are used to test the hypotheses formulated earlier, and the results of the hypothesis tests are summarised by country as shown in tables 6.32 and 6.33.

Table 6.32
Summary of Hypothesis Tests (UK)

Hypothesis	Hypothesized Direction	Result	Support
H1:Self-efficacy in salespersons is related positively to their sales performance.	+ve	+ve	Supported
H2:Self-esteem in salespersons is related positively to their sales performance.	+ve	+ve	Supported
H3:Self-monitoring in salespersons is related positively to their sales performance.	+ve	-ve/+ve (NS)	Not supported
H4:Locus of control is related to sales performance in that: Internals are related positively to sales performance, and Externals are related negatively to sales performance.	-ve(external) +ve(internal)	-ve +ve	Supported Supported
H5:The salesperson's intrinsic motivation is related positively to sales performance.	+ve	+ve(NS)	Not supported
H6:The salesperson's extrinsic motivation is related positively to sales performance.	+ve	+ve	Supported
H7:Role conflict is related negatively to sales performance.	-ve	+ve	Not supported
H8:Role ambiguity is related negatively to sales performance.	-ve	-ve(NS)	Not supported
H9:Role inaccuracy is related negatively to sales performance.	-ve	-ve/ +ve	Inconclusive
H10:Training perceptions is related positively to a salesperson's performance.	+ve	-ve	Not supported
H11:Experience is related positively to sales performance	+ve	+ve	Supported
H12:The age of a salesperson is related positively to sales performance.	+ve	+ve/-ve	Inconclusive
H13:Education level is related positively to sales performance.	+ve	-ve/+ve (NS)	Not supported
H14:There is difference in sales performance between male and female salespersons.	Different	Different	Supported
H15:There is difference in sales performance between salespersons of different races.	Different	None	Not supported
H16:There is difference in sales performance between salespersons of different religions.	Different	Different	Supported

Table 6.33
Summary of Hypothesis Tests (Malaysia)

Hypothesis	Hypothesized Direction	Result	Support
H1:Self-efficacy in salespersons is related positively to their sales performance.	+ve	+ve	Supported
H2:Self-esteem in salespersons is related positively to their sales performance.	+ve	+ve(NS)	Not supported
H3:Self-monitoring in salespersons is related positively to their sales performance.	+ve	+ve	Supported
H4:Locus of control is related to sales performance in that: Internals are related positively to sales performance, and Externals are related negatively to sales performance.	-ve(external) +ve(internal)	-ve(NS) +ve(NS)	Not supported Not supported
H5:The salesperson's intrinsic motivation is related positively to sales performance.	+ve	+ve(NS)	Not supported
H6:The salesperson's extrinsic motivation is related positively to sales performance.	+ve	+ve(NS)	Not supported
H7:Role conflict is related negatively to sales performance.	-ve	+ve	Not supported
H8:Role ambiguity is related negatively to sales performance.	-ve	-ve	Supported
H9:Role inaccuracy is related negatively to sales performance.	-ve	-ve(NS)	Not supported
H10:Training perceptions is related positively to a salesperson's performance.	+ve	+ve(NS)	Not supported
H11:Experience is related positively to sales performance	+ve	+ve	Supported
H12:The age of a salesperson is related positively to sales performance.	+ve	+ve	Supported
H13:Education level is related positively to sales performance.	+ve	+ve	Supported
H14:There is difference in sales performance between male and female salespersons.	Different	Different	Supported
H15:There is difference in sales performance between salespersons of different races.	Different	Different	Supported
H16:There is difference in sales performance between salespersons of different religions.	Different	Different	Supported

CHAPTER SEVEN

DISCUSSION

"In dealing with today's more complex insurance products, the life agent must possess excellent personal organization skills, good detail ability, strong personal responsibility, high conceptual intelligence, persistence and a strong desire to find solutions to customer problems and provide service" (Greenberg and Greenberg, 1986).

7.1 Chapter Overview

The outcomes derived from the quantitative results (chapter 6, part two) are discussed in the light of the hypothesized model (page 133). Qualitative data and cultural factors discussed in chapter 6, part one, are used here to support and explain the quantitative findings. The main findings are discussed in relation to the different cultural contexts of the two countries.

7.2 The Model Revisited

The purpose of this study was to examine a model of salespersons' performance across two different cultures: the UK and Malaysia. Components of the model consisted of (1) previously hypothesized predictors of salespersons' performance, namely, personality factors (self-efficacy, self-esteem, self-monitoring, locus of control); motivation (intrinsic and extrinsic motivations); role perceptions (role ambiguity, role conflict and role inaccuracy); skill level (experience and training perceptions); personal factors (gender, age, race and religion); organizational factors (e.g. organization structure and culture), and environmental factors (e.g. social, economic and competition), (2) their relationship with three indicators of sales performance, two objective sales performance indicators, target achieved (from company report), and annual earnings (self-report), and a subjective sales performance rating (supervisors' ratings), and (3) explanation of the above relationships based on (a) cultural perspectives of the UK and Malaysia by using

inferences from Hofstede's findings (four culture dimensions), and (b) models of culture for example convergence or universalist model, versus cultural relativity or divergence model (chapter three). Consequently, models of culture which support this research model are discussed.

7.3 The Main Findings of the Study

The general picture derived from the research findings, indicates that the predictors of sales performance are quite different for each country. The major difference was that the stronger predictors of sales performance in the UK were mainly personality factors (self-efficacy, self-esteem, and internal locus of control), motivation factors (extrinsic motivation), skill level (experience, training perceptions), role perception factor (role conflict) and personal factors (gender). In contrast, the major predictors of sales performance in Malaysia were personal and demographic factors (education, gender, ethnic origin, and religion), personality factors (self-efficacy, self-monitoring), and role perception factors (role ambiguity, role conflict), and skill level (experience).

Predictors that are common to both countries were self-efficacy (the personality factor), experience (skill level), and role conflict (role perception factor).

To recapitulate, these main findings were presented in the research model by country as shown in figures 7.1 (the UK) and 7.2 (Malaysia). These diagrams illustrate the overall relationships between the main factors investigated, (both quantitative and qualitative), and sales performance. It also illustrates the culture dimensions each country was supposed to possess, as proposed by Hofstede. These diagrams assist comparisons to be made between the UK and Malaysia, and explain the theoretical framework suggested earlier. The following section discusses each predictor of sales performance according to its significance by country, and by inconsistency of the relationships.

Figure 7.1: The Model of Determinants of Salespersons' Performance in the UK

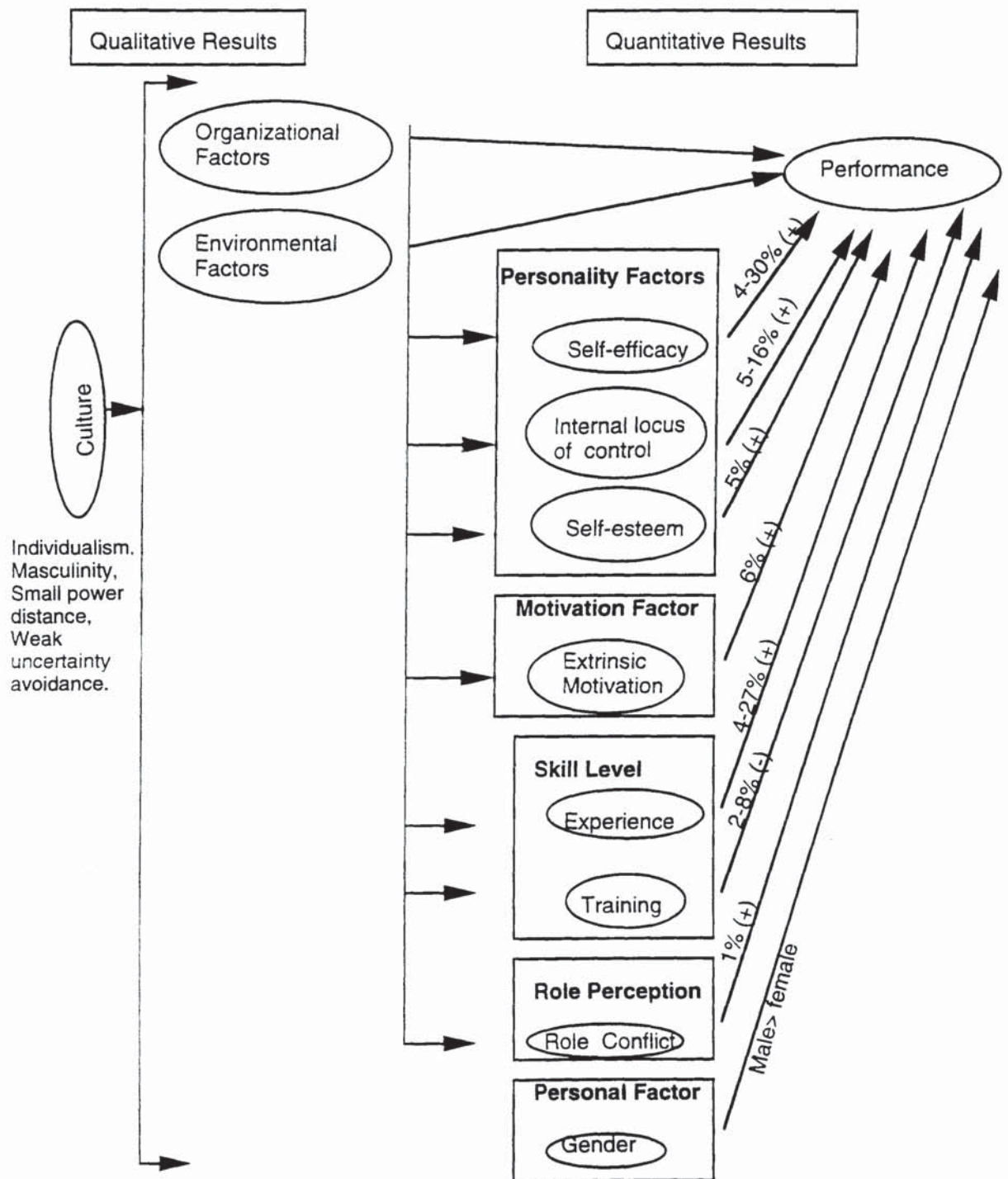
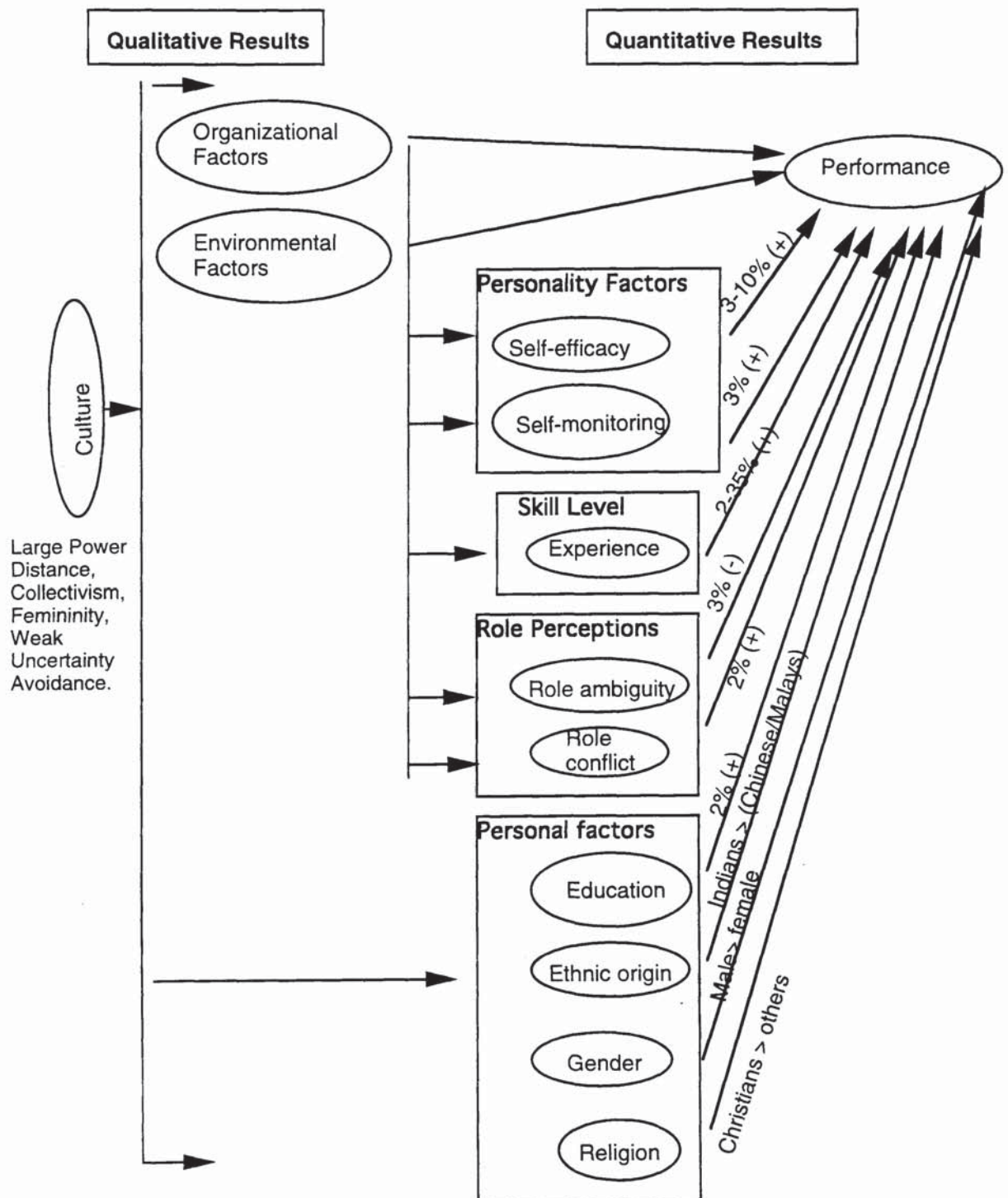


Figure 7.2 : The Model of Determinants of Salespersons' Performance in Malaysia



7.4 Predictors of Performance

This section examines the predictors of performance which are consistently significant (i.e. the relationship between variables is consistent in one direction) (a) in the UK only, (b) in Malaysia only, (c) in both countries, or in at least one company in each country and, (d) those with inconsistent results (i.e. the relationship between variables can be in both directions), based on regression results only.

A. Predictors of Performance in the UK only

Four variables were found to be significant predictors of performance in the UK. They are internal locus of control, self-esteem, extrinsic motivation and training perceptions.

1. Internal Locus of Control

Of the three performance measures, only performance target and performance ratings were predicted significantly by internal locus of control in the UK only. The results generally suggest that salespeople who are internally-oriented perform better than others. This is because internal salespeople tend to be more task-oriented, to function better in stressful situations (Anderson, 1977), are less alienated from their work, and resort more to persuasion rather than coercive power (Mitchell et al., 1975).

Internality is a significant predictor in the UK only, perhaps because internals favour a more participative work environment (Runyon, 1973). Participative management is possible in a small power distance culture such as the UK, where sales managers and salespeople consider themselves as equals.

The absence of a relationship between locus of control and performance in Malaysia may be due to the indifference felt by the Malaysian salespeople toward fate and luck (externality) or internality. This is because, in spite of their various religious beliefs, the salespeople's belief could have changed once they entered an organization, whether through training or organizational rules and regulations. In the process, they may become neither external nor internal.

1.1. Internal Locus of Control and Performance Target

The results suggest that internal locus of control or the extent to which people attribute the cause or control of events to themselves, is a significant and positive predictor of performance target in one British company B3 (see figure 6.49). This indicates that salespeople who believe that outcomes depend on their own efforts and abilities achieve higher targets. This finding is consistent with prior research findings (e.g Miller and Toulouse, 1986; Avila and Fern, 1986). Avila and Fern (1986) suggest that the more internal the salesperson, the better the sales performance quota in selling large computer systems. The reason given was that large system selling is different from small systems selling because it needs more time to make sales decisions, the task is more complex, and involves long-run planning of sales activities and involves higher sales volume. It was argued that in a large selling situation, salespeople feel accountable for negative outcomes which call upon them to evaluate situations introspectively (Avila and Fern, 1986). Therefore, those who are prompted to internalise success and failure will be more successful in this situation.

Similar arguments may be applied to the UK selling situation. It is not difficult to see that the UK insurance industry is dealing with large system selling, because it involves selling to brokers and intermediaries who provide the salespeople with large number of consumers, hence higher sales targets (see chapter 6, part one) while Malaysia is operating in small system selling, i.e. selling direct to individual customers with smaller sales targets. Similarly, Miller and Toulouse (1986) suggest that internal locus of control seems to be associated with a higher rate of sales performance in a dynamic environment, where there is always the need for innovation, change and action. This is because an internal individual favours innovative strategies, research and development and is adaptive to new conditions (Miller et al., 1982).

1.2 Internal Locus of Control and Performance Ratings

The results indicate that internal locus of control positively predicts performance rating which suggests that internals in the UK are rated better by their supervisors

(see figures 6.45 and 6.49). Supervisors may tend to rate internal salespeople better because internals tend to be able to do long term planning of their activities. They tend to have more control over the selling situation and to be patient in their relationship with customers. Supervisors may have an easier task of supervising internals and this creates a good sales manager/salespeople relationship. This finding is supported by previous study (e.g. Avila and Fern 1986), which found internals were positively related to performance ratings in selling large computer systems.

2. Self-Esteem

The results indicate that of the three sales performance measures, only performance target was predicted by self-esteem in B3 (UK). This finding suggests that salespeople with high self-esteem will perform at a high level. Korman (1976) offers an explanation that high self-esteem individuals perceive themselves as competent. In work organizations, they will develop favourable work attitudes and behave productively because such attitudes are consistent with the attitudes of competent individuals. Subsequent success due to these behaviours should also reinforce high self-esteem (Pierce et al., 1989). This is because success is more likely to increase salespersons' competence, satisfaction with their work and themselves and positive thinking.

In Malaysia, however, there was an absence of this relationship. Self-esteem may not be an important predictor of performance because self-esteem is associated with self-pride. Self-pride is usually frowned on in Malaysia, because they are taught to be humble and moderate in the society. A salesperson may be branded as pompous and "showing off" if s/he has got high self-esteem. Self-esteem may be present in salespersons but they would not show it because of the way the Malaysian society feels about it.

2.1 Self-Esteem and Performance Target

Self-esteem positively predicts performance target achieved in only one British company B3. The positive relationship is in the right direction and this is consistent with past research findings (e.g. Bagozzi, 1978, Jacob and Solomon, 1977). The

results suggest that the stronger the self-esteem of a salesperson, the higher the performance target achieved. This may be so because those salespeople who feel that they are able to do things as well as others, have positive attitudes such as self-respect and self-pride, and will strive for a better performance. It is expected that salespeople who think highly of themselves will not feel ridiculed by the customers. High self-esteem is needed for high sales performance because salespeople need to have positive thinking at all times, especially when they are constantly confronted with rejections and failures.

Alternatively, the continuous achievement of high performance target could develop a high self-esteem personality. Successful salespersons are more likely to be able to have more material comforts (e.g. more money, a better car or house), being praised more often, and may develop a higher status. All these factors contribute to high self-esteem. In this sense, self-esteem may be a consequence of better performance.

3. Extrinsic Motivation

The results indicate that of the three performance measures, only performance rating was significantly related to extrinsic motivation in only one British company, B3 of the UK (see figures 6.43a and 6.49). Extrinsic motivation predicts performance rating because British salespeople value extrinsic rewards such as high pay and promotion. To measure their success and extrinsic rewards depends on the favourable assessment of sales supervisors. Thus, the higher the supervisors ratings, the higher the extrinsic motivation of salespeople.

The results also indicate that there was no relationship between intrinsic motivation and performance in the UK. One possible explanation is that it has been argued that extrinsic rewards might weaken an individual's intrinsic interest and motivation (Bem 1967, 1972; Kelley 1967; Rotter 1954, 1966). Thus, the extrinsic rewards weaken the reinforcing value of intrinsic rewards, thereby causing a decrease in performance, in the future when extrinsic rewards are no longer available, (Mawhinney et al., 1989, Deci, 1971).

Both extrinsic and intrinsic motivation were not related to performance in Malaysia. It is possible that Malaysian salespeople are not motivated enough to perform successfully because most salespersons are not really committed to the task and the company. They are not committed because they are not paid a fixed salary, but only commission on sales. This system may reduce the motivation level of salespeople because those who do not perform will be automatically dismissed, and only those who are successful will earn a comfortable reward.

3.1 Extrinsic Motivation and Performance Rating

Extrinsic motivation positively predicts performance rating in the UK. This finding suggests that the greater the extrinsic motivation in a salesperson, the greater will be his/her performance, (as rated higher by their supervisors). This is consistent with the past research finding reported by Oliver (1974), which indicated that only extrinsic motivation predicted sales performance. It is inconsistent with findings reported by Tyagi, (1982, 1985), who found that intrinsic motivation had a stronger impact on performance than extrinsic motivation in the U.S.A.

The present finding shows that to the extent that such externally mediated rewards are important to salespersons, they are motivated to perform on the job so that such rewards can be achieved (Galbraith and Cummings 1967; Walker, et al., 1977). The compensation plan employed by all British organizations in the survey i.e. fixed salary and bonus, supports the importance of extrinsic rewards, thus performance will be increased with the extrinsic rewards in mind. Evidence given in a recent article in the Financial Times reiterates that salespeople in the UK are motivated by money:

"In order to get the job with an insurance company, an individual had to convince his future boss during an interview that he had a voracious appetite for money: 'I told him my ambition was to own six or seven houses and an aircraft'", (Marsh, 1994).

That extrinsic motivation is related to performance in the UK only may be due to the culture they live in. It could be that culture influences living styles and the need for extrinsic motivation in the UK. For example, in an individualistic society such

as the UK (Hofstede, 1991), people prefer the nuclear family and independent living from an early age. To live independently, an individual needs to support himself/herself which implies that extrinsic rewards will be very important to the British. Steele (1977) argues that British people set high values for style and security. This implies that the British strive more for a comfortable and independent standard of living i.e. extrinsic rewards.

4. Training Perceptions

Although training perceptions predict all three measures of performance in the whole UK sample and in some British companies, the negative relationship is inconsistent with the study hypothesis. Salespeople obviously have negative perceptions of training, for example, negative evaluation on past training methods and contents (adequacy, beneficial, practical, enjoyable, interesting and comprehension); its contribution to improvement of skill, knowledge and performance; and its contribution to behavioural change, and motivation. The inverse relationship between training perceptions and performance suggests that those British salespeople who have lower training perceptions will perform better or high performers have lower training perceptions.

Ironically, there was an absence of a relationship between training and performance in Malaysia. It is possible that in Malaysia training is taken for granted because it is easily available and organizations are obligated to provide training for sales staff. Everyone undergoes training at all levels, junior or senior. Therefore, training is not a very important factor to predict performance in Malaysia.

4.1 Training Perceptions and Performance Target

Training perceptions predict performance target achieved in the UK. This suggests that the lower the perceptions on training, the higher the performance target achieved. This may imply that training is perceived as a waste of time, in the sense that the training sessions that they may have had, were not very beneficial or practical. Most salespersons implied that training did not increase their skills or knowledge, performance, and motivation. Perhaps, the salespersons felt that the time

spent in training means less time spent with customers, and thus decreased performance target achieved.

The negative perceptions of training programmes are not uncommon in the literature, (Churchill et al., 1987). Criticisms of many sales training programmes exist: they are a waste of time, money and lack credibility, i.e. training programmes accomplish little, (Hahne, 1981); they lack direction, there are no follow-ups by sales managers (Snader, 1987); contents and methods are not relevant and beneficial, (Falvey, 1978; Riegel, 1982). The finding of the present study may imply that it is likely that some of these problems may exist in the British sales training programmes.

The finding also suggests that high performers thought less of training. There is evidence to show that there is little emphasis by top management on training programmes for existing experienced salespeople. It is possible that British salespeople do not think highly of the particular training programmes provided by their firms, or that less emphasis is given to training by the employer. This is reflected in performance measured as targets reached, not training courses attended (i.e. overall systems do not value training in the short term). As is evident from case study results (Chapter 6, part one), they show, for example, that the UK companies have intensive training programmes only for new recruits (sometimes 1-2 years) and not for experienced salespeople. The lack of emphasis by companies on training experienced salespeople could induce experienced salespeople, who could be at the same time better performers, to have negative perceptions of training.

There is evidence to show that this view may be supported in reality. For example, recently LAUTRO (Life Assurance Union, Trust Regulatory Organization) ordered an insurance company in Britain to retrain its sales consultants, (BBC News, 25 April 1994). This may imply that there may be inadequate training for salespeople to sell their products effectively.

4.2 Training Perceptions and Performance Rating

The negative relationship between training perceptions and performance rating

further supports the explanations given above. This finding suggests that those salespeople who have lower perceptions on training are rated better by supervisors. Most probably, the supervisors share the same perceptions on training as the salespeople. The supervisors may think that salespeople who are doing well, see training as a waste of time because they do not need more training, or the training on offer may not be that relevant nor very good. Perhaps, the salespeople who practise rather than being reflective are presumably judged as better performers by their supervisors.

4.3 Training Perceptions and Performance Earnings

Similarly, training perceptions were found to be related negatively to performance earnings in the UK. This finding suggests that the higher the performance earnings of the salespeople, the lower the perceptions of training. Those who are successful money-wise do not seem to care much about training. This is perhaps because the successful salespeople have reached their goals and expectations and would probably think that training is no longer relevant. Successful salespeople may think they know everything about the business and do not need any more training programmes to help them earn more.

It was observed that training perceptions have consistently predicted performance in a negative perspective. Since this finding cannot be supported by previous research, it can only partially contribute to the explanation of the current situation in the insurance industry in the UK. Further research in this area is needed, to come to a better understanding of the training problems that may have been highlighted in this study.

B. Predictors of Performance in Malaysia Only

This section looks at five variables as predictors of performance in Malaysia only, i.e. either in the entire sample or in at least one Malaysian company. They are self-monitoring (figure 6.46), role ambiguity, education (figure 6.50), ethnic origin (table 6.27), and religion (table 6.29). In all five cases, the predictor relationship is with performance earnings, and in the case of ethnic origin and religion, it is also with

performance target.

1. Self-Monitoring

Self-monitoring was found to predict performance earnings in Malaysia only (entire sample). The other two performance measures, performance ratings and target achieved were not predicted by self monitoring in Malaysia. It does not predict all performance measures in the UK. The main reason for these results could be that in Malaysia salespeople are dealing with a heterogenous society (Malays, Chinese and Indians) while in the UK the society is more homogenous. Heterogenous customers may need more self-monitoring than homogenous customers because the salespeople have to be able to change and adapt to different situations far more frequently and efficiently in dealing with heterogenous customers.

1.1 Self-Monitoring and Performance Earnings

Self-monitoring predicts performance earnings in Malaysia only. The finding suggests that the higher the self-monitoring in salespeople, the higher their earnings, or high performers are more self-monitoring. This result is inconsistent with findings of previous research conducted in the U.S (reviewed in the literature), which reported that self-monitoring is unrelated to performance earnings (Dubinsky and Hartley, 1986a, b).

The plausible explanation for this result is that Malaysian salespeople who are able to adjust and adapt to different selling situations are likely to be able to win more sales and consequently earn more commissions. A high degree of adaptive selling, i.e. the ability to adapt or adjust to different situations and people (Spiro and Weitz, 1990) is presumably required to succeed in Malaysia because of the system of personal selling employed by the companies. It has been discussed earlier that the Malaysian salespeople are actively involved in small system selling or personal selling to individual customers which requires salespeople to exercise high self-monitoring skills. The selling situation in Malaysia requires more self-monitoring or adaptive selling, i.e. sensitive to changing environment, because every selling situation is a new encounter. The salespeople have to match behaviour to specific

customers and situations in order to maximise interaction, i.e. being highly self-monitoring. This result lends some support to theoretical supposition that self-monitoring is related to performance.

The second question is why the relationship is significant in Malaysia only. It is possible that self-monitoring is needed more in Malaysia, because the salespeople have to adapt to different and distinct groups of multicultural customers, (Malays, Chinese and Indians). Those salespeople who can adapt to different multi-racial customers would probably succeed better than those who cannot. Chinese and Indian salespeople are perhaps more adaptable to customers of all races because they are more out-going, have no religious restrictions and no language barriers. There is no language barriers because Chinese and Indians speak fluent Malay since it is compulsory for all minority races to learn the national language. This makes them more accessible even to the Malay market.

Alternatively, Malay salespeople are at a disadvantage because of several reasons. First, their priority is to sell to the Malay market. As mentioned earlier Malay customers have a preconceived negative ideas of insurance products, basically due to religious restrictions. Second, coupled with the cultural inhibitions such as shyness, and language barriers, (Malays usually do not know how to speak Chinese or Indian languages), Malay salespeople have more difficulty in approaching customers of other ethnic origins. Hence, the Malay self-monitoring personality, i.e. in M4 and M5 is less adaptable to selling situations compared to others.

Self-monitoring was found to be an insignificant predictor of all performance measures in the UK. This finding is inconsistent with previous research reviewed in the literature, which has reported a positive association between self-monitoring and performance ratings (Caldwell and O'Reilly, 1982; Spiro and Weitz, 1990, Goolsby et al., 1992). There may be two reasons for this. First, it is possible that the British salespeople may not need a high level of self-monitoring ability because they are operating in a homogeneous society. There is no need for the salespeople to be adaptable to different situations, cultures and customers of different cultural

backgrounds as in Malaysia.

Second, the salespeople work mostly through intermediaries or brokers, (see case studies in chapter 6, part one) not directly with individual customers. These intermediaries are routine customers for the salespeople, which makes it easier for salespeople to communicate and do presentations. There is probably also less sales bargaining, once a rapport has been established between them. Instead, salespeople only act as sales consultants to these intermediaries, making repeat visits or calls to maintain good relations. In this way, self-monitoring, apparently, is not very useful for UK salespeople because they are dealing with the same customers (intermediaries) every time.

The present finding found no relationship between self-monitoring and performance ratings in Malaysia. This lack of association could arise from the fact that supervisors may have the opinion that high self-monitoring is not important. This is because supervisors are not dealing with heterogeneous customers directly. Thus, change and adaptation to different situations may not be that important to supervisors' performance rating.

2. Role Ambiguity

Role ambiguity is a predictor of performance earnings only.

2.1 Role Ambiguity and Performance Earnings

Among the role perceptions' components, role ambiguity was found to be significantly and negatively related to performance earnings only in company M4 (Malaysia). It could be possible that in M4, role ambiguity is felt as a stress factor among the salespeople. A negative relationship between role ambiguity and performance in Malaysia is in line with previous research findings, (Behrman and Perreault, 1984; Dubinsky and Skinner, 1984). These findings suggest that the less role ambiguity that exists between salespeople and their peers, the better the sales performance, or that more role ambiguity decreases performance. It is possible that the tasks and responsibilities of salespeople in M4 are not made clear. This may

stem from the uncontrollably high number of sales agents recruited at lower levels which may lead to an ambiguous task situation among the new sales agents, (perhaps due to lack of training and supervision).

3. Education

Education predicts performance earnings only. Performance earnings are predicted better perhaps because educated people may have better skills and ways to earn more. Ratings and targets achieved do not reflect the education level of salespeople, because performance ratings and targets do not necessarily depend on education. A salesperson may be rated by supervisors on other merits. Similarly with target achieved, someone with less education may achieve a better performance target.

There is an absence of a relationship between education and all performance measures in the UK, because a salesperson's performance does not necessarily depend on his/her education. From observation of advertisements for sales jobs, formal education is not the main qualifying criterion, but selling experience is.

Education (number of years in formal education) is only related positively to performance earnings in Malaysia. The finding in Malaysia contradicts earlier findings which found a negative relationship between formal education and performance in the US (Lamont and Lundstrom, 1977). Although, the hypothesis is supported in Malaysia, the relationship is rather small (about 2% of the variance in performance). It is possible that salespeople who are more educated are more likely to be more efficient in selling skills such as obtaining more sales and recruiting highly productive sales agents. They are presumably more efficient because their level of understanding of sales management and training is much higher.

Since performance earnings in Malaysia are not only based on commissions from personal sales target alone, but also from bonuses earned from agents' sales under his/her supervision, salespeople with a more productive group will perform better in terms of earnings. This may be why education does not predict sales target achieved, i.e. because salespeople have to work as a team. Performance rating was

not predicted because supervisors do not rate salespeople according to their education level. They like to think every salesperson is good and able to perform better regardless of his/her education level. Salespeople also have to pass a certain qualifying examination in order to practise insurance selling, (to be taken during the first few years of entry into selling). So, presumably those with better education pass this examination more quickly and perform better in earnings.

C. Predictors of Performance in Both Countries

Three factors have been found to be positively significant and common predictors of performance in both countries, or in at least one company in each country. These include (1) self-efficacy, (2) experience, and (3) role conflict. Their relationships with each of the three performance measures a) performance target, b) performance rating, and c) performance earnings will be discussed in turn. Although age is also a common predictor of performance in both countries, the results were inconsistent, so the explanation for this variable can be found in the 'inconsistent results' section, and because of this inconsistent status, this variable is not included in the models in figures 7.2 and 7.3.

1. Self-Efficacy

The regression results reveal that self-efficacy significantly and positively predicts all three performance measures (performance target, performance ratings and performance earnings) in the UK (refer figures 6.42a-6.44a). It positively predicts two performance measures, (performance ratings and performance earnings) in Malaysia (refer figures 6.43b and 6.44b). This finding indicates that those salespeople who have strong self-efficacy beliefs i.e., perceptions on capabilities of making self-judgements about performing a particular goal (Bandura, 1986), are likely to exhibit better performance. Also, it could imply that salespeople who perform better are more likely to believe that they can have higher self-efficacy.

Salespersons who continually exhibit good performance will be more likely to feel motivated and assured of their capabilities to achieve the specified performance level. They are more likely to feel confident in dealing with the tasks at hand and

perhaps their skills on negotiating, being persuasive and perseverance will increase with time. In this way, their self-efficacy will increase with constant show of good performance.

Conceptually, salespeople with high self-efficacy are likely to perform better because they believe that they have the capabilities of meeting the demands of the selling job. This relates to the argument that selling needs someone who is persuasive, negotiating, motivated, persevering, and sure of achieving performance outcomes. Self-efficacy theory predicts that people will perform better when they believe they have the skills necessary for success, (Bandura, 1986). So if the salespersons believe that they have the skills of being persuasive and have an ability to negotiate, they will perform better.

Similarly, motivated salespersons will expend more efforts on job activities at hand (Bandura and Cervone, 1986). Those who believe in their ability to perform will mobilise more efforts and will be more likely to strive harder to succeed. Salespeople with high self-efficacy will persevere in the presence of obstacles and negative outcomes, and are better able to continue, to bounce back, in the face of disappointments and frustrations, (Stanton and Burskirk, 1978). They perceive a failure as only a temporary setback, and understand that failures are a natural part of learning from mistakes. Salespeople with high self-efficacy believe that they have confidence to execute that particular course of action, (Lent and Hackett 1987). Those salespeople high in self-efficacy feel that they can achieve any type of performance measure set to them (performance target, earnings, and good ratings from supervisors).

1.1 Self-Efficacy and Performance Target Achieved

The positive relationship between self-efficacy and performance target, (objective performance measure) in the UK indicates that the higher the self-efficacy beliefs, the higher the performance target achieved. Previous research discussed in chapter two supports this finding. For instance, self-efficacy has been found to be positively related to objective performance obtained from an organization's records, (Barling

and Beattie, 1983).

The possible reason for self-efficacy/performance target achieved linkage in the UK is that besides having positive self-judgements about how to achieve set targets, salespeople have greater control over performance outcomes, (sales targets). It has been argued that self-efficacy influences objective performance only when the salespeople are more or less in control of the sales outcomes (Lee and Gillen, 1989). In this respect, in the UK at least, a performance target was based on an individual's past performance, for example, a 20 per cent increase of past year performance (see chapter 6, part one). A sales target set in this way would probably seem more realistic and achievable to the salespersons, hence, they feel they have greater control over such targets. In Malaysia, self-efficacy was not found to be predictive of performance target achieved perhaps because the salespeople may feel that they were not in control of the sales target set for them. As discussed earlier in the case studies (chapter 6, part one), every salesperson in Malaysia was set a fixed performance target by the company, for example, M\$50,000 FYP (first year premium) or M\$100,000 FYP. These targets may not be realistic for a non-performing salesperson, but s/he has to achieve the target already set by the company.

1.2 Self-Efficacy and Performance Ratings

A significant positive relationship was observed between self-efficacy and performance rating both in the UK and Malaysia. It is possible that sales supervisors think highly of self-efficacious salespeople because of their perseverance and energy at work. This finding is consistent with the evidence reported in previous research (Lee and Gillen, 1989) i.e. self-efficacy is positively related to quality performance. As discussed earlier, perseverance is another factor which is associated with self-efficacy, (Stanton and Burskirk, 1978). This supports social learning theory, which suggests that self-efficacy influences the initiation, persistence and strength of behaviour (Bandura, 1986).

1.3 Self-Efficacy and Performance Earnings

Self-efficacy was found to be significantly and positively related to performance earnings both in the UK and Malaysia. The finding suggests that those salespeople with high self-efficacy have higher earnings, and at the same time higher salaries may confirm their feelings of self-efficacy. Although no previous empirical research has been found to support this finding, it can be argued that people who believe in their ability to perform will be more likely to strive harder to get more money. Perhaps the opportunities for monetary success is greater for insurance salespeople. Successful insurance salespeople in the UK can earn £500,000 a year, possibly up to £1M (Marsh, 1994). The maximum income of a salesperson in the UK found in this study was £85,000 per annum. In Malaysia, the maximum was M\$250,000 (£71,000). So a salesperson who feels capable of reaching the top (high self-efficacy) will give his/her full effort to get the most earnings. The varying degrees of self-efficacy present in each individual will motivate the persons to move forward to achieve an increase in performance earnings.

It appears that self-efficacy predicts performance earnings or vice-versa, better than the other two performance measures. Information on income is usually hard to obtain because of the secrecy in organizations. However, in this study income figures were reported by the respondents in the questionnaire. Although respondents have been guaranteed confidentiality, self-report data may contain upward bias (see discussion in chapter two) because respondents may still want to impress the reader. Although income is an objective and quantifiable measure, due to the way it was obtained, systematic error could not be ruled out.

2. Experience

Experience is a very strong predictor of sales performance generally. It predicts either one performance measure in at least one company in each country (see figures 6.45, 6.47, 6.49, and 6.51) or two or three performance measures in some instances (see figures 6.46, 6.48 and 6.50). The results in both countries generally suggest that the more experienced a salesperson, the better the performance. This is presumably because experience increases skill level of salespeople in the job, and consequently

with more skills, their performance will be better (Bergmann, 1986).

2.1 Experience and Performance Target

Experience predicts performance targets in at least one company in the UK (see figure 6.48) and in almost all samples in Malaysia (see figures 6.46 and 6.50). One possible explanation for this lies in self-selection i.e. poorer performers leave, so the ones that remain for a long time become experienced and perform well. Presumably, when a salesperson has been on the job for sometime, his or her skill level increases (Bergmann, 1986), and thus the performance increases in terms of targets set. Although higher targets may have been set for senior salespersons, their capabilities to do the job are higher because they are more familiar with the work. The less experienced salespeople have easier targets because they are new to the job.

2.2 Experience and Performance Ratings

Experience predicts performance ratings in at least one company from each country. (see figure 6.46 and 6.48). This suggests that supervisors rate senior salespersons favourably. This may be due to the good relationship between supervisors and salespeople, which may have developed with continuous interaction and time spent together. Acceptance into the group will promote team work and performance level (Greenhaus et al., 1990). This finding is consistent with findings reported by Behrman and Perreault, (1984).

2.3 Experience and Performance Earnings

The more experienced salespeople were found to have higher sales earnings. Experience predicts performance earnings in all companies from both countries (see figures 6.45 to 6.51). This relationship seems to be the strongest, i.e. maximum 35 per cent variance. The obvious reason for this finding is that seniority may have increased basic salary and sales related commissions through accumulation of skills and knowledge. Work experience therefore promotes future earnings potential (Bergmann, 1986). As discussed earlier, experienced salespeople may be set higher targets. By having higher performance targets, the salespeople are likely to have higher commissions, plus the higher basic salary (UK) and would have increased

their total annual income.

3. Role Conflict

Role conflict positively predicts performance ratings in the UK and performance earnings in M4 (Malaysia). It does not predict performance targets in either country. The results suggest that salespeople with high role conflict are likely to perform better, or that salespeople with high performance have higher role conflict.

The positive relationship between role conflict and performance is not consistent with the study's hypothesis and conventional theoretical assumptions, which hypothesized a negative impact of role conflict on sales performance, (Kahn et al., 1964; Rizzo et al., 1970; Ford et al., 1975). This assumption was made in the first place, because logically, role conflict will have a negative impact on sales performance because it is considered as a stress factor in organization (Kahn et al., 1964, Smith and Peterson, 1994).

A positive relationship between role conflict and performance in a sales setting is not uncommon in recent research findings, (Behrman and Perreault, 1984; Donnelly and Ivancevich 1975). This is because role conflict is an enviable issue, but nevertheless basic and unavoidable characteristic of the selling job, and it is inevitable that effective performance depends on salespeople confronting and coping with that conflict, (Behrman and Perreault, 1984).

3.1 Role Conflict and Performance Target

The relationship between role conflict and performance targets was found to be insignificant in both countries. There appears to be no role conflict with performance target because in both countries, maybe the salespeople have no control over the setting of performance target achieved, since this performance measure is usually set by upper management. When salespeople have to accept whatever target set to them, they will feel it is their responsibility to achieve the performance targets and will work hard to achieve it. The result implies that there is apparently less conflict in achieving the performance targets set to the salespeople.

3.2 Role Conflict and Performance Rating

The findings suggest that in the UK (see figure 6.45), those salespersons with high role conflict are rated higher by their supervisors. It appears that role conflict is quite healthy in insurance organizations. Since it is something that is unavoidable especially in selling situations (Donnelly and Ivancevich, 1975), salespeople learn how to deal with it. Those who are more able to cope with role conflict inherent in selling situations are more likely to be respected by their supervisors and exhibit higher performance.

From a cross-cultural point of view, salespeople with high role conflict can perform better in the UK, perhaps, because of small power distance and weak uncertainty avoidance culture (Hofstede, 1991). In this culture, subordinates readily contradict their peers without fear of disapproval and less attention is given to rule and regulations. The salespersons may disagree with their superiors or break rules (conflict), i.e. coping with conflict in order to strengthen their position better, in terms of performance.

Whereas in Malaysia, where there is no significant relationship, it could mean that there is apparently an absence of role conflict between salespeople and their superiors. It could be that in a large power distance culture, where the boss is still thought as autocratic, obedience among employees is expected, and there is less attention to rules and regulations (Hofstede, 1991). Salespeople may want to avoid role conflict even though it might exist. By not acknowledging role conflict, subordinates can continue to respect their superiors and at the same time continue to remain in their superiors' good books.

3.3. Role Conflict and Performance Earnings

Nevertheless, the findings in the Malaysian company M5 (see figure 6.50), suggest that those salespersons with high role conflict have higher performance earnings. This results may reflect that there may be some organizational problems in M5, which may have increased the role conflict level in this company. As discussed in the case observation (Chapter 6, part one), there are some suggestions that the staffs

were having some major role conflict problems within the company. Since role conflict cannot be avoided in this sales organizations, salespersons may have to make the most of it and to think in a positive way such as, conflict is a challenge and as generating competition among salespersons, which in turn may increase their sales performance and earnings.

D. Predictors of Performance with Inconsistent Findings Across Countries

Two variables are found to exhibit inconsistent results in that they are found to be positively related to performance in one company, and at the same time negatively related to performance in another company. They are role inaccuracy and age.

1. Role Inaccuracy

Of the three performance measures, role inaccuracy significantly predicts only performance ratings and performance earnings in the UK or in at least some British companies but the relationship appears to be equivocal, i.e. for example, role inaccuracy predicts performance ratings negatively in UK (see figures 6.45) or in B3 (figure 6.49), but it also predicts performance earnings positively in another company i.e. B1 (figure 6.47).

The potential explanation for the lack of association between role inaccuracy and performance, in Malaysia, is that it is possible that the presence of role inaccuracy is unrealised by role partners, (Churchill et al., 1987), possibly because role inaccuracy is not dealt very much on a daily basis. If the salesperson does not know the perceptions s/he holds are inaccurate, then, even the higher degree of role inaccuracy in Malaysia (evident from the mean score) could not affect performance.

1.1 Role Inaccuracy and Performance Rating

Role inaccuracy was found to be negatively related to performance rating in the UK only (i.e. in the entire UK sample and B3). However, the relationship is weak, i.e. it accounts for only 5% of variance in performance rating. The finding suggests that salespersons' inaccurate perceptions about expectations could have negative impacts on sales performance. The higher the role inaccuracy, (the salespersons' perceptions

about supervisor's expectations), the lower the performance ratings given by their supervisors. For instance, the salespersons may give inaccurate information about customers to supervisors which can complicate planning for future performance.

1.2 Role Inaccuracy and Performance Earnings

Role inaccuracy was related positively to performance earnings in B1, but was negatively related to performance earnings in B3. Hypothetically, role inaccuracy should decrease performance, because it shows there exist some misunderstanding on how to perform a specific task between sales managers and their subordinates. It could be that in B1, role inaccuracy tend to boost up performance perhaps because the salespersons feel fairly certain that what they are doing is right. In B3, role inaccuracy lowers sales performance because the salespersons feel certain that there are inconsistencies in expectation and demands communicated between themselves and their supervisors. Another possible explanation for this equivocal result could be attributed to some potential problems that could arise when using summated difference scores such as reliability, discriminant validity, spurious correlations and variance restriction (Peter et al., 1993).

Since this is a first attempt at using this measure, more research in this area may be needed to test it in different settings. Although the findings appear to be inconsistent, it potentially gives new evidence to theoretical assumptions about the relationship of role inaccuracy and sales performance, which has not been investigated before. It is, however, encouraging that role inaccuracy showed a negative linkage to performance, i.e. in the right direction as speculated, despite the finding that one British company showed a statistically significant positive relationship.

There is room for further future research in this area especially in developing a new measure which eliminates the use of the difference score method. This is to reduce the problems in using difference scores (Peter et al., 1993).

2. Age

Although age is generally positively related to performance (earnings), it is also negatively related to performance ratings in one UK company (B2). This makes this result equivocal.

2.1 Age and Performance Ratings

Age predicts performance ratings negatively in B2 (see figure 6.48). This is inconsistent with the study hypothesis. The finding suggests that the older salespeople have lower ratings while the younger salespeople are rated higher in their performance by their supervisors. It is possible that younger salespeople may have a better rapport with their supervisors than older ones. This may be because young salespeople are more energetic and need guidance to sell effectively. Another possible reason could be that the younger salespeople may have other good qualities such as self-efficacy. This is shown by the negative relationship between age and self-efficacy, i.e. the younger the salespersons, the higher the self-efficacy. Therefore, younger salespeople are rated higher because they perform better in the eyes of their supervisors. Senior salespeople may not consult their supervisors as often as the new ones because they have established themselves in their sales territory.

2.2 Age and Performance Earnings

Age was found to have a positive relationship with performance earnings in the UK (see figure 6.45 and 6.48) and Malaysia (see figure 6.50). These findings suggest that the older salespeople have higher earnings. The positive relationship between age and performance is expected, since, the companies are employing a straight compensation plan, which means there is an increment of fixed salary with number of years in the company. In Malaysia, senior sales agents are paid extra bonuses based on the amount of new sales generated by group sales agents. So the older one gets, the higher the performance earnings, i.e. if s/he is successful. Another possible explanation for the positive relationship between age and performance earnings is that may be the older salespeople both in the UK and Malaysia are set higher targets by their supervisors, and if they are successful, this is reflected in performance

earnings, i.e. sales related earnings. Past studies generally have found no relationship between age and performance, (Lamont and Lundstrom, 1977; Bluen et al., 1990).

E. Summary of the Similarities and Differences between Countries

The most profound similarity in both countries is the positive relationship between self-efficacy and performance. This is an interesting finding and could be a potential contribution to knowledge, because rarely have past findings found self-efficacy to be consistently related to all performance measures, quantitative and qualitative. The relationship between experience and performance although significant in both countries, is to be expected somewhat, since experience improves skill level which is reflected in increased performance. The positive impact of role conflict on performance in both countries seems to give further support to past findings (Behrman and Perreault, 1984; Donnelly and Ivancevich, 1975), that role conflict may not be a stress factor any longer. Gender differences in performance although significant, have to be interpreted with caution because of the small sample of females in the UK, and the rather weak results from Malaysia.

The differences of predictors of performance are more obvious in the present study. More personality factors (e.g. internal locus of control, self-esteem and extrinsic motivation) predict performance in the UK. This may imply that successful performance depends heavily on the personality of the salespersons. This is probably because UK society is more homogenous. When approaching homogenous customers, salespeople will have to depend more on their personality to achieve sales because the language, and customs of the salespersons and customers are similar. Even if there are customers of different races and religions in the UK, they are minority groups and most of the time they are able to communicate in English. Customers will only assess a salesperson on her/his capabilities and personality as a salesperson. This may have further implications on selection and remuneration planning in sales organizations. This will be discussed later in chapter 8.

In Malaysia, the emphasis for successful performance is less on personality factors (self-efficacy and self-monitoring) and more on personal factors, such as gender,

age, education, race and religion. This may imply that sales organizations in Malaysia put more stress on physical and personal factors of salespersons for successful performance. It shows that selling success is related to these factors. It may be that people (customers) in Malaysia are more inclined to place their business with older, better educated male salespeople of the same race and religion. There is still little emphasis on selecting individuals with profound psychological traits.

7.5 Demographic Differences in Performance

This section looks at three demographic factors that have shown significant mean differences in performances. They are gender, ethnic origin and religion. This discussion is based on t-tests or Anova results.

1. Gender

Performance differences exist between *genders* in the UK and Malaysia on all three performance measures. However, this finding should be interpreted with caution because of the small sample size of the females in the UK ($n=32$ or 10%), and in Malaysia, the result was significant only in one company (M5). The smaller number of women in the UK sample may suggest that the sales occupation is still a male-dominated field. It has been argued that women enter traditionally male dominated occupations less frequently than males, because of negative perceptions such as sex-role stereotypes, lack of role models, and other environmental constraints, (Betz and Hackett 1981; Marini, 1978; Brooks 1988). In Malaysia, however, the percentage of women in sales is higher (about 40%), which suggests that sales is not dominated by males.

1.1 Gender and Performance Targets

In Malaysia, significant mean differences in performance targets achieved between genders was observed in M5 (all Malays). Salesmen may perform better because they have more experience. With more experience, salesmen may have more confidence and better skills. Since all saleswomen are Malay, they could still have some of the conservative habits such as shyness and timidity, (afraid to meet

customers), which are detrimental to selling performance. Furthermore, they may have family obligations, (e.g. pregnancy, child care, marriage) and in view of their collectivist upbringing, family matters usually come first. In this way total commitment from Malay saleswomen may be lacking, and this will lower their overall performance.

The results also appear to suggest that there is no significant difference in performance target achieved by salesmen and saleswomen in the UK and M4. Saleswomen can achieve the performance target as well as men which implies that there is a definite opportunity in selling for women in both the UK and Malaysia, (Schul and Wren, 1992; Kanuk, 1978; Robertson et al., 1977; Busch and Bush 1978). Unfortunately, there is still limited substantive research on gender/performance target achieved linkage in sales organizations.

1.2 Gender and Performance Ratings

The results indicate that there is generally no significant difference in performance ratings between genders in either country. In some instances, (for example in B2 and M4 - refer tables 6.24 and 6.25), the finding suggests that saleswoman's performance is rated as highly as that of salesmen by their immediate supervisors. It is evident from the results that sales managers in both countries may have more confidence in saleswomen in the traditionally male-dominated selling profession. It somewhat indicates that there is less workplace discrimination such as prejudicial evaluation of their qualifications and performance (Swan et al., 1984), or sexual stereotyping (e.g. less favourable promotion and development decisions) (Comer and Jolson 1985). However, the results from this study (by company) indicate that saleswomen still earn less than salesmen (see figure 6.25 (page 242). One possible reason could be that saleswomen have been in the company for lesser years compared to the men, (for example see figure 6.24, page 242). This may be true for the British sales environment (as supported by the covariate results in table 6.24, page 298). However, in some instances in Malaysia (for e.g. the entire sample), saleswomen tend to earn more than salesmen (see table 6.25). So, given the same opportunity and situation, women could earn more than men in the selling

environment, and therefore, their performance were rated positively by their superiors.

Contrary to the above findings, previous studies have shown mixed findings on this relationship in the US. For example, while Busch and Bush (1978) have reported no significant difference in self-rated performance between genders, thus supporting the finding in the present study, others have reported significant gender differences in performance ratings by supervisors (for e.g., Sackett et al., 1991; Schul and Wren, 1992). The reason for the latter findings was that female salespeople may lack appropriate achievement-oriented behaviours (Gable and Reed 1987, Carter and Bryant 1980) or that there was a presence of pro-male bias in the evaluation (Deaux and Emswiler 1974).

1.3 Gender and Performance Earnings

The findings indicate that salesmen earn more than their female counterparts in the UK. However, this result should be interpreted with caution because of the small female sample (n=10%). Nevertheless, the results indicate that differences in income performance between the genders may be present. As explained in the preceding paragraphs, the results show that the differences in income may be accounted for by the differences in experience for the UK entire sample. For example, performance earnings of male and female were significantly different when controlling for experience (see table 6.24). Saleswomen earn less because of the less time they have been on the job. Other reasons could be that salesmen are holding more managerial posts (e.g. an assistant branch manager gets extra allowances). This may imply that men are promoted to managerial positions more often than women. This implication may be explained by the fact that women interrupt their careers more frequently than men as a result of childbearing. Alternatively, men have higher earnings than women because they can work longer hours. Women on the other hand, may not be able to work long hours because of having family responsibilities, (Scott and Twomey, 1988).

The results indicate that there was no significant difference in performance earnings

between saleswomen and salesmen in Malaysia. In fact, saleswomen earn more than men in the Malaysian entire sample (see table 6.25). Saleswomen can earn as much as salesmen in this profession. It could be that women who venture into sales jobs have less family commitment. In most cases, having children does not interrupt a career in Malaysia because live-in child-minders are quite easy to find and also assistance from the extended family is always available. Perhaps, this is why there is a larger percentage of women in the selling profession (35%) in Malaysia compared to the UK (10%). This finding is supported by previous research in sales jobs in the US (Busch and Bush, 1978). However, previous studies in other fields (US) have reported gender differences in earnings but in a non-selling environment (Schneer and Reitman, 1990, 1993; Dominguez, 1991).

2. Ethnic Origins

Differences in performance due to ethnic origin differences can only be observed in Malaysia because of the distinct culture group present there, and the sample size is considered as adequately representative of the salespeople population. Significant differences in performance target and performance earnings were observed between the salespeople of different ethnic origins.

2.1 Ethnic Origins and Performance Target

The results indicate that there was a significant difference in performance target achieved by salespeople of different races in Malaysia. The performance target achieved by the Chinese is highest followed by the Indians and then the Malays. The Chinese and the Indians achieved a higher target compared to the Malays, possibly because they are more experienced in selling. The experience of the Malays was 4 years compared to the 6-8 years experience of the Indians and the Chinese (see table 6.27).

2.2 Ethnic Origins and Performance Earnings

Racial differences between salespeople had a significant impact on performance earnings in Malaysia as hypothesized, in that there is significant differences in performance earnings between salespersons of different races (Malay, Chinese,

Indians) in Malaysia. The result indicates that the earnings of Indian and Chinese salespeople were more than three times that of the Malays. This might be because the Indians and Chinese are more motivated, hard working, more sociable and friendly to customers (high intrinsic and extrinsic motivation), while the Indians have high self-esteem and internal locus of control (see mean scores in table 6.26). These qualities are important in selling, especially when making contact with other people. The Malays appear to be lacking in some of the important factors highlighted in this study for sale success, such as self-esteem, intrinsic, and extrinsic motivation (see table 6.26). This can be explained and supported by other finding that the Malays tend to be shy and reserved when in contact with strangers, (Zabid Abdul Rashid, 1989).

Furthermore, the upbringing of the Malays is influenced by religion and restricted family values. Although, the Malays who have ventured into sales accept the nature of the job with its social interactions with customers, their skill may be limited because of their upbringing, compared to other races. Even though contemporary Malay salespeople who ventured into insurance selling are more liberal in their views of the Islamic prohibition on buying and selling insurance and social interactions (from personal observation during data collection), there are still many restrictions for the Malays, especially the saleswomen (about 30% of Malays are women), when compared to other races, and this may lower their performance. Results of racial differences should also be viewed with caution because the possibility of the results being confounded by organization. This is because M5 consists of only Malay salespeople.

Research in similar vein, is still limited, so this finding could not be supported by past research. However, significant differences in performance ratings between the blacks and the whites in the US have been reported in previous research, (Greenhaus et al., 1990; Bass and Turner, 1973, Sackett et al., 1991). It has been suggested that treatment discrimination may explain race differences in job performance in the US.

3. Religion

Earlier in the study, it was hypothesized that salespeople with different religious beliefs will exhibit different performance targets, ratings and earnings. Two of the performance measures were significantly different between religions, i.e. performance targets and performance earnings. This finding suggests that salespeople's performances were significantly different according to their different religious beliefs.

3.1 Religion and Performance Target

It was found that Buddhist and Christian salespeople in Malaysia achieved higher performance targets than the Moslems or Hindus (refer table 6.30). Most of the members of these two religions are either Chinese or Indians. The same argument as in the above section can be used to explain this relationship, i.e. that the Chinese and Indians are more outgoing while the Malays are quite reserved. Presumably, salespeople who are Buddhists or Christians view religion as a secular belief i.e. they are concerned with worldly affairs rather than spiritual ones. Yang (1988) proposed secularization of religious belief as one of the profiles of a modern person. Perhaps the Islamic and Hindu believers have much more faith in divine spiritual rituals, for example the Moslems' faith in Allah is portrayed by their five-time's a day prayers, while the Hindus' faith is faith in meditation to their God Rama Krishnan. Also those salespeople with Islamic beliefs have doubts and limitations in selling insurance to other people with Islamic beliefs, compared to others due to the restrictions in Islamic beliefs placed on life assurance (see discussion in chapter 3).

3.2 Religion and Performance Earnings

The ANOVA results indicate that performance earnings of Christians, Buddhists and those of no religious belief were significantly higher than those for Moslems and Hindus. The same argument given by Yang (1988) could be the reason for some salespeople with those religions to be the better performers (higher earners), i.e. that of secularization of religious beliefs.

7.6 Comparison of Means between Variables

This section compares and contrasts the mean scores of the variables utilized in the study (A) between countries and (B) between cultures in Malaysia. Section A discusses (1) variables which are significantly different between countries, (2) variables which are not significantly different (similar means) between countries, and (3) variables which are not directly comparable between countries. Section B highlights the profile of the races based on the variables which are significantly different between races or cultures in Malaysia. The purpose of this discussion is to highlight the main differences or similarities of each variable in relation to Hofstede's culture dimensions.

A. Comparison of Means Between Countries

This section looks at the following: (1) variables which are significantly different between countries, (2) variables which are not significantly different (similar means) between countries (3) variables which are not directly comparable between the UK and Malaysia.

1. Variables which are Significantly Different between Countries

Ten variables were found to be significantly different between countries (see table 6.30). They are self-efficacy, locus of control, self-monitoring, extrinsic motivation, intrinsic motivation, role ambiguity, role conflict, training, education and age. It is impossible to compare performance earnings and targets between countries because of different methods of target computation and different standards of living (currency value) between Malaysia and the UK. However, performance ratings could be compared because similar rating forms were used in both countries.

1.1 Self-Efficacy

The mean scores of self-efficacy were found to be significantly higher in Malaysia compared to the UK (see table 6.30). This suggests that the Malaysian salespeople have higher self-efficacy beliefs than their British counterparts.

There are several plausible reasons for this result. First, conceptually, it is important to note the possibility of the diverse effects of self-efficacy judgement. Reasonably accurate appraisal of one's own capabilities is of considerable value in successful functioning, (Bandura, 1986). Large misjudgments of personal efficacy in either direction may have consequences. One of these diverse effects is overestimating self-efficacy or the appraisal of one's capabilities, as indicative of the Malaysian results. Salespeople who grossly overestimate their capabilities undertake activities that are clearly beyond their reach. As a result, they may get themselves into considerable difficulties, undermine their credibility and may suffer needless failures. The Malaysian salespeople may have been overestimating their capabilities and in doing so, lowered their sales performance.

Second, it could be that the research consists of a unique sample of people who are particularly high in self-efficacy in Malaysian sales jobs. This could be because of the more challenging nature of insurance selling in Malaysia. Selling is likely to be more challenging in Malaysia compared to the UK because (1) Malaysian salespersons practise direct selling (unknown customer) as opposed to broker selling (known customer) in the UK; (2) insurance is a controversial business in Malaysia because of religious restrictions, whereas, in the UK insurance is an established business. In reality, the self-efficacy score of the Malaysians as a population would not be so high.

Third, Smith and Peterson (1994) argue that people in high power distance countries may be more prone to acquiescent response set, than those from low power distance locations. In a small power distance such as the UK, people may tend to answer using the lower end of the scale 1,2,3,4s whereas in Malaysia (large power distance culture) they may tend to use the higher end of the scale, 2,3,4 and 5s. This would result in a lower mean score in the UK and a higher mean score in Malaysia. So the result is probably due to response bias, and nothing to do with the actual construct of the measure. It may imply that Malaysians are not actually higher in self-efficacy but merely that when they are filling out questionnaires they tend to respond more positively.

A related explanation is that it is perhaps something to do with demand characteristics, i.e. when answering with the researcher in the same room, the respondents in Malaysia try to offer scores that they think will please the researcher or that are socially desirable. This may be more likely in a large power distance culture such as Malaysia, where the respondents feel an obligation to please the researcher out of respect, than in a small power distance culture like the UK.

The first two reasons (i.e. self-judgement against expectation and unique sample) seem to point to the fact that self-efficacy is truly high among salespeople in Malaysia. In reality this could be questionable because self-efficacy should be higher in the UK than Malaysia, since UK is an individualist country. One should expect self-efficacy to be higher in an individualist society, since people are often goal-oriented and seek challenging jobs. The third and fourth explanations imply that the self-efficacy score in Malaysia is actually lower but was inflated out of proportion. Due to this inconsistency, the latter explanations are the more plausible ones. It is possible that the high mean score in Malaysia could be accounted for by the nature of large power distance culture which, overall may tend to favour the acquiescent response set not only for self-efficacy, but also for most other variables investigated in this study, as the following discussion will show.

1.2 Locus of Control

The lower mean score of locus of control indicates that Malaysia is more internal than the UK. The lower the mean score points to internality and the higher, externality. Although the mean scores for locus of control were significantly different between the UK (higher) and Malaysia (lower), both scores are skewed towards internality. Spector, (1984) found a similar range of mean scores across different occupations (business administration students, sales employees of a department store, health employees, and municipal managers). However, the relatively lower mean score in Malaysia, points to the conclusion that Malaysia is more internal than the UK.

There are two possible explanations for this result. First, this finding can be

explained by an alternative argument given by Seligman and Schulman (1986), regarding attribution theory in occupational psychology. He and his colleague asserted that salespeople who show a tendency to attribute failures and rejections to internal, stable, and uncontrollable causes, sold less insurance because they have a reduced motivation to succeed in similar future situations - a "helpless" attributional style-(Weiner, 1986). Thus internal salespeople such as in Malaysia could in fact demonstrate a reduced sales performance level.

On the other hand, a tendency to attribute failure to external, unstable and uncontrollable factors, may sell more insurance because the salespeople believe that they can influence similar situations should they occur again, a situation described as "hopeful" attributional style. Blaming external forces for sales failures and rejections allows the individual to forget about failures and get on with the job, and hence achieve higher performance targets (Avila and Fern, 1986). Thus, the external UK salespeople would exhibit better sales performance levels.

Secondly, it may be caused by the possibility that it is an artefact of the measures used. Smith and Peterson (1994) point out it is possible that some of the items in the questionnaire do not tap the trait (in this case locus of control) which are salient in some non-Western cultures such as Malaysia. For example, in the present study, some of the statements to measure externality in people were found to be unsuitable for Moslem culture because they contain the word 'luck'. For Moslems, believing in luck is prohibited, which caused the Moslem respondents to disagree with these statements. In doing so, the total score for the Moslems may have been reduced. These statements may have been suitable for Western respondents or respondents of other religions in Malaysia, since they were meant to tap externality in respondents. Thus the Moslems ended with a lower mean score which points to internality (see table 6.27) and this affects the overall country mean score.

Alternatively, if these statements were to have included the word 'fate' as well as luck (since externals belief in outside forces such as fate and luck), then the Malaysian (Moslems) could have responded acquiescently, thus increasing the mean

score and appearing more external. The Indians in Malaysia have the lowest mean score perhaps because they are genuinely internals because Hinduism does not prevent its believers from believing in luck.

From this explanation, it shows that direct replication of the Western model in a non-Western culture (etic issue,) should be carried out with caution. This is the most likely explanation for the lower mean score (internality) in Malaysia, compared to the former explanation, because it is unlikely that the Malaysians are more internal than the British, since Malaysia is a multicultural society and believing in God is a national motto. The British are supposed to be more internal because they are brought up in a masculine individualistic society, which conforms with internal locus of control.

1.3 Self-Monitoring

The mean scores for self-monitoring in both countries show that Malaysia is higher than the UK (see table 6.31). This finding is expected because of two possible reasons. First, self-monitoring is positively related to performance in Malaysia only. This could mean that higher self-monitoring is associated with high performance. Second, self-monitoring may be more useful in a distinct multi-cultural society, (as in Malaysia). This is because salespeople need to be able to adjust to different situations and multi-cultural customers in order to succeed.

1.4 Extrinsic Motivation

The mean scores of extrinsic motivation are higher in Malaysia than in the UK. There seems to be a high preference for externally mediated rewards at every level of the salesperson's career path, because the company culture in Malaysia encourages the use of an extensive reward system, (e.g. commission, bonus, prizes, financial incentives) (see appendix on list of rewards). Those who are successful are rewarded adequately, first through extrinsic rewards and gradually building up their motivation for intrinsic rewards if they continue to perform well.

1.5 Intrinsic Motivation

The country means also indicate that intrinsic motivation is higher in Malaysia than in the UK. This suggests that besides performing for extrinsic rewards, the Malaysian salespeople also have the inclination to pursue intrinsically mediated rewards, in order to expend more effort on group sales activities. The main reason for this possibility is that there exists the opportunity for self-promotion to higher managerial positions for all salespeople. From observation and interviews with a few successful salespeople in Malaysia, there are reasons to believe that some of them indulge in private advance training. For example, advanced certified courses in insurance, management and motivation training, in order to be recognized as leaders in the sales group. These courses were attended on the staff members own initiative, and for personal development. This activity indicates that the Malaysian salespeople are intrinsically motivated.

1.6 Role Ambiguity

The mean score ($\mu=20$) of role ambiguity suggests that there is a significantly higher role ambiguity in the UK, compared to a lower role ambiguity mean ($\mu=12$) in Malaysia. This could mean that high role ambiguity exists among salespeople in the UK. Perhaps ambiguous situations could happen when salespeople are dealing with complex and competitive products such as insurance. The salespeople are also dealing with a saturated market, which requires that responsibilities be made clearer through training or participative management. In Malaysia, it is possible that continuous training and autocratic management have made responsibilities of salespeople clearer and more specific.

This finding contradicts the research reported by Smith and Peterson (1994), which found that role ambiguity among middle managers is lower in low power distance countries such as the UK, and higher in large power distance countries such as India. Their explanation was that in high power distance cultures, subordinates may experience ambiguity when the boss does not make priorities clear, and in such a context it might be disrespectful to ask for instruction (Smith and Peterson 1994). One possible explanation for the difference in the present finding, i.e., role

ambiguity is higher in a low power distance country, is because there may exist a lack of staff training, or there are less formal rules and regulations in the insurance industry. The insurance industry is an ever changing and saturated market in the UK, and constant training and more regulations may be needed to clear ambiguous situations. Perhaps too, role ambiguity is taken for granted as a common feature in a weak, uncertainty avoidance culture, such as the UK (Hofstede, 1991).

1.7 Role Conflict

The mean results also indicate that there is a significantly higher role conflict ($\mu=31$) among the salespeople in the UK than in Malaysia ($\mu=29$). Role conflict may be higher among the British salespeople perhaps because it is an unavoidable feature of a selling environment. As discussed earlier, insurance selling is a complex and competitive business in the UK, which may imply that role conflict is a normal matter. Furthermore, subordinates are free to contradict their bosses in a low power distance country such as the UK. In a large power distance country such as Malaysia, subordinates are usually afraid to argue with bosses because it is disrespectful. Therefore, there is less role conflict in Malaysia. This result is again inconsistent with the findings reported by Smith and Peterson (1994), which found role conflict to be lower in low power distance country (e.g. UK). The reason given was that in a high power distance country, conflict occurs when subordinates are unable to argue directly for a favoured course of action. The explanation for the differences in findings could be due to the assumption that role conflict is quite a normal feature in insurance business.

1.8 Training

The mean scores indicate that training perceptions are higher in Malaysia than in the UK. From earlier discussion about training facilities in the case studies (see chapter 6, part one), it can be concluded that there was more emphasis on opportunities for training in Malaysia. Not only do the insurance companies have tailor-made in-house training programmes, but also professional training is offered by regulatory bodies (for qualifying examinations), insurance associations and private professionals, i.e. training has implications for improving rewards in Malaysia, whereas in the UK

training has no immediate pay-off. Due to this effort, training programmes may be found more rewarding and interesting in Malaysia.

The higher level of training perceptions in Malaysia can also be explained from a national cultural viewpoint. Hofstede (1991), categorised Malaysia as a collectivist culture. All races in Malaysia still practise extended family values, although there is no supporting evidence to show which race is the most collectivist. He argues that:

"the dimension to be identified with collectivism was most strongly associated with the relative importance attached to work goal items: training, physical conditions and use of skills" (Hofstede, 1991, p. 52).

Hence, it is not surprising that the Malaysians value training more than the British. From the mean scores of training according to race, the Indians seem to have highest score on training perceptions followed by the Malays and the Chinese. This could imply that the Indians are the most collectivist and appreciate training more, and by doing this they have more skills and product knowledge for better performance.

1.9 Education

The mean score in education shows that the Malaysian salespeople tend to have less formal education compared to the British, which could have made them more appreciative of professional training given at the workplace.

1.10 Age

The means for age show that the Malaysian salespeople are older which suggests that the Malaysian salespeople enter the profession at a slightly later age (29 years) than in the UK (24 years). This may imply that older people are more attracted to the sales profession in Malaysia, perhaps because they may have realised that there are more opportunities for success in this profession after previously working in other jobs. For example, many salespeople in Malaysia are ex-teachers, ex-army personnel, and retired personnel from various professions (evidence from observation made when collecting data in Malaysia). In the UK, a speculative

explanation may be that salespeople enter the profession at a younger age because they may be more sure of success from the start, or perhaps there is no other choice.

2. Variables which are Not Significantly Different (Similar Means) between Countries

Three variables were not significantly different between countries (see table 6.30). They were self-esteem, role inaccuracy and experience. The results imply that the salespeople in both countries are quite similar in their level of self-esteem, experience and perception of role inaccuracy. It is expected that a salesperson's self-esteem dealing in a similar business environment (insurance selling), should be similarly high. The level of self-esteem and motivation is usually increased through training and experience once an individual joins the company in Malaysia. In the UK, due to family upbringing and the British culture, an individual may have been high in self-esteem from the start of the selling job. Experience of salespeople in both countries are almost in the same range i.e. above 6 years but less than 7 years. It could be that this the average number of years that a salesperson stays in a company as a salesperson. After this they may be promoted for higher managerial posts. The level of role inaccuracy perception is quite similar in both countries. This could imply that the amount of role inaccuracy between salespeople and their supervisors is about the same in Malaysia and the UK. One of the performance measures, performance rating, was also not significantly different in the two countries.

3. Variables which are Not Directly Comparable between Countries.

Two of the performance measures utilised in the present study were significantly different between countries. They are *performance target* and *performance earnings*. However, these measures are not directly comparable between the two countries. This is because the method of setting performance targets is different in the two countries. In the UK, performance targets were set based on a certain increment of past performance, while in Malaysia the salespeople have to select a target from several pre-determined targets offered by the company. Furthermore performance targets and earnings are at different levels because of the difference in living

standards (currency value) between a developed (the UK), and a developing country (Malaysia).

B. Comparison of Means between Cultures in Malaysia (Based on Variables which are Significantly Different between Races in Malaysia)

Among the three main ethnic groups in Malaysia, i.e. Malays, Chinese, and Indians, the Indians obtain higher mean scores on most of the variables investigated in this study (see table 6.27). The following discussion will explain the profile of each ethnic group based on the findings of the mean scores.

1. The Profile of the Indian Salespeople

The results indicate that the Indians have significantly higher mean scores for self-esteem, internal locus of control, extrinsic motivation, intrinsic motivation, role inaccuracy, training perceptions and experience. The Indians may have high self-esteem because they are generally highly successful in selling. They consider themselves as more skilled in selling because their ancestors first arrived in Malaysia as traders in Indian textiles. Indian merchants still own large family stores in the bigger cities, the most prominent product being textiles. The Indians show a significantly higher internal locus of control than Chinese or Malays. This is because they believe that outcomes depend on their own hard work having learned from the experience of their predecessors.

Furthermore, most of the Indians we are mentioning here are not traditional Hindus but some of them are Christians. So it is not surprising that some have changed their Hindu beliefs to an attitude which portrays internality, i.e. more liberal belief in religions (secularisation). The Indians again show the highest mean score for extrinsic motivation, followed by the Chinese and then the Malays. It could be that since the Indians seem to have the qualities for success, they exert more effort for externally mediated rewards, (set high targets and high incomes).

The mean scores also indicate that the Indians show an inclination to expend more

effort to obtain reward through personal growth, personal development and other intrinsic rewards. Some of them are likely to improve themselves by training. This is probably because many of the Indian salespeople are successful, and have fulfilled their basic needs for extrinsic rewards. The result shows that there were higher perceived role inaccuracies among the Indian salespeople. In doing their jobs the Indians may not follow rules and regulations if they think the information is inaccurate. The result shows that the Indians have a very high mean score on training. This could explain the reason why the Indians are highly intrinsically motivated. Their high perception of training may be because of their previous lack of a proper education. The mean score on education shows that the Indians have undergone the least formal education (12 years). However, they have the most experience (8 years), and started selling work at a much younger age (33 years).

2. The Profile of the Chinese Salespeople

The results show that the Chinese have the highest mean score in performance target achieved, external locus of control and role ambiguity, but scored moderately in extrinsic motivation, intrinsic motivation, role inaccuracy and experience. They also scored lowest in self-esteem, and training perceptions. They achieved an excellent performance target, probably because the Chinese are known for their hard-working habits and persistence. At the same time, they are very external, in that they strongly believe in luck, for example, eight is their lucky number. It could well be for this reason that the Chinese seem to be moderate in the quest for extrinsic and intrinsic motivation since when they believe in external forces for events they may become less motivated. Perhaps they earned slightly lower earnings than the Indians because they have less experience or perhaps, there may be still some discrimination against Chinese salespeople.

The lower self-esteem score shown by the Chinese salespeople is possibly because they originate from poor family backgrounds (e.g. they started as tin miners when they first migrate from China into Malaysia) and that they still consider themselves as outsiders or immigrants, although many of the Chinese have claimed higher status in society, (e.g. self-made business entrepreneurs) at the current time. Role

ambiguity exists because there are some Chinese who are not really well-educated in English. But because they have good support from team-work, performance wise they are excellent.

3. The Profile of the Malay Salespeople

The results from the mean scores in table 6.26 show that the Malays seem to be lower in self-efficacy, self-monitoring, and motivation. However, their self-esteem is considerably high, perhaps because they consider themselves as the true natives of Malaysia and feel more at home. Nevertheless, there is still room for improvement for them to succeed in selling jobs. For example, they could improve by indulging more in training because they seem to have the potential to learn, assessed by their higher levels of education.

7.7 The Impact of Organizational Factors on Performance

The qualitative results discussed in chapter Six, part one, suggest that in the UK, B1 and B3 demonstrate higher performance levels compared to B2. In Malaysia, M4 is relatively a higher performer than M5. Several organizational practices appear to account for the differences in company performance levels: (a) organizational structure and span of control, and (b) organizational cultures.

A. Organizational Structure

Differences between the UK and Malaysia were observed in organizational structures. The successful UK companies appear to have fewer hierarchical levels compared to Malaysian practice. This may imply that there are less bureaucratic management practices in the UK, at least in some insurance companies, (e.g. B1 and B3), although managers are still a prominent feature in these organizational structures. It could also imply that the less hierarchical level, the more successful the company performance will be. This finding gives some support to hypothesis 17. Hofstede's culture dimension, small power distance in the UK, could be the reason for this type of organizational structure. Presumably, in the UK culture, management in organizations are trying to equalise the distance between the peers and

subordinates.

The more successful British companies appear to have a smaller *span of control*, (except for B2), thus supporting hypothesis 18, i.e. fewer numbers of subordinates under the direct supervision of a manager. Churchill et al., (1987), argue that with smaller span of control, close communication between salespeople and sales managers is possible, which could facilitate direct control. Because of this, smaller span of control would result in better performance. With a larger span of control, it was argued that, although administrative costs are lower, the quality and quantity of management is also lower because of the limitation in personal communication and control between superiors and subordinates, which can lead to less productivity or performance.

Conversely, in Malaysian companies, it may appear as if there was a large span of control. Because of this, it may seem that the Malaysian companies are less successful than the British counterparts. However, this conclusion should be viewed with caution. This is because of the different management system practised in Malaysia, for example in Malaysia the salespeople sell to the public, while in the UK they sell through brokers. In Malaysia, a larger span of control may be unavoidable because a salesperson has to handle a bigger number of customers (public), compared to a smaller number (brokers) in the UK. Furthermore, customers in Malaysia are more difficult to predict because they are strangers to salespeople, thus, rejections and failures would be much higher, which could lead to a lower success rate in performance.

Additionally, in Malaysia, sales force were hired directly by senior sales supervisors. With this hiring system, there may be closer communication and direct control, (evident from less role conflict and role ambiguity in Malaysia) between sales agents and supervisors. This is possible because the career path is such that every senior sales agent becomes a supervisor when s/he starts to recruit other sales agents (see career path in figure 6.6 page 222).

Consequently, there are more hierarchical levels at the higher and lower levels in Malaysian companies. This seems to be an advantage in a large power distance culture such as Malaysia, because most people like the opportunity to become a boss and be respected if they can prove themselves. This opportunity is possible in insurance sales and this chance probably gives an impetus for the salespeople to perform better.

B. Organizational Culture

An organizational factor that may have influenced performance, is organizational culture. Companies which have strong organization culture, i.e. those having a homogeneous culture in the organization, (refer to earlier definition in chapter two, page 79), are believed to perform better. Weak organization culture is when companies have heterogeneous consensus on policies and practices. As discussed in chapter two, signs of weak cultures are either, (1) there is no clear belief or values about how to succeed in business, or (2) they have many such beliefs but cannot agree among themselves on which are most important, or (3) different parts of the company have fundamentally different beliefs, (4) having 'disruptive heroes' in the culture, (5) having a disorganized or contradictory ritual of daily life (Plant, 1984). The culture that exists in an organization could be portrayed by its (a) business environment, (b) organizational values, (c) rites and rituals, and (d) technology (Harris, 1984). From the case descriptions discussed in chapter Six, part one, it can be summarised that the strength of British organizational culture is characterised by (1) profit and R & D driven (result-oriented and tight control or achievement and role culture), (2) job oriented and pragmatic approach (3) independence and equality (achievement culture), (4) single culture officially observing christian celebrations, and (5) modern technology e.g. computer networks.

The strength of Malaysian organizational culture is characterised by (1) profit and market driven (role culture), (2) Eastern way of thinking and heroes, (3) obedience, loyalty (support culture), (4) power status (power culture), (5) officially celebrated harmonious multicultural celebrations e.g. Eid, Chinese New Year and Deepavali, (support culture) and (6) semi-modern technology.

1. Business Environment

The main similarity in the organizational culture of the insurance industry in the two countries is the *business environment*. A similar background or matched sample is essential to fulfil functional equivalence in cross-cultural comparison studies, (Sekaran, 1983)(for discussion see chapter 3). The insurance companies in both countries, generally, have the same profit driven objective or *achievement culture*. On the whole, British companies demonstrate more systematic marketing planning (e.g. in B1 and M4), where company mission and objectives are well defined at every management level. As we have seen, companies with a well defined mission together with a successful corporate history and top management's values and beliefs lead to the development of a strong corporate culture. Such cultures shape the attitudes and actions of employees and help determine the kinds of plans, policies, and procedures that management can implement (Deal and Kennedy, 1982). However, research and development (R & D) is only emphasised in the UK. This emphasis on R & D is demonstrated by the full cooperation given by British companies for this research. That R & D is not supported in Malaysia may be due to the secretive nature of the organization.

All insurance companies rely on the performance capabilities of their salespeople for their profit generation. Here, the British companies differ in their sales strategies by working through intermediaries (insurance brokers), employing fixed salary/bonus-based compensation schemes, and hiring less salespeople. Because of the nature of the sales strategy practised, British companies tend to stress *role culture* (Harrison, 1975) or *job-orientation* (Hofstede, 1991), for e.g. job description, rules and procedures, fixed remuneration and conformity to expectations, (role clarity, role accuracy). See also organizational culture results in appendix. The *product lines* sold by insurance companies differ between the UK and Malaysia. Insurance products in the UK include life and pensions sold to groups, whereas, Malaysian products are basically life and endowment policies sold to individuals (see products in case studies, chapter 6, part one). Pension sales involve large amount of sales which could increase a salesperson's sales performance, and consequently increase the company's overall sales performance. The pension system in Malaysia is quite

different from the UK, in that, pension contribution is a public affair managed by the government and not by insurance companies.

2. Organizational Values

Role culture fits *British values* for independence (individualist), security, equality, challenge and position. These values identify with Western ways of thinking. Security in business organizations is commonly emphasized, for example, a visitor's pass was issued to the researcher when entering the company's headquarters. Superiors are regarded as friends and as equals. Participative decision making is common in British organizations although it is easier for subordinates to contradict a superior's directive. Western culture tends to be oriented towards mastery over nature, and bases reality or ultimate truth on science and pragmatism (Pheysey, 1993).

The profit driven insurance companies in Malaysia utilise a different approach to sales strategy. The Malaysian companies employ a direct sales force, utilise mainly commission-based compensation schemes and hire more salespeople. In this sense, they are more market driven and less R & D inclined. Competition among Malaysian salespeople (multicultural) is because of survival to reach targets (performance), not because of high positions or challenge. Perhaps, the lower performance levels in M5 may be attributed to the less competitive environment (just Malay Malaysian culture). The role culture in Malaysia is practised with a different emphasis- i.e. *employee-oriented* (see appendix for organization culture results). It is important for the Malaysian companies to be employee-oriented perhaps, because the organizations have to satisfy a large number of salespeople. The organizations have to acknowledge that human resource management is vital for the survival of their company, because the main company income is derived from the sales performance of each individual salesperson. That is why the Malaysian companies allocated a lot of effort in satisfying salespeople, for example, through various reward categories (on top of their commissions), frequent meeting sessions and more training opportunities. In spite of all these incentives, there is a lot of competition going on among salespeople. It is the quest for the survival of the

fittest. Therefore, a lot of them leave because they cannot achieved the required performance.

Employee-oriented culture is possible in Malaysia due to the *support culture* (Harrison, 1972) the Malaysians live in. Support culture is similar to Hofstede's *collectivist* society where high values are placed on friendship, sharing and involvement. Working conditions in organizations become less formal in Malaysia, for example, no visitor's pass was required in most organizations. Although a visitor's pass can increase security in an organization, in some ways, it restricts free interactions between employees and customers, or with the public.

Additionally, there is also high regard for power in Malaysia, i.e. *power culture*. Bosses and senior staff are to be respected. Obedience and loyalty are *common Malaysian values* of employees in organizations. In a way, power culture encourages paternalistic or autocratic decision making. Respect signifies Eastern ways of thinking and managing, for respect to the King, to God and so on (see Malaysian motto in chapter three). It is observed that Eastern culture seeks harmony with nature and sees reality as based more on revealed truth (Pheysey, 1993). Employees regarded their fathers and superiors in organizations as their heroes.

3. Rites and Rituals

The rites and rituals of insurance companies are quite similar in many ways in both countries. For example, the daily work routines stress on regular meetings, emphasis on wage and bonus/commission, star salesperson's presentation, (either in current company bulletin or at special occasions), and so on. Annual routines bring forth an annual company conference at exotic places (usually for the successful salespeople), an annual chairman's report, and Christmas celebration in the UK. Perhaps the only difference is that there is more ritual in Malaysia because of the multi-cultural society. Rituals in different forms of festive celebration are well respected by all organizations for all different cultural groups in Malaysia, for example, short public holidays are declared for all cultural celebrations such as Eid (Moslems), Chinese New Year (Chinese), Deepavali (Indians), Christmas Day (Christians). In this way

a harmonious society is achieved, and more efforts can be concentrated on performance achievement.

4. Technology

Lastly, there is still a gap in technology levels between Malaysia and the UK, for example, the use of on-line computer systems for controlling feedbacks. This could make a big difference in performance levels due to different efficiency capabilities. M4 is comparatively more advanced in this area than M5, because of the contribution from its U.S parent company. In order to compete in performance, Malay companies like M5, should be conscious of the changes in organizational practises such as technology and make investments in these systems where appropriate.

7.8 The Impact of Environmental Factors on Performance

There are many things in the environment that can influence performance and other variables (see discussion in chapter 2). This discussion will be limited to the internal environmental factors related to insurance industry, derived from case study results. In doing so, the finding seems to support hypothesis H20 which suggests that the stronger the competitive edge (market potential and competition) present in a company, the better the performance.

A. Market Potential of Insurance Organizations

One of the most obvious environmental differences observed between the UK and Malaysia is the market environment pertaining to the insurance market. The UK's market environment is considerably more developed than Malaysia's. For instance, the UK population is more aware and knowledgeable of the insurance products. This can make a difference to the 'market potential' of the insurance industry, and eventually to the performance level of the industry. On the contrary, the Malaysian market environment tend to be much newer and therefore, more ignorant of the insurance facilities. This ignorance may arise because of lack of knowledge or due to religious restrictions on the subject (see chapter 3). Salespeople in Malaysia, not

only have to promote their products, but also have to educate the public. Thus, market potential could increase competitive edge in the environment which could increase performance of the insurance industry in each country.

B. Competition

Another potential difference in the environment is the strength of competition between companies investigated in the present research. The strength of the companies can be gathered from the size of the employees and income turnover of the companies. For example, in the UK survey, B1 is by far the largest among the British insurance companies, in terms of the number of employees and the amount of turnover, while B3 takes second place and the third is B2 (refer table 6.3 on page 265). This suggests that B1 is *competitively* stronger than all the companies in the survey. For the Malaysian companies, M4 is stronger and larger than M5 in terms of income turnover, and number of employees. The stronger the company the higher the performance level as shown in the turnover statistics. This supports the hypothesis H20 (refer chapter 4) that competition may give a competitive edge to a company which could impetus higher levels of performance.

C. Economic Conditions

Economic conditions and capital markets have slowed down the growth of the economy in the UK (3% in 1993), for example, the growth in profit and turnover were lower in B1 compared to the others (see table 6.3 on page 247). This is probably because one of the major income generating sources for the insurance companies - the international investment market- is indirectly affected by certain environmental events, such as wars in the Gulf and eastern Europe. Economic conditions, however, may give more impact to performance of companies within a country, like within the UK, but not between countries.

In Malaysia, the economic condition is much more favourable for the growth of insurance business, (9% economic growth in 1993). There is Government support in the development of the insurance industry, and this contributes to a more positive economic outlook (see discussion in chapter 3). It now depends on the insurance

industry to improve their sales force and increase performance levels.

7.9 National Culture Dimensions and Performance Model- Its Inferences from the Findings

The objective of this study was not to investigate the direct impact of national culture dimensions on performance model. Instead, the objective was to make inferences toward Hofstede's national culture dimensions in both countries, on the basis of supportive or non-supportive evidence of study findings.

Hofstede's national culture dimensions suggest that Malaysia is a *collectivist, feminine and large power distance society*, while the UK is an *individualist, masculine, and small power distance*. Both UK and Malaysia are reported to be *weak uncertainty avoidance* societies. This section discusses whether Hofstede's national dimensions are supported or not supported by the evidence found in the British and Malaysian insurance industries (see hypothesis H21 in chapter Four).

1. Individualist versus Collectivist

From the discussion on both quantitative and qualitative results, it can be concluded that the findings show some support for Hofstede's individualist culture dimensions in the UK. However, in Malaysia, while there was some evidence to support collectivist culture, there was also some evidence from the study to imply that there may be a steady change towards individualism for certain ethnic groups of salespeople.

The individualistic dimension of the UK is perhaps portrayed by the more formal and contractual employer-employee relationships. This is probably because the insurance companies are more inclined towards job-orientation, as a consequence of profit driven culture. There are less group decisions, for example performance targets of individuals were set by immediate supervisors, based on HQ objectives, (top to bottom). All the companies imposed tight control over target achievements,

budgets and punctuality. Supervisory managers organized frequent meetings for monitoring purposes (mandatory weekly meetings). An individualist culture such as the UK can be indicated by an individual who prefers personal freedom and challenging work. Insurance selling is considered as lucrative, but demanding work, and at the same time it gives personal freedom. So those who join the sales profession, are perhaps those who like challenge and personal freedom. Perhaps, because the salespeople are more concerned with tackling the challenge in the sales job, their emphasis on training is less. This is shown by the negative perception of training on performance.

Other supporting evidence which points to individualism in the UK were: small household size (2.5), which shows a preference for nuclear families; unmarried children prefer to leave home at an early age, which shows a preference for personal freedom and privacy; elders living in nursing homes is increasingly common, which perhaps implies that there is a high preference for privacy or ties between family members are loose.

As noted earlier, the collectivism culture in Malaysia may be indicated by the high level of salespeople's perception on training. This coincides with Hofstede's (1991) argument that an individual in a collectivist culture shows a preference towards training and skill improvement.

Qualitative findings also suggest that Malaysia is a collectivist culture, for example, the widely practised extended family traditions. This is further indicated by the large household size (5) in Malaysia, children working to support the family, the existence of close family ties, everyone knows everyone else, parents living together with their adult unmarried children, and grandparents willingly look after their grandchildren.

In the work organizations, the relationships between employer and employees are informal like a family link. Evidence from case study observations in the two insurance companies indicated that the work system enables husband and wife to work together as a team in selling. Incentive system encourages closer teamwork

with family or friends. The companies practise a less tight control over salespeople because they work as a separate business entity from the company. There is no allocation for car allowance or other fringe benefits for the salespeople from the company, except performance-related incentives. This system works better in a collectivist country because of the importance placed on ingroup members, (family, friends or race).

However, it might be totally incorrect to generalise that the whole of Malaysian culture as 'collectivist'. There is evidence to indicate that certain groups of Malaysians are changing into a more individualist culture. For instance, evidence from empirical findings shows that certain groups of salespeople (i.e. Indians and Chinese) are higher earners than others. Also, the Chinese and Indians are more successful in selling jobs. This could imply that these group of salespeople are more able to tackle the challenge in this profession. They have become more individualists when they entered into this profession. Hofstede's generalisation that Malaysia is a collectivist culture may not be very accurate.

2. Masculinity versus Femininity

The UK is also considered by Hofstede (1980, 1991) as a *masculine* society. There are a lot of evidence from the study that support masculinity in the UK. For instance, the findings show that the majority of salespersons earn high salaries and achieve high sales targets. Since, masculinity could be portrayed by the preference for high earnings and high performance targets, thus, insurance salespeople fit perfectly with a masculine society. An average salesperson in B2 earns £28,000 per annum) and high average annual sales targets (e.g. a maximum of £250,000 per annum in B2). A highly successful salesperson could earn up to £500,000 to £1 million a year (Financial Times, 1994). This indicates that every salesperson in a masculine society values material success, where men and managers are supposed to be assertive, ambitious, and tough.

Malaysia is considered as a more *feminine* society, i.e. a society with a preference for modesty, cooperation, harmonious and friendly relations. This describes the

Malaysian culture perfectly. Malaysia is a multicultural society: Malays, Chinese, Indians, Sikhs and other minority groups. These cultural groups have managed to live in harmony for nearly three generations. Perhaps this is possible because of the caring and friendly culture they live in.

However, there is evidence from the study findings that certain ethnic groups, like Indians and Chinese, are more successful in sales performance than the indigenous ethnic Malays. This may imply that Indians and Chinese salespeople are becoming more masculine than the Malays because they strive for higher earnings and higher performance targets.

3. Small versus Large Power Distance

The third dimension, power distance, can be indicated by centralization versus decentralization, participative (consultative) versus paternalistic (autocratic) boss, respect and obedience to elders versus equality between old and young, and role conflict. The UK is said to be a small power distance country, because it is characterised by limited dependence of subordinates on bosses (they consider each other as equals), decentralization, relatively small emotional distance between them, and subordinates quite readily approach or contradict their bosses.

Evidence from study findings gives support to small power distance culture in the UK. For example, the mean score result shows that role conflict is significantly higher in the UK than in Malaysia. It could be that role conflict is higher in the UK because of the small power distance culture they live in. The British rail-track controversy in 1994, is one of the contemporary role conflict incident that has occurred in the UK. This finding is in convergence with Hofstede's findings that in a small power distance culture such as the UK, there is more possibility for role conflict to occur.

Nevertheless, there is also evidence to show that most insurance companies do not practice participative management in the UK. Some decisions were made by individuals at the top management level, (sales targets). This contradicts Hofstede's

notion that small power distance culture usually practice consultative decision making. Perhaps, this is unique to the insurance business, because the companies must become achievement-oriented in order to survive in a competitive business environment. In doing so, pay-related performance is commonly used, to counter-balance the absence of consultative decision making. In this sense, it may be inaccurate to generalise that small power distance cultures practise participative management methods.

In a large power distance culture, such as Malaysia, there is considerable dependence of subordinates on bosses (they do not consider each other as equals), a preference for autocratic or paternalistic decision making, emotional relationships between subordinates and bosses, and a fear of contradicting their bosses (lower role conflict score in Malaysia). Respect and obedience to elders are very prominent features of Malaysian society. As discussed earlier, children are taught to respect their elders in the extended family tradition. Obedience towards family leaders is strong in Malaysian society due to various religious beliefs, particularly the Islamic religion. Because of these values, inequality among people is a normal consequence and is expected. From the experience and observations of the researcher, the decision making style in most organizations in Malaysia is still paternalistic. Most of the time, bosses are forced to make their own decisions because not many people want to be involved in decision making. Often, subordinates are afraid to voice their opinions, in case of discrimination from the boss. All these large power distance characteristics are commonly present in the insurance companies. Even though the Indians and the Chinese may be becoming more individualistic and masculine, power distance is still regarded as an important tool in organizations.

4. Weak Uncertainty Avoidance

According to Hofstede's arguments, both Malaysia and the UK are relatively weak 'uncertainty avoidance' societies. Both countries accept uncertainty as a normal feature of life. Other characteristics of weak uncertainty avoidance societies are: relatively low stress, easily satisfied with life, probably need less rules, and appearing comfortable in ambiguous situations. As discussed in chapter Three, role

ambiguity may be a tentative factor for indicating uncertainty avoidance. This is based on the assumption that in weak uncertainty avoidance cultures, there is less emphasis on rules and regulations, which consequently can lead to role ambiguity.

The present findings support Hofstede argument for the UK culture, when it was found that the mean score of role ambiguity is higher in the UK (see table 6.30) than in Malaysia. This gives support to Hofstede's description of weak uncertainty avoidance culture, i.e. comfortable in ambiguous situations. It is also possible that in weak uncertainty avoidance cultures, it would not be perceived as role ambiguity, but just as an accepted way of life. It could be that role ambiguity may be particularly high in this study because insurance is a complex business. In spite of the existing rules and regulations imposed by the company, there may be unclear areas that have to be dealt with all the time. High role ambiguity means that there are fewer rules and regulations in Britain. It could be that British people do not have so many rules and regulations because they do not need them. For instance, a queuing system without supervision is commonly observed as in the UK (i.e. while waiting for the bus or in banks or supermarkets). There are no rules for queuing, it is performed out of habit and social obligation.

In Malaysia, supporting evidence for weak uncertainty avoidance culture is the unhurried pace that people seem to move. A very simple observation is the unhurried way the Malaysians walk in public places. If compared with Europeans or Americans, Malaysians walk more slowly. Another common tradition is that people accept things as they happen. If a tragedy happens in a family, it is not blamed on outside forces, but accepted as a will of God. Therefore, it may be true that the stress level is lower in Malaysia. For example, cases of committing suicide are fewer in Malaysia compared to the UK. If it happens, it only occurs within the Chinese or Indian communities. For the Moslem Malays, committing suicide is a religious prohibition, and believing in fate is a must.

Even though Malaysia is also categorised by Hofstede as a weak uncertainty avoidance culture, it appears that there are more formal rules and regulations than

the British society. Evidence of the case description also shows that there appear to be more rules and regulations in the insurance industry in Malaysia, for example, qualifying examinations for salespeople who want to practise insurance selling. In other words, despite Hofstede's generalization that Malaysia is a weak uncertainty avoidance culture, the Malaysian society conforms to stricter rules and regulations compared to the UK. For example, punishments for crimes are more severe, such as the mandatory death penalty for drugs trafficking.

5. Critiques of Hofstede's model

From the discussion above, it shows that Hofstede's findings for Malaysia may not be very accurate. It is possible that Hofstede's research may have failed to consider the diversity of cultures that exist within Malaysia itself, for example, the different ethnic groups in Malaysia. The Indians and the Chinese have perhaps changed from their traditional values once they entered into organizational environment. This could have happened with continuous organizational training, company orientation, reward system, and competitive atmosphere among salespeople. Indians and Chinese salespeople are more susceptible to these changes because they believe in the insurance business, and their values and culture do not contradict the work ethics of the organization. Organizational and environmental factors could play important roles in changing the attitudes of employees. It may be a unique situation for a sales organization, where there is a greater emphasis for target accomplishment, performance by rewards, and challenging career. Thus, it is much easier for them to change for example their personality, (i.e. higher self-efficacy, internal locus of control, extrinsic and intrinsic motivation).

Therefore, the generalisation of the Malaysian culture made by Hofstede may not be very accurate in a heterogeneous culture. Provided that the different cultural sub-groups are of equal importance or strength, and play an active part in the development of the country or organization, then culture dimensions may vary from those already suggested. In general in the UK, different cultural groups exist, but observations suggest they are in the minority. They are represented in the same numbers in the UK as in the Malaysian organizations studied.

Thus, their impact on the existing culture dimensions are negligible. Future research should consider these cultural factors when investigating a management framework or model across culture.

7.10 Summary

The main results produced two different models of the predictors of sales performance for each country, (the UK and Malaysia) (refer figures 7.1 and 7.2). In the UK, personality factors appear to play a more important role in predicting performance, while in Malaysia, personal and demographic factors are the more important factors in predicting performance. Some of the reasons for this finding given in the earlier discussion for the UK were that, (1) the UK comprises largely of a single homogeneous culture, where individuals are mostly differentiated by their capabilities, competence and self-belief (personality factors), (2) the competitive business, (insurance selling), requires individuals to be more task-oriented, believe in oneself (internal locus of control), and be highly competent (self-esteem), (3) the strong individualistic and masculine cultures of the UK encourages individuals in the UK to be achievers and challengers, thus they need personality factors such as self-efficacy and extrinsic motivation to survive. The UK model also suggest other factors as predictors of sales performance, but their relationships are weaker (e.g. role conflict, experience, training and gender). Organizational and environmental factors also contribute to a certain extent to an increase in performance of the companies.

Alternatively, personal and demographic factors tend to be the more salient predictors of performance in Malaysia. Some of the reasons forwarded earlier in the discussion were, (1) Malaysia comprises a multicultural heterogeneous society where individual's efficiency are evaluated based on their education level, age, race, religion and gender, (2) each group (race, religion or gender) usually prefers to deal with the same group members, perhaps because it is easier to communicate and reduce language barriers or religious obligations, (3) the strong collectivist culture also encourage the society to react or communicate with the same ethnic or religious

groups.

However, a few variables (self-efficacy, experience and role conflict, and gender roles) appeared to predict performance in both countries.

Comparison between means of variables indicates that Hofstede's dimensions were representative in a homogeneous culture such as the UK, but there were some deviations from Hofstede's dimensions in a heterogeneous culture like Malaysia.

These major differences and similarities between countries may have some implications for divergence theory, convergence theory, Hofstede's model and Churchill's model. This will be discussed in Chapter Eight.

CHAPTER EIGHT

CONCLUSIONS

8.1 Chapter Overview

This chapter concludes the thesis by outlining its contribution to knowledge, evaluating theoretical and managerial implications, and discussing the strengths and limitations of the research. Finally, it offers some suggestions for future research.

8.2 Contribution to Knowledge

As discussed in chapter seven, this study may have located some meaningful findings to explain the success factors of insurance salespersons' performance in the UK and Malaysia.

One particularly interesting finding derived from the study, is that variation or divergence exists between cultures. Why is there support for divergence theory, or the apparent differences between the countries? One of the reasons given earlier was that this may be attributed to the differences in culture that clearly exist between the UK and Malaysia. For instance, the national cultures of the UK, (individualistic, small power distance, masculinity), is in some ways, the direct opposite of Malaysia (collectivistic, large power distance and femininity).

Another possible explanation could be that in a homogeneous culture such as the UK, a salesperson's performance is likely to be differentiated only by the personality factors, such as one's self-efficacy, internal locus of control, or motivation level. In Malaysia, because of the heterogeneous society, one would expect the salesperson's performance to be differentiated by other factors, such as personal outlook, (e.g. race, religion and gender). These cultural factors may have contributed to the differences found in the results of this study.

This finding contributes to knowledge, as it suggests that the success of salespersons' performance in the UK is more likely to depend on the personality traits of the individual, whereas in Malaysia, success is more likely to depend on personal and demographic factors. From this finding, new theoretical frameworks for different cultures could be outlined and developed for future research in this area. This may have important implications for sales managers and cross-cultural researchers.

Another interesting finding from this study, was that only a few variables were found to account for the high variance in performance, i.e. self-efficacy (30%), experience (35%) and internal locus of control (16%). These results may indicate that these factors are sufficiently important to predict success for salespeople. It contributes to sales management theory, by establishing the importance of some personality factors, (e.g. self-efficacy and locus of control) above others, as the predictors of sales performance. Sales managers in this profession would be in a better position to act if they know which direction to proceed in managing their sales force in the future.

Finally, the results of the study may contribute to knowledge by indicating that the best predictor of sales performance across cultures is self-efficacy. This finding is likely to contribute to cross-cultural, personality and sales management theories. Firstly, it contributes to cross-cultural theory by providing new input to the search for universals in cross-cultural research. This finding is sufficiently novel in that it supports the controversial issue of convergence theory in cross-cultural research. Secondly, self-efficacy as a universal factor contributes to the predictive validity of this personality measure in other cultures, besides the country in which the original research was conducted, (i.e. the United States). Thirdly, it contributes new information for sales management theorists and practitioners by proposing the predictive importance of self-efficacy in selling professions.

8.3 Implications of the Main Findings

The findings of the present research may have theoretical and managerial implications. Theoretical implications are relevant for researchers in the fields of sales management, marketing and cross-cultural studies. Managerial implications are specific for practitioners in the insurance industry.

A. Theoretical Implications

Theoretical implications from the findings can be discussed from two aspects, which are (1) cross-cultural theories a) divergence/convergence model, b) Hofstede's model, (2) sales management theory, i.e. Churchill's model.

Implications for Cross-Cultural Theory

The implications for cross-cultural theory focus on (1) divergence theory/convergence theory and Hofstede's theory.

Divergence Theory

An important theoretical implication to culture theorists, is that the findings suggest there is more support for divergence culture theory, (i.e. across and within cultures) than convergence theory. This is because a different set of factors determine salespersons' performance in each country. For the UK, three personality factors contribute to the success of a salesperson's performance: self-efficacy, self-esteem, internal locus of control. It can be concluded that personality factors tend to be the more important predictors of performance in the UK. In Malaysia, four personal and demographic factors were found to contribute to a salesperson's success: education, gender, race, and religion. It seems personal factors tend to be the more important predictors of performance in Malaysia. This finding suggests that the predictors of performance consist of factors that are quite distinct to each country's culture, i.e. culture specific, which supports culture divergence theory.

One of the reasons for this divergence is that each ethnic group in Malaysia still

adheres to collectivistic culture, while the UK supports individualism. As discussed in chapter seven, several factors suggest Malaysia is a collectivistic society, (e.g. extended family, close family ties, large households and respect for paternalistic decision makings). The UK is an individualistic society because of the preference for a nuclear family, personal freedom, challenge, and privacy. From these preferences, collectivist culture breeds a more autocratic individual, while individualist culture promotes participative individuals, (Hofstede, 1986). Autocratic bosses could be the reasons for an increase in role conflict and role ambiguity between salespeople in Malaysia, (two of the significant predictors of sales performance - see figure 7.2). Conversely, participative managers in the UK could be the reason for the increase in motivation, self-esteem, and self-efficacy of salespeople. Collectivism and individualism exert their impact on social behaviours, (Kagitcibasi, 1990). Variations in individualism-collectivism will continue to be an important tool for interpreting cross-cultural differences in behaviour, just as they are an important tool for understanding variations within a culture (e.g. Earley, 1989).

As discussed in Chapter 3, there is plenty of research evidence supporting divergence. Two factors, traditionalism and migration tend to be the likely explanation for the present finding on divergence in this study. In Malaysia, it is quite obvious that despite modernism, traditionalism is quite strong across ethnic groups. The likely explanation is that in Malaysia, the developing society, still adheres to a paternalistic culture. The consequences of such traditional culture is best described by Yang (1988) as:

"strong traditional values such as group solidarity, interpersonal harmony, paternalism, and 'familism' are coexisting with quite modern values such as achievement and competition, and that along with democratic values exist beliefs in hierarchical social structures and in authority, obedience, and inequality of men and women. (p.82).

Some psychological change is likely to occur through migration. However, the present finding seems to indicate that each ethnic group (Chinese and Indians) that migrated into Malaysia still adhere to their traditional practices. This would come

as no surprise, since collectivist groups who migrate into Western societies show little adaptation to Western ways. Feldman and Rosenthal (1990), conclude that:

"Although Chinese family patterns undergo modest changes when Chinese families live in the West, they nonetheless remain different from their Western counterparts, in terms of the amount of structure they provide and the extent to which child-rearing practices which promote autonomy". (p. 277).

Because of the above reason, it is likely that little change is expected when migration occurs from one collectivist society to another. In Malaysia, migration of the Chinese and Indians from one collectivist culture into another, (indigenous Malays), perhaps, made no major psychological impact on them. Instead, they tend to maintain their own traditional practices. Furthermore, the Malaysian Government encourages traditional festivals to be honoured, encouraging variations in traditional values. Since this study was earlier categorised as a cross-cultural, as well as a cross-national study, (refer to earlier distinction of cross-cultural and cross-national studies, in chapter three), the divergence occurs both across and within national boundaries.

Convergence Theory

The finding of the present study, which reported that self-efficacy is significantly related to salespersons' performance across cultures, tend to support the convergence theory. This advocates that modernization, economic developments and industrialization will eventually lead us to a common society, where ideology will cease to matter, (Kerr et al., 1960). Smith and Bond (1993) argue that the convergency theory could be enhanced by modernization, internationalism and individualism. In the process of modernization, political and socio-cultural changes are expected to occur. Yang (1988), describes socio-cultural modernization as:

"reflected in such processes as the expansion of education, the diversification of occupations, the secularization of religion, the intensification of urbanization, and the development of mass communications" (p. 67-68).

Most of these developments are happening in Malaysia, such as the high regards for education, urbanization through vast construction of housing, business and infrastructures. The Malaysian government also encourages international investments, and one such example is the insurance industry. Perhaps the trend towards modernization and internationalisation in Malaysia could be the reason for some of the factors like self-efficacy to be universally important across cultures, or that self-efficacy is one of the important characteristics needed by professional salespeople, such as insurance sales. What could have happened, is that the insurance industry in both countries is continually undergoing modernization in a similar but competitive pattern. In the process, salespeople have to persevere and become confident in their capabilities to achieve sales targets, in line with the objectives of the companies.

In fact, a sense of personal efficacy has been found to be one of the profiles of the modern person across nations, (Yang 1988). Yang's finding supports the present results in coining self-efficacy as a universal factor for people to progress in a modern society, either across or within cultures.

Other factors found to be homogeneous in the two countries were experience, role conflict and gender roles. The longer a salesperson could persevere in the insurance industry could mean the more experienced he/she will have. Experience is a valuable asset anywhere in the world, especially in selling, because the task needs innovative selling approaches and confidence. Thus, experience is a globally needed factor for success. Role conflict seems to have a positive impact on performance in both countries. This result indicates that role conflict is a common problem globally, so the salespersons have to cope with the situation somehow.

Finally, gender seems to play an important role for the success in performance. Sales jobs are still very much a male-dominated area. It is not surprising that the British insurance industry is more male dominated than Malaysia because this is in agreement with Hofstede's suggestion that UK is quite high in masculinity. However, in Malaysia, there are more opportunities for women to succeed in sales than in the UK. One of the reasons could be that direct selling is practised in

Malaysia while, in the UK, salespeople have to work more with brokers. Customers in Malaysia may have less prejudice towards saleswomen compared to brokers in the UK, because there are no prior obligations when dealing with the public while, with brokers, saleswomen are expected to make certain commitment such as building a rapport. Furthermore, some brokers may still have stereotyped attitudes towards women since they (brokers) are used to dealing with salesmen in the past.

Hofstede's Model

The results tend to suggest that Hofstede's model appears to be able to explain the performance model in the UK (see figure 8.1). The likely reason for this adaptability could be because of the homogeneous culture that exists within the industry. The majority of the respondents in the UK companies are British and not other minority groups. In a homogeneous culture, the same homogeneous national culture dimensions are expected to surface for the respondents in that study. Thus, Hofstede's four national culture dimensions are more adaptable to a management framework developed in Western country, such as the Churchill's model.

However, Hofstede's model may not be very compatible for Malaysia, (see figure 8.2). There are some contradictory results in Malaysia, (e.g. self-efficacy score was higher in Malaysia than the UK) which indicate Hofstede's dimensions were perhaps inadequate to explain a multicultural society such as Malaysia. It might not be very accurate to generalise Malaysians as only a collectivist, feminine or weak uncertainty avoidance society. Furthermore, Malaysia has shown a rapid increase of economic growth, which may suggest that there could be changes in culture dimensions which could differ from the picture painted by Hofstede in his earlier study.

Figure 8.1 : Modified Model of Determinants of Sales Performance (UK)

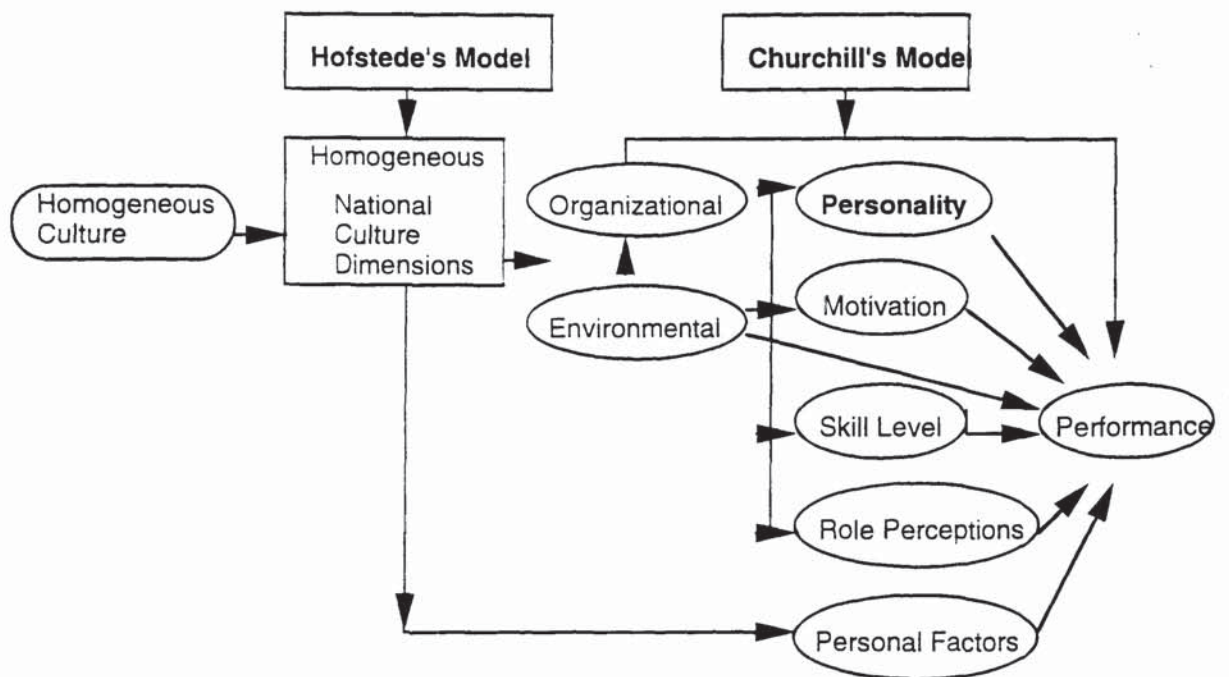
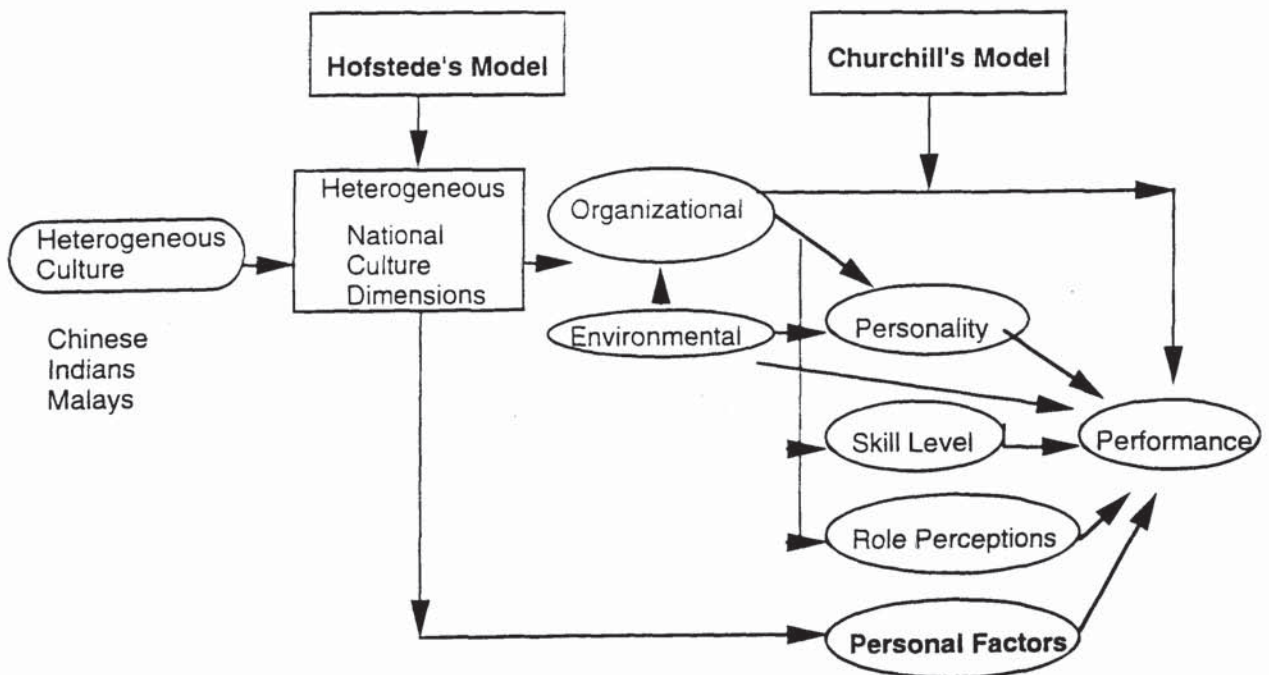


Figure 8.2 : Modified Model of Determinants of Sales Performance (Malaysia)



Implication for Sales Management Theory

Churchill's Model

The UK model found in the present study tends to support Churchill's et al., (1987) model (refer to page 29 in chapter 2). As in Churchill's model, the UK model found that personality, motivation, skill level and role perceptions are direct predictors of sales performance (see figure 8.1). Since, Churchill's model was developed in the Western world (the US), it could be that this model is more adaptable to another Western country like the UK, but not for Malaysia, an Eastern culture.

However, the Malaysian model indicates that not all major components of sales performance predicted performance, for example, motivation was not a significant predictor (see figure 8.2). This implies that the direct use of a Western model into an Eastern country may not be very accurate. Several adjustments to some measures may be needed to suit a certain Eastern culture, (e.g. taking religious beliefs into consideration when measuring locus of control). Churchill's model may not have taken the cross-cultural perspective of the model into consideration. The present findings attempt to reiterate that replicating Western model into Eastern culture should be carried out with caution.

Although self-efficacy has been found to predict sales performance, (Barling and Beattie, 1983) past studies in sales settings have shown equivocal results, (Lee and Gillen, 1989). This research gives support to similar findings reported by Barling and Beattie, (1983) and strengthens existing relationships between self-efficacy and sales performance. The anecdote that "No self-efficacy, no performance", (Mager, 1991) has been empirically tested in the present study.

Another implication to sales management theory stems from the question that arises as to whether the model proposed by Churchill et al., (1987), is a plausible model of the determinants of sales performance. From the findings, it can be concluded that the model is quite plausible in a Western culture, such as the UK, where almost all the main categories: personality, motivation, skill level, role perceptions and

personal factors (with the exceptions of a few sub-factors in each category) were found to predict performance significantly. In Malaysia, the main categories are fewer in number, (personal, role perception, personality, skill level) and weaker relationships were observed between predictor and criterion factors.

B. Managerial Implications

In the light of the research findings, the following implications for selection, motivation, training, appraisal and international marketing are offered.

Selection

Selection in the UK

The results reveal that personality traits such as self-efficacy, self-esteem, and internal locus of control are vital predictors of sales performance in the UK. It would be ideal to select and recruit new salespeople who possess such attributes. However, it may not always be an easy task to identify such candidates just by interviews, as currently practised by sales organization.

It implies that in selection, sales organizations should use a more robust selection and assessment system. Possible methods of incorporating personality questionnaires in selection could involve allocating some time for candidates to answer certain selected personality questionnaires, or by using structured personality questions during interviews. Some examples of psychometric tests that can be used to measure a trait, could be obtained from this study, (see appendix C).

Although personality tests are not yet known to be used in the British insurance companies under investigation, they have been used in other organizations in the UK, (Shackleton and Newell, 1991). Personality tests such as 'The Multiple Personal Inventory', have been used in selection procedures of salespeople in the US, (Rich, 1966), to measure empathy and ego-drive among sales candidates. Kinder and Robertson, (1995) reported that personality questionnaires do have some value in the selection process. It could well be, in the future, that the use of personality tests in

selection may be useful to the industry.

Controversy on the use of psychometric tests has also been debated, (Churchill et al., 1987, Johnson and Blinkhorn, 1994). For example, the instrument may not tap the required attributes of an individual in a stress situation, candidates may indicate an upward bias to get the job. Furthermore, the evidence for their predictive value is frequently overstated and wrongly assessed. The important realization, is that selecting a well-qualified candidate for a sales position can be a profitable investment for the firm, although there may be some danger or limitation using personality tests as mentioned above, (Churchill et al., 1987; Blinkhorn and Johnson, 1990).

Experience has been found to be a strong predictor of performance. This may have an implication for selection, in that it is better to choose experienced candidates for sales jobs. They are likely to be more qualified to fill sales positions. People with no selling experience often tend to have negative attitudes towards employment in sales, or lack the necessary qualifications a firm is looking for, (Churchill et al., 1987). These findings by no means eliminate the chances of candidates with no selling experience. In contemporary times, companies often prefer fresh business students than an experienced individual, because the company feels it is easier to train fresh recruits, and often people with experience may demand high compensation, (see case results).

Selection in Malaysia

The results seem to imply that selection criteria for new salespeople in Malaysia should be based on personality traits such as self-efficacy and self-monitoring. Using personality tests for selection may be an important step for sales organizations to succeed in Malaysia. Although using personality tests for selection may be a new experience for the insurance industry in Malaysia, this could help management in the selection of better candidates for sales posts.

However, sales practitioners also have to look for candidates with a strong

educational background to ensure professionalism in this job. With adequate educational backgrounds, the salespeople may have an easier understanding of training needs and complicated products. Other findings indicate that selection should be based on demographic factors, such as race and religion. This finding may have discriminating consequences for job seekers, especially concerning candidates of different races and religions. However, it might be an advantage to select candidates with a multi-language proficiency, for example, a Chinese-speaking Malay. Chinese and Indians are fluent in the Malay language, because it is a mandatory part of the school curriculum.

It is not the intention of this research to imply that companies should select Non-Malay and Non-Moslems candidates for sales jobs in Malaysia. However, recruiting Chinese and Indian salespeople in future, could be a better investment to tackle all segments of the market.

Training

Training in the UK

The results indicate that the training perception of British salespeople is inversely related to performance. Training was viewed by some members of the companies in the study as unimportant, because the programmes failed to deliver what they promised. It could be that the training is poor. It may imply that more effort may have to be placed in improving training programmes, methods, facilities, and incentives. For example, some salespeople may not see the importance of attending training, because they may have the perception that no new information could be derived from it. Or perhaps the management does not offer new, exciting courses for existing salespeople. These negative attitudes towards training could be changed by providing some initiatives and support from top management. It is also important to realise that innovative change in the field of sales management may occur in the industry. Salespeople may need to be aware of current changes, which can be achieved through training.

The findings also indicated that personality factors are very important for successful

performance in the UK. Training could play a vital role in developing some of the personality characteristics necessary for performance. For example, self-efficacy could be improved by increasing salespeople's self-belief of their capabilities. Training has been reported to improve self-efficacy, (Gist, 1989). This can be achieved through training i.e. by giving special awareness and training sessions on these subjects. Gist (1987), suggested that self-efficacy could be enhanced through behaviour modelling (i.e. vicarious experience of salespersons or models).

One type of behaviour modelling, called self-modelling, involves videotaped feedback in which the subject's mistakes are edited out or corrected, so that the individual sees himself/herself performing the task correctly. Self-modelling videos and films, when used during training sessions are reported to improve performance by enhancing self-beliefs (Gonzales and Dowrick (1982). Other methods of training to enhance self-efficacy could include lectures, verbal persuasion and vocational counselling. Vocational counselling has been reported to be able to augment interest measures and test perceived competencies (Gist, 1987). For example, when performing sales tasks, self-efficacy could be raised if salespeople were given more opportunities to set their own targets, and have regular feedback or knowledge of their sales results.

Training in Malaysia

Although there is no direct relationship between training and a salespersons' performance, some implications for training can be suggested, based on other factors, (biographic factors, role ambiguity, self-efficacy, self-monitoring) that are vital for performance.

Firstly, we cannot change biographic factors of salespeople (age, experience, gender, race and religion), even though they are important for performance. However, this knowledge can help management in improving training and selling procedures. For example, it may be important to train salespeople according to their ethnic group, or it may be a helpful suggestion to segment the market, so that the same group can sell to another similar group. A sales strategy which can take these biographic

importance into consideration could be more feasible for a successful performance.

Secondly, the negative impact of role ambiguity on performance may indicate that there are unclear roles between salespeople and their immediate supervisors. Training on role perceptions could help salespeople to understand their roles better, and therefore decrease or eradicate unclear areas of the sales tasks.

Thirdly, training can also be used to develop personality characteristics such as self-efficacy and self-monitoring. Self-monitoring, for instance, can be developed by training salespeople how to adapt to different situations. It might be very useful for the groups to learn different languages, for example the Malays to know the Chinese language. Language courses could be offered to salespeople.

Fourthly, training may be needed more by the Malay salespeople than other races in Malaysia. This is because the Malay salespeople need to be trained in areas such as sales aptitude (self-efficacy and self-monitoring), sales skills and market awareness. From earlier discussion in chapter seven, the Malays seem to lack the necessary attributes needed for sales success, compared to other races. This may imply that special training programmes may be needed to make them aware of the right qualities needed for sales success. Although training does not guarantee attitude change (Churchill et al., 1987), continuous and effective training may reinforce the right selling aptitudes in the Malays. This may require management planning effective training methods, including on-the-job training, role-play, and audio-visual facilities, instead of relying on traditional classroom techniques. But first, both managers and salespeople must realise the need for such training programmes, (especially for the Malay salespeople).

Motivation

Motivating Salespeople in the UK

The result which indicates that extrinsic motivation predicts performance in the UK may have implications for British insurance management. British sales managers might need to regularly monitor various extrinsic rewards provided to salespeople.

If possible, new remuneration packages may be reviewed and implemented, to encourage sales performance. Since the insurance business in the UK is a mature industry, competition is much greater (e.g. 274 organizations in the UK compared to 15 in Malaysia), and consumer well-being is emphasized. Therefore, it would be good idea for management to balance the demand for greater efficiency from the organization, and customer demands, by offering a better remuneration package for salespeople. It is possible that decreased satisfaction on extrinsic sales rewards could lead to a high turnover rate among salespeople.

The implications of self-efficacy for motivation extend to placement and career planning. Periodic assessment of salespeople's efficacy perceptions may reflect potential sales and managerial abilities, which could be relevant to career advancement.

Motivating Salespeople in Malaysia

In Malaysia, although empirical results indicate that motivation is not related to salespersons' performance, from case study results and personal observation, the Malay Malaysians may need more motivation than other ethnic groups. Sales managers should find methods to motivate the Malay salespeople to work harder, improve their sales aptitudes and to be aware of public opinion towards the insurance market.

There are several ways to motivate the Malay salespeople. First, is by providing continuous motivation training. During these training sessions, it may be a good idea to expose the salespeople to successful Malay role models. This may convince the Malays that it is possible to be successful in selling. Second, the company could provide continuous problem solving sessions, (which may be different from official meetings). One attribute of the Malays is an unwillingness to ask for assistance. By having such sessions, they will have the opportunity to discuss their sales problems when needed. Third, is to teach the Malays to be more independent. This is because Malays traditionally rely on others when performing a task. Dependence on others will make them want to wait for instructions from superiors most of the time and

if none are forthcoming, their enthusiasm to go out to meet customers will dwindle.

Also, the Malays shy away from rejections. The proverb 'once bitten twice shy' fits the Malays quite well. Such attitudes have to change if they want to succeed in selling jobs. Finally, it might help if the Malays are given achievable targets. It might involve setting lower or easier sales targets at the outset of a sales task. Gradual success may give Malay salespeople greater confidence, than failing because of a high sales target.

Appraisal System

At present, the management of sales organizations investigated in this study appears to appraise only the salespeople's performance, such as targets achieved (monthly, weekly or yearly). The main purpose of implementing appraisal in both countries as derived from case study analyses, seems to be to evaluate salespeople for compensation purposes, training needs and promotion.

However, from the findings of this study, it implies that insurance companies may need to change the purpose of appraisal, for example to clear role perception problems. Appraisal sessions could be used to iron out role conflict, role inaccuracy and role ambiguity between salespeople and top management. A two-way dialogue could be a useful appraisal practise to help salespeople to understand their roles in the company.

Appraisal System in the UK

The results of this study show that personality, motivation, training and role conflict are significant predictors of sales performance in the UK. This may imply that British management could use this information to formulate an annual or half annually appraisal system to evaluate personality, motivation, training needs and role perceptions of salespeople. During these sessions sales managers could clarify any job dissatisfaction among salespeople, or other problem areas such as negative training perceptions and role conflict. Perhaps appraisers such as sales managers may also need some training themselves in appraising, to facilitate effective

appraisal systems for the salespeople. Information from these evaluations may be useful to assist the management monitor future planning, the organization and control of the sales force, (for example, recruitment, selection, motivation, promotion, training, conflict control, and evaluation of the effectiveness of existing sales strategies).

Appraisal System in Malaysia

Similarly, the appraisal system in Malaysia may be tailored towards the needs of the Malaysian salespeople. Appraisal should be utilised, in problem-solving sessions as well as for promotional purposes. For example, since role ambiguity was significantly related to performance, sales managers can take the initiative during appraisal sessions, to clear any role ambiguities that may exist among salespeople. In this way salespeople may be more motivated to perform better, since they understand the role demands of their sales managers. Additionally, evaluation of motivation, training needs, achievable targets, and role perceptions may provide valuable data for the management to monitor future planning, organization and control of the sales force. Although evaluation of personality characteristics of salespeople does not normally occur during appraisal, companies may want to carry out such investigations from time to time, to evaluate and understand the problems facing the sales force management.

International Marketing

The findings of this study may have implications for insurance organizations, who may be planning to expand internationally. International marketing may need management to understand the cultures and values of the country in which they are going to invest. Several points may be obtained from the results for British investors in Malaysia. For example, British investors may need to understand the cultures and values of different races within Malaysia. Additionally, they may have to train or hire salespeople with high self-monitoring skills to tackle the different ethnic groups.

For Malaysian investors in the UK, they might have to consider the more homogeneous society discussed earlier, the higher standard of living, and that the

individuals most likely to be successful in sales are those with the personality attributes found in this study.

8.4 Strengths and Limitations of the Study

This study has several strengths. Firstly, it has obtained a strong database for cross-cultural comparison. The researcher was fortunate in obtaining overwhelming support and feedback from the participating UK insurance companies, thus strengthening the research. A similar number of responses were obtained from Malaysia, even though a different approach had to be used (refer chapter 5). The 300 valid responses received from Britain and 278 responses from Malaysia, form an equivalent and strong database of nearly 600 responses, (a reasonably large sample size) for cross-cultural research analysis.

Secondly, the study has managed to highlight some significant predictors of performance, either common performance predictors for both countries (convergence predictors) or performance predictors which are specialised to each country only (divergence predictors). This finding strengthens the study, because it contributes to and supports cross-cultural theories (Hofstede's theory, divergence and convergence theories) and provides a new outlook to sales management theory (Churchill's theory).

Thirdly, the utilization of both quantitative and qualitative data strengthens the methodological issue of the study. Qualitative information gives extra strength to the study, by giving supportive evidence (e.g. organizational and environmental information) to validate empirical findings.

In spite of the above strengths, some methodological limitations of this research should also be noted. There may be some limitations in carrying out cross-cultural studies, especially with the problem of cross cultural equivalence. As discussed in chapter 3, obtaining a perfectly equivalent sample across cultures could be a complex task. In this research, this was achieved in the following ways. First,

matched samples were obtained, by identifying functionally equivalent samples, (i.e. insurance salespeople from both countries). Secondly, an equivalent sample size was obtained. The only mismatch was that only two companies participated from Malaysia, whereas three companies participated from the UK. This, however, was finally regarded as a minor obstacle to cross-cultural equivalence, since the sample sizes were almost equivalent. The smaller total sample size of the female salespeople in the UK cannot be helped because that is the actual ratio of saleswomen in each company.

Although the findings may appropriately be generalized to other sales settings, it should be remembered that the samples consist solely of insurance salespeople. Since the corporate culture of insurance companies is globally similar, the data could be used for comparing countries. However, there may be limitations in replicating similar questionnaires on populations outside the insurance industry, because some of the questions may be tailor-made for sales insurance salespeople. Other limitations could be found in the questionnaire design (role inaccuracy and locus of control) and ethnocentrism. This will be discussed in the following paragraphs.

Role Inaccuracy

The scale developed for this study to measure role inaccuracy showed a relatively low internal consistency, particularly in the entire UK sample. As a result, the findings on the relationship between role inaccuracy with performance were equivocal. The equivocal results can be attributed to the problems that could arise when using summated difference scores, such as potential problems involving reliability, discriminant validity, spurious correlations and variance restriction, (Peter et al., 1993). Caution should be taken in interpreting these results. Future research could formulate a better role inaccuracy measure for the model. The measure formulated here was based on summated difference scores, which could have many negative methodological shortfalls, as suggested by Peter et al, (1993). Additionally, certain measures for use in cross-cultural studies should be scrutinized for their appropriateness to that culture, before implementation, bearing in mind that not all Western ideas can be accepted in non-Western cultures, for example, locus of

control.

Locus of Control

As discussed in chapter 7, the scale for measuring locus of control may not tap the salient traits of locus of control present in Malaysian salespeople, because of the artefact of the measure used. For example, the external locus of control scale contains the word 'luck', which is not suitable for Malay Moslems (see discussion in chapter 7). This may emphasise the limitations of replicating a Western model (for example, US), in a non-Western culture, (the 'imposed-etic' dilemma)(Berry, 1969, 1989). The ideal way of approaching cross-cultural research would be to follow the 'emic' analysis, i.e. studies that focus on the different, varied ways in which each of these activities are carried out in any specific cultural setting, (refer to chapter three). For more valid cross-cultural generalizations, future research should formulate construct measures separately in each national culture studied, using the 'derived-etic' method to ensure etically valid generalizations to be made, (Smith and Bond, 1993).

Ethnocentrism

A related shortcoming in cross-cultural research is ethnocentrism. Ethnocentrism is a problem when a researcher sides with, or is biased to his/her own country. In explaining the results in the discussion, care has been taken to overcome this problem, and to judge the results as professionally as possible.

Besides the above limitations, there are also other methodological limitations as follows. Because of the lengthy questionnaire in the present research, organizational and environmental factors were investigated through case study methods. Certain studies have included some organizational and environmental factors as predictor variables in the model (see chapter two), and this way would give a more comprehensive model of sales performance. One possible way is to investigate these factors as quantitative data which could support the model based on more empirical evidence.

The present study used stepwise multiple regression method. Block entry hierarchical multiple regressions may be used in future research to establish relationships between dependent and predictor variables in a block e.g. personality factors against role perceptions. Future research should analyze a similar study using other empirical methods to establish causality, such as **path analysis** using LISREL. Besides establishing cause-effect relationships between predictor variables and performance, path analysis would also accomplish a causal interaction among predictor variables (e.g. the cause and effect relationship between self-efficacy and motivation). This was not possible in the present study, because the computer package was not available at the time the research was conducted.

Finally, the sampling of only experienced salespersons (6 months and above) in both countries may have a pre-restriction of range effect upon scale response data. This could have biased the self-presentation strategies of subjects and is likely to have some impact on the direction of relationships of multiple regression analysis between predictors and criterion variables.

8.5 Suggestions for Future Research

Overall, this study has achieved the main objective of establishing some models of the determinants of sales performance in two countries. However, there are other related areas for future research as follows:

1. The scope of the present study is limited to the insurance industry only. This because of the constraints of time and cost, which could have increased if other industries had been included. Future research should therefore investigate the viability of the models in other selling industries across cultures (e.g. industrial product, counter or service industry).
2. Similarly, only two countries were involved in the present study. Future research should include more countries, for example, several South East Asian countries, like Singapore, Thailand, Indonesia and Philippines, Taiwan, and Hong Kong, to

represent Eastern cultures, while Western cultures could be represented by countries like UK, US, Germany, France, and other European countries.

3. Since the present study used only four personality factors as possible predictors of sales performance, (which are by no means exhaustive of the whole dictionary of personality factors that exist), future cross-cultural research may include other possible personality factors to represent personality components in the model of salesperson's performance, such as Big Five personality factors, Type A behaviour pattern, extroversion-introversion, etc. (see review in chapter 2). It would be interesting to investigate whether other personality measures developed in Western societies can be replicated in non-Western countries.

4. The emergence of self-efficacy as a universal factor may suggest a new direction for future cross-cultural research. Further investigations should be carried out to determine the possible causes for the findings in similar or different cultural settings. Speculative cultural causes for the strong relationship between sales performance and self-efficacy could be posed on several factors, such as open child rearing methods, nuclear family, a mature, industrialist society or mediterranean climate. As opposed to Malaysia, the possible causes for a weaker, but significant relationship between self-efficacy and performance may be speculated as being related to traditional factors, such as conservative child rearing methods, extended family tradition, developing nation, or hot, tropical climate. Future research could examine and test the differences of these possible causes.

It would also be interesting to investigate whether modernization, (e.g. education expansion, diversified occupations and urbanization) is related to convergence theory. So far these are only theoretical injunctions which need empirical evidence to validate such advocacy. This finding may create new avenues for future research, and help to understand this phenomena. For example, does culture influence self-efficacy building in individuals, or does the organization play an active part in moulding self-efficacy in people? Is this result only peculiar to insurance salespeople? This finding may be the impetus that allows these questions

to be investigated for the refinement of self-efficacy theory in cross-cultural research.

5. There may be additional areas of research to investigate the influence of locus of control on performance between cultures. The present research may not have found a promising result on this scale, because of the reasons discussed earlier in chapter seven. One of the reasons for this, is the lack of a content-validated measure of locus of control in an Eastern culture. Future research should encourage the development of new measures of locus of control suitable for eastern civilizations, and to test any possible influence on performance in different cultures.

6. Future studies should be carried out on a wider scale, for example, using a bigger sample of countries to validate cross-cultural research, widening the scope of the sales organizations to other sectors, (such as industrial and retail selling), and performing longitudinal studies, instead of only a cross-sectional ones. In this way, results could be generalized to all types of sales organizations in specific cultures. For example, future research could investigate the same model in other collectivist countries, or in other organizations and industrial sectors. This would allow the present results, which are only carried out solely among insurance agents, to be cross-validated in other fields and cultures, to examine whether the findings are supported in other circumstances.

7. Future research should embark on a longitudinal study of the model, instead of a cross-sectional study like the present research. Longitudinal studies may help us investigate the endurance of the model. More importantly, it may enable a clearer exposition of cause and effect relationship.

8.6 Conclusion

This study offers some new findings as well as supporting cross cultural and sales management research. It was found that some of the success factors for the British salespersons' performance are self-efficacy, self-esteem, internal locus of control,

extrinsic motivation, experience, role conflict, and training perceptions. The success factors for Malaysian salespeople are self-efficacy, self-monitoring, experience, role conflict, education, role ambiguity, race and religion. This study tends to imply that there is more divergence than convergence in cross-cultural theory. Furthermore, the findings for Malaysia appear to differ in certain aspects of Hofstede's theory and also Churchill's model of sales management research.

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APPENDICES

Structured Interview Questions

Q1. Organization Structure

- a) How many divisions or departments in the company according to the organization chart?
- b) How is the sales department divided and into how many branches/divisions?
- c) Can you tell me the grading system (names of different ranks) of sales inspectors job in the company?

Q2. Sales force

- a) How many sales inspectors do the company have?
- b) How many sales inspectors (average) under the supervision of a branch sales manager?

Q3. Types of Product

- a) What are the types and names of products/services your company sell?
- b) How many sales brokers are registered with your company?
- c) How many sales brokers (average numbers) per sales inspectors.

Q4. Sales Performance Measures

- a) How do you measure sales performance of sales inspectors?
- b) How and who set the sales target for the sales inspectors to achieve every year?
- c) How many percent of sales inspectors achieved sales target in 1991?
- d) Can you tell me what are the normal activities of a sales inspectors in doing their every day work?

Q5. Appraisal System

- a) How often the sales inspectors are appraised?
- b) For what reasons the sales inspectors are appraised?
- c) Do you have interview-type appraisal system?

Q6. Selection and Hiring

- a) How often does the co. recruit sales inspectors?
- b) Who does the recruiting- the company or hiring agency?
- c) Do you select candidates through interviews?
- d) During interviews does the interviewer follow a structured interview questions?
- e) How many interviews a candidate for sales inspectors have to go through

- before decision being made?
- f) Do you use any personality tests during selection?
 - g) Do you have high turnover rate of sales inspectors?
 - h) What was the turnover rate for 1991?

Q7. Training

- a) Do you have a training department or special training personnels?
- b) If not who does the training?
- c) What are the types of training skills the company gives?
- d) For newly recruited inspectors without selling experience, how long is the training sessions?
- e) For existing experienced inspectors, what types of training they receive and for how long?
- f) How do you identify training needs of the inspectors?
- g) Is there any evaluation/follow-up activities after a sales training programme? If yes, how is it done?

Q8. Compensation System

- a) How long have you used the present compensation plan for the inspectors?
- b) Do you have a basic salary for the inspectors?
- c) What other financial benefits you gave?
- d) Do you have sales contests?
- e) What were the rewards for sales contest in 1991?
- f) What are the non-financial benefits?
- g) How many percent of sales inspectors have been promoted to sales managers level in 1991.

Q9. Organization Culture

- a) What are the special qualities of this company?
- b) What do you think make the sales inspectors stay in this company ?
- c) Is there any outstanding company policy/culture which seems to prevails to sales inspectors?

Q10 Overall Performance

- a) How do you rate the performance of your sales inspectors on the whole?

Very Bad				Excellent
1	2	3	4	5

**Caption in the Newsletter of Company B3
Sales Management Research Project**

Late last year we were approached by a Research Student at Aston Business School in Birmingham who was undertaking a major project by looking into "What makes a good Sales person". As a result it was agreed that we would be prepared to participate along with a number of other of our competitors.

As part of the project, a number of Field Staff have been randomly selected to complete a questionnaire on this subject and those Field Staff selected will receive the questionnaire shortly along with a covering letter.

The research will be used strictly for academic purposes and at the end of the project a brief summary of the main findings will be distributed to each participant. No individual will be identified from the results. Although not all of the field staff will receive the questionnaire, could I ask you to make them aware of the project and to encourage those who do receive the questionnaire to return it as soon as possible in the prepaid envelope.

APPENDIX C
THE QUESTIONNAIRE

With respect to being rated by your immediate supervisor on the overall subjective rating form, I am capable of:

- | | | |
|---|-----------------------------|-------|
| 7. Being rated in the top 50% of all sales representatives on this overall subjective rating form. | Yes(1) _____
No(2) _____ | _____ |
| 8. Being rated in the top 35% of all sales representatives on this overall subjective rating form. | Yes(1) _____
No(2) _____ | _____ |
| 9. Being rated in the top 25% of all sales representatives on this overall subjective rating form. | Yes(1) _____
No(2) _____ | _____ |
| 10. Being rated in the top 10% of all sales representatives on this overall subjective rating form. | Yes(1) _____
No(2) _____ | _____ |
| 11. Being rated in the top 5% of all sales representatives on this overall subjective rating form. | Yes(1) _____
No(2) _____ | _____ |

Scoring: If magnitude (Column B)=Yes, Self-efficacy score=10+Strength (Column C).

If magnitude (Column B)=No, Self-efficacy score=11-Strength (Column C).

Appendix C.2

SELF-ESTEEM

Please indicate your overall opinion of these statements by using the following scale:

1	2	3	4
Strongly agree	Agree	Disagree	Strongly disagree.

1. I feel that I'm a person of

worth, at least on an equal plane with others.	1	2	3	4
2. I feel that I have a number of good qualities.	1	2	3	4
3. All in all, I am inclined to feel that I am a failure.	1	2	3	4
4. I am able to do things as well as most other people.	1	2	3	4
5. I feel I do not have much to be proud of.	1	2	3	4
6. I take a positive attitude toward myself.	1	2	3	4
7. On the whole, I am satisfied with myself.	1	2	3	4
8. I wish I could have more respect for myself.	1	2	3	4
9. I certainly feel useless at times.	1	2	3	4
10. At times I think I am no good at all.	1	2	3	4

Scoring procedures:

Reverse scoring for items 3, 5, 8, 9, 10.

Reverse scoring for items 1 to 10 (to allow for positive self-esteem scoring i.e. strongly agree=4, agree=3, disagree=2, strongly disagree=1).

Self-esteem score= sum of items 1 to 10.

Appendix C.3

SELF-MONITORING

Please indicate your response to the statements below using the following scale:

0 certainly false	1 generally false	2 somewhat false	3 somewhat true	4 generally true	5 certainly true			
1. In social situations, I have the ability to alter my behaviour if I feel that something else is called for.			0	1	2	3	4	5
2. I have the ability to control the way I come across to people depending on the impression I wish to give them.			0	1	2	3	4	5
3. When I feel that the image I am portraying isn't working, I can readily change it to something that does.			0	1	2	3	4	5
4. I have trouble changing my behaviour to suit different people and different situations.			0	1	2	3	4	5
5. I have found I can adjust my behaviour to meet the requirements of any situation I find myself in.			0	1	2	3	4	5
6. Even when it might be to my advantage, I have difficulty putting on a good front.			0	1	2	3	4	5
7. Once I know what the situation calls for, it's easy for me to regulate my actions accordingly.			0	1	2	3	4	5
8. I am often able to read people's true emotions correctly through their eyes.			0	1	2	3	4	5
9. In conversations, I am sensitive to even the slightest change in the facial expression of the person I'm conversing with.			0	1	2	3	4	5

10. My powers of intuition are good when it comes to understanding others' emotions and motives.	0	1	2	3	4	5
11. I can usually tell when others consider a joke to be in bad taste, even though they may laugh convincingly.	0	1	2	3	4	5
12. I can usually tell when I've said something inappropriate by reading it in the listener's eyes.	0	1	2	3	4	5
13. If someone is lying to me, I usually know it at once from that person's manner of expression.	0	1	2	3	4	5

Scoring procedures:

Recode scoring (0=1)(1=2)(2=3)(3=4)(4=5)(5=6).

Reverse scoring for items 4, and 6.

Self-monitoring score= sum of all 13 items.

Source: Wolf and Lennox (1984)

Appendix C.4

LOCUS OF CONTROL

Please indicate your responses to the statements below using the following scale:

	1	2	3	4	5	6
	disagree	disagree	disagree	agree	agree	agree
	very much	moderately	slightly	slightly	moderately	very much
1. A job is what you make of it.						
2. On most jobs, people can pretty much accomplish whatever they set out to accomplish.						
3. If you know what you want out of a job, you can find a job that gives it to you.						
4. If employees are unhappy with a decision made by their boss, they should do						

something about it.	1	2	3	4	5	6
5. Getting the job you want is mostly a matter of luck.	1	2	3	4	5	6
6. Making money is primarily a matter of good fortune.	1	2	3	4	5	6
7. Most people are capable of doing their jobs well if they make a effort.	1	2	3	4	5	6
8. In order to get a really good job you need to have family members or friends in high places.	1	2	3	4	5	6
9. Promotions are usually a matter of good fortune.	1	2	3	4	5	6
10. When it comes to landing a really good job, who you know is more important than what you know.	1	2	3	4	5	6
11. Promotions are given to employees who perform well on the job.	1	2	3	4	5	6
12. To make a lot of money you have to know the right people.	1	2	3	4	5	6
13. It takes a lot of luck to be an outstanding employee on most jobs.	1	2	3	4	5	6
14. People who perform their jobs well generally get rewarded for it.	1	2	3	4	5	6
15. Most employees have more influence on their supervisors than they think they do.	1	2	3	4	5	6
16. The main difference between people who make a lot money and people who make a little money is luck.	1	2	3	4	5	6

Scoring procedures:

Reverse scoring for items 1, 2, 3, 4, 7, 11, 14, 15.

locus of control score=sum of all 16 items.

Internal locus of control=low score.

External locus of control=high score.

Source: Spector (1988).

MOTIVATION

Valence

Please indicate your responses toward these statements by indicating the number most appropriate to you, using the following the scale:

	1 very undesirable	2 Fairly undesirable	3 Somewhat Desirable	4 Fairly Desirable	5 Very desirable
V1. Feelings of worthwhile accomplishment.	1	2	3	4	5
V2. Personal growth and development.	1	2	3	4	5
V3. Feelings of stimulating and challenging involvement in the work.	1	2	3	4	5
V4. A sense of being creative and imaginative in my work.	1	2	3	4	5
V5. A sense of being innovative in my work.	1	2	3	4	5
V6. Feelings of loyal associations with the company.	1	2	3	4	5
V7. High respect from supervisor.	1	2	3	4	5
V8. Greater freedom to do what I wish on my job.	1	2	3	4	5
V9. High job security.	1	2	3	4	5
V10. Respect from fellow salespersons.	1	2	3	4	5
V11. High earnings.	1	2	3	4	5
V12. Special awards and recognition.	1	2	3	4	5
V13. Promotion.	1	2	3	4	5

Expectancy

Please indicate your responses to these statements according to the following scale:

	1 no chance	2 low probability	3 50-50 chance	4 high probability	5 certain to occur.
E1. What is the likelihood that increasing your selling efforts by 10% would result in increasing your sales by 10%?				1 2 3 4 5	
E2. What is the likelihood that increasing the time you spend trying to obtain new accounts by 10% would result in increasing the number of new accounts you obtain by 10%?				1 2 3 4 5	
E3. What is the likelihood that increasing the time you spend on selling activities by 10% would result in increasing your sales by 10%?				1 2 3 4 5	

Instrumentality

Please indicate the likelihood (probability) that good job performance would lead to the following results for you, using the scale below:

	1 no chance	2 low probability	3 50-50 chance	4 high probability	5 certain to occur.
I1. Increased feeling of self-esteem.				1 2 3 4 5	
I2. Increased sense of accomplishment.				1 2 3 4 5	
I3. A feeling that I am making good use of my skills and abilities.				1 2 3 4 5	
I4. A feeling of self-fulfilment.				1 2 3 4 5	
I5. Increased sense of achievement.				1 2 3 4 5	
I6. Increased opportunity to develop					

close friendships with other employees in this company.	1	2	3	4	5
I17. A better working relationship with my supervisor.	1	2	3	4	5
I18. A better working relationship with other salespersons.	1	2	3	4	5
I19. Being involved in training other salespersons.	1	2	3	4	5
I110. Increased independence from supervision.	1	2	3	4	5
I11. Increased pay.	1	2	3	4	5
I12. Increased opportunity for influencing my supervisor's decisions.	1	2	3	4	5
I13. Obtaining job offer from a customer.	1	2	3	4	5
I14. Receiving recognition for good performance from my supervisor.	1	2	3	4	5
I15. Increased personal prestige.	1	2	3	4	5
I16. Increased job security.	1	2	3	4	5
I17. Increased responsibility in my job.	1	2	3	4	5
I18. More authority in my job.	1	2	3	4	5
I19. Fewer complaints from my customers.	1	2	3	4	5
I20. Receiving recognition for good performance from my customers.	1	2	3	4	5
I21. Increased opportunity to develop close friendships with my customers.	1	2	3	4	5
I22. Better working relationships with my customers.	1	2	3	4	5

Scoring procedures:

$$M_i = \left[E_j \times \left(\sum_{k=1}^{ni} I_{jki} \times V_{ki} \right) \right] \dots \dots \dots (2)$$

Intrinsic components = (V1xI2)+(V2xI1)+(V3xI4)+(V4xI3)+(V5xI5)+(V6xI07).

Expectancy = E1+E2+E3.

$$M_e = \left[E_j \times \left(\sum_{k=1}^{n_e} I_{jke} \times V_{ke} \right) \right] \dots \dots \dots (3)$$

E x t r i n s i c c o m p o n e n t s = (V7xI12)+(V8xI10)+(V9xI16)+(V10xI8)+(V11+I11)+(V13xI18).

Expectancy = E1+E2+E3.

=====

Appendix C.5.1

Table 1
Factor analysis results

	Intrinsic Valence	Extrinsic Valence
V1. Feelings of worthwhile accomplishment.	.76	.29
V2. Personal growth and development.	.73	.35
V3. Feelings of stimulating and challenging involvement in the work.	.85	.19
V4. A sense of being creative and imaginative in my work.	.70	.18
V5. A sense of being innovative in my work.	.58	.33
V6. Feelings of loyal associations with the company.	.51	.26
V7. High respect from supervisor.	.40	.42
V8. Greater freedom to do what I wish on my job.	.24	.36

V9. High job security.	.17	.50
V10. Respect from fellow salespersons.	.20	.60
V11. High earnings.	.30	.58
V12. Special awards and recognition.	.12	.69
V13. Promotion.	.30	.64

Appendix C.5.2

Table 2
Factor analysis results

	Intrinsic Component (I x V)	Extrinsic Component (I x V)
V1. Feelings of worthwhile accomplishment.	.69	.35
V2. Personal growth and development.	.70	.34
V3. Feelings of stimulating and challenging involvement in the work.	.83	.23
V4. A sense of being creative and imaginative in my work.	.79	.21
V5. A sense of being innovative in my work.	.74	.31
V6. Feelings of loyal associations with the company.	.45	.35
V7. High respect from supervisor.	.29	.63
V8. Greater freedom to do what I wish on my job.	.15	.53
V9. High job security.	.18	.59
V10. Respect from fellow salespersons.	.27	.65
V11. High earnings.	.32	.58
V12. Special awards and recognition.	.30	.62
V13. Promotion.	.21	.65

ROLE PERCEPTIONS

Role Ambiguity

Please indicate your responses to the following statements according to the scale below:

	1 very false	2 false	3 fairly false	4 somewhat true	5 fairly true	6 true	7 very true
1. I feel certain about how much authority I have.	1	2	3	4	5	6	7
2. I have clear, planned goals and objectives for my job.	1	2	3	4	5	6	7
3. I know that I have divided my time properly.	1	2	3	4	5	6	7
4. I know what my responsibilities are.	1	2	3	4	5	6	7
5. I know exactly what is expected of me.	1	2	3	4	5	6	7
6. Explanation is clear of what has to be done.	1	2	3	4	5	6	7

Scoring procedures:

Reverse scoring for items 1 to 6.

Role ambiguity score=sum of all 6 items.

Role Conflict

1. I have to do job tasks that should be done differently.	1	2	3	4	5	6	7
2. I receive an assignment without the skills or manpower to complete it.	1	2	3	4	5	6	7

3. I have to buck a rule or policy in order to carry out an assignment.	1	2	3	4	5	6	7
4. I work with two or more work groups that operate quite differently.	1	2	3	4	5	6	7
5. I receive incompatible requests from two or more people in the organization.	1	2	3	4	5	6	7
6. I do things that are apt to be accepted by one person and not accepted by others.	1	2	3	4	5	6	7
7. I receive an assignment without adequate resources and materials to execute it.	1	2	3	4	5	6	7
8. I work on unnecessary things.	1	2	3	4	5	6	7

Scoring Procedures:

Role conflict score=sum of all 8 items.

Appendix C.6.1

Role inaccuracy

The following statements describe some of your roles in the company. Please write the appropriate numbers according to the importance of the role to you and how you think that same role is important to your superior, using the scale below:

1	2	3	4	5
unimportant	slightly	somewhat	important	extremely
	important	important		important
			(Column A)	(Column B)
			To me	To my superior

-
1. Acquire, develop and use good technical knowledge of the day to day selling.

- | | | |
|---|-------|-------|
| 2. Implement the aims and objectives of the corporate and divisional plan. | _____ | _____ |
| 3. Set up and maintain a comprehensive record system. | _____ | _____ |
| 4. Build and develop a sales platform in your area to help you develop an annual business plan. | _____ | _____ |
| 5. Prepare and use area planning to be well organized. | _____ | _____ |
| 6. Learn and develop good selling skills with the customers eg: make appointments, structure a sales call, sell the benefits, know how to handle objections, and closing sales. | _____ | _____ |
| 7. Develop occasional customers into regular customers. | _____ | _____ |
| 8. Identify and call on potential new customers (producers). | _____ | _____ |
| 9. Monitor the progress of all existing regular customers (producers). | _____ | _____ |
| 10. Socialize with and/or entertain customers. | _____ | _____ |
| 11. Liaise with other product line sales representatives to develop business volume. | _____ | _____ |
| 12. Prepare and expedite customer contracts forms. | _____ | _____ |
| 13. Fill out reports. | _____ | _____ |
| 14. Provide feedback to branch and head office via area manager. | _____ | _____ |
| 15. Attend and participate in training courses. | _____ | _____ |
| 16. Attend and participate in branch sales meetings. | _____ | _____ |
| 17. Attend professional conferences and conventions. | _____ | _____ |

18. Participate in team-work efforts eg:
joint calls with senior colleagues. _____
19. Monitor weekly objectives of the agreed sales
target. _____
20. Project correct company image. _____

The same questions were issued to immediate sales supervisors except the last columns asks 'to my sales agents'.

Scoring procedures:

The answers from salespersons (from column B) and the answers from immediate supervisors(column A) were matched and absolute difference of each item were calculated. Role inaccuracy score = sum of the absolute differences of the 20 items.

Appendix C.7

TRAINING PERCEPTIONS

Please indicate the extent of your agreement to the following statements regarding the training sessions that you have been on, using the scale below:

1	2	3	4	5
strongly disagree	disagree	neither agree	agree	strongly agree

The training sessions that I have been on:

1. are very beneficial.	1	2	3	4	5
2. are very practical.	1	2	3	4	5
3. are very enjoyable.	1	2	3	4	5
4. are very lively and interesting.	1	2	3	4	5
5. are very easy to understand.	1	2	3	4	5
6. improved my skill and knowledge of the job.	1	2	3	4	5
7. changed my job behaviour.	1	2	3	4	5
8. improved my performance.	1	2	3	4	5
9. motivated me tremendously.	1	2	3	4	5
10. are adequate to do my job well.	1	2	3	4	5

Scoring procedures:

Training perception=sum of 10 items.

PERSONAL DATA

For each question, please fill in the blank.

1. What is your current job title? _____
2. When were you hired in your sales job? _____
month year
3. What was your annual income including bonus/commission when you first started? _____
4. What was your annual income including bonus/commission in 1991? _____
5. How many years of primary, secondary and post secondary education do you have? _____
6. What is your sex? _____
7. What is your age? _____
8. What is your religion? _____
9. What was your sales target in 1991? _____
10. What was the actual sales achieved in 1991? _____
11. What is the level of education you feel is needed by a person in your job? (Please tick one answer only).

(1) Secondary school

(2) Some college or technical training beyond secondary school (1-3 years).

(3) Graduated from college/University (Diploma, B.A, B.Sc or other bachelor's degree)

(4) Follow some graduate studies

(4) Graduated with Masters degree or Ph.D.

12. How do you describe your racial origin? Please tick.

White British _____ Black British _____ Afro-Caribbean _____ Asians _____
Others _____

Malay _____ Chinese _____ Indian _____ Others (please state) _____

Appendix C.9

To:

Evaluation on:

Branch Manager

PERFORMANCE RATING BY IMMEDIATE SUPERVISOR

Please indicate your responses to the statements below, using the following scale:

1	2	3	4	5
poor	fair	good	very good	excellent

In your opinion, how well does _____ perform in each of the following tasks:

1. Profitability of sales efforts	1	2	3	4	5
2. Problem-solving effectiveness.	1	2	3	4	5
3. Sales development efforts.	1	2	3	4	5
4. Overall work attitude.	1	2	3	4	5
5. Overall sales ability.	1	2	3	4	5
6. Activity reporting.	1	2	3	4	5
7. Product knowledge.	1	2	3	4	5
8. Achievement of overall sales objectives.	1	2	3	4	5
9. Overall performance improvement.	1	2	3	4	5
10. Overall performance.	1	2	3	4	5

Scoring procedures:

Subjective performance ratings by supervisors score = sum of all 10 items.

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List of Branch Offices of Company B1

1. Belfast	Area Manager
2. Birmingham	Regional Manager Area Manager
3. Brighton	Area Manager
4. Bristol	Regional Manager
5. Cambridge	Area Manager
6. Cardiff	Area Manager
7. Edinburgh	Area Manager
8. Glasgow	Area Manager
9. Leeds	Regional Manager Area Sales Manager
10. Leicester	Area Manager
11. Liverpool	Area Manager
12. London City	London Regional Manager Area Sales Manager
13. North London-Enfield	Area Manager
14. South London-Croydon	Area Manager
15. London West End	Area Manager
16. Manchester	Area Sales Manager
17. Newcastle Upon Tyne	Area Manager
18. Reading	Area Manager
19. Sheffield	Area Manager
20. Southampton	Area Manager

List of Branch Offices of Company B2

1. Birmingham	Life Branch Manager & Pension Branch Manager
2. Brighton	Life Branch Manager
3. Bristol	Life Branch Manager
4. Croydon	Divisional Manager & Pensions Branch Manager
5. Edinburgh	Divisional Manager & Life Branch Manager
6. Enfield	Branch Group Manager
7. Glasgow	Life Branch Manager
8. Harrow	Life Branch Manager
9. Leeds	Life Branch Manager & Pensions Branch Manager
10. Liverpool	Life Branch Manager
11. London (City)	Life Branch Manager & Pensions Branch Manager
12. London West	Life Branch Manager
13. Maidstone	Life Branch Manager
14. Manchester	Life Branch Manager & Pensions Branch Manager
15. Newcastle	Life Branch Manager
16. Northampton	Life Branch Manager
17. Nottingham	Divisional Manager & Life Branch Manager
18. Reading	Divisional Manager & Life Branch Manager
19. Romford	Life Branch Manager
20. Sheffield	Life Branch Manager
21. Southampton	Life Branch Manager

List Of Branch Offices of B3.

- | | |
|--|-------------------|
| 1. London Holborn | 23. Norwich |
| 2. London City | 24. Nottingham |
| 3. London West End | 25. Plymouth |
| 4. London Development
and Pensions Centre | 26. Reading |
| 5. Belfast | 27. Rickmansworth |
| 6. Birmingham | 28. Sheffield |
| 7. Brighton | 29. Southampton |
| 8. Bristol | 30. Aberdeen |
| 9. Cardiff | |
| 10. Chelmsford | |
| 11. Croydon | |
| 12. Edinburgh | |
| 13. Glasgow | |
| 14. Guildford | |
| 15. Harrow | |
| 16. Kingston | |
| 17. Leeds | |
| 18. Leicester | |
| 19. Liverpool | |
| 20. Maidstone | |
| 21. Manchester | |
| 22. Newcastle Upon Tyne | |

List of Branch Offices in M4
Branch Manager

1. Kuala Lumpur	
2. Petaling Jaya	"
3. Seremban	"
4. Malacca	"
5. Kuantan	"
6. Batu Pahat	"
7. Kluang	"
8. Johor Bahru	"
9. Ipoh	"
10. Taiping	"
12. Penang	"
13. Bukit Mertajam	"
14. Kulim	"
15. Alor Setar	"
16. Sungai Petani	"
17. Kuching	"
18. Miri	"
19. Sibul	"
20. Bintulu	"
21. Kota Kinabalu	"
22. Labuan	"
23. Lahad Datu	"
24. Tawau	"
25. Sandakan	"

Names of Awards for Agents in M4

1. ABC-Appitivity Club
2. Young Tigers Club
3. Producers Club
4. 50 Lives Club
5. 75 & 100 Lives Club
6. Superstar Club
7. Million Dollar Club
8. Master Award
9. President's Club
10. President Round Table
11. Regional agents of the year
12. Rookie agent of the year
13. Companywide agent of the year
14. Companywide new agent of the year
15. Service Award
16. International quality award
17. National quality award
18. Hall of Honour
19. Hall of Fame
20. Million Dollar Round Table
21. Mini Convention
22. Summit Convention
23. Group Benefits - Agents.

List of Branch Offices of Company M5

1. Kuala Lumpur	Assistant Manager
2. Wilayah Persekutuan	Chief Development Manager
3. Klang	Development Manager
4. Seremban	Development Manager
5. Malacca	Development Manager
6. Segamat	Assistant Development Manager
7. Johor Bahru	Development Manager
8. Batu Pahat	Assistant Development Manager
9. Kuantan	Development Manager
10. Kuala Trengganu	Development Manager
11. Kota Bharu	Chief Development Manager
12. Alor Setar	Development Manager
13. Kangar	Assistant Development Manager
14. Ipoh	Assistant Development Manager
15. Butterworth	Assistant Development Manager
16. Parit Buntar	Assistant Development Manager
17. Sibul	Chief Development Manager
18. Kuching	Assistant Development Manager

Table 3
The Respondents' Profile

Demographic Factors	B1	The U.K (N=328)		Entire sample	Malaysia		
		B2	B3		M4	M5	Entire sample
<u>Gender:</u>					Percent		
Female	7.1	17.6	6.0	9.8	36.0	18.9	33.7
Male	92.9	82.4	94.0	90.2	64.0	81.1	66.3
<u>Race:</u>							
White	99.4	100.0	98.8	98.8	-	-	-
Asians	0.6	-	1.2	1.2	-	-	-
Malays	-	-	-	-	13.2	100.0	24.9
Chinese	-	-	-	-	75.4	-	65.2
Indians	-	-	-	-	11.4	-	9.9
<u>Religion:</u>							
Christian	81.8	88.0	85.3	84.4	21.6	-	18.7
Islam	-	-	-	-	14.0	100.0	25.6
Buddhist	-	-	-	-	47.5	-	41.0
Hindu	-	-	-	-	4.2	-	3.7
No religion	18.2	12.0	12.0	15.0	9.3	-	8.1
Others	-	-	2.7	0.7	3.4	-	2.9
<u>Means</u> <u>(standard deviation)</u>							
Age	34.0 (7.5)	29.6 (6.3)	31.9 (6.1)	32.2 (7.1)	34.5 (7.2)	36.2 (6.4)	34.8 (7.1)
Education (years)	12.8 (2.7)	13.4 (2.7)	14.0 (2.9)	13.3 (2.8)	12.7 (2.7)	12.2 (2.2)	12.6 (2.6)
Experience(years)	7.9 (7.5)	4.8 (4.6)	5.9 (2.7)	6.6 (5.2)	6.6 (5.1)	3.8 (3.3)	6.2 (5.0)
Annual Earnings (£000)	28.7 (12.6)	26.9 (12.7)	29.6 (14.4)	28.4 (13.1)	14.3 (12.9)	2.9 (2.3)	12.8 (12.6)

Table 4
The Profile of the UK Respondents
(According to age education experience and annual earnings)

Demographic Factors	Age (Years)	Means (Standard Deviation)		Annual Earnings (£000)
		Education (Years)	Experience (Years)	
<u>Gender:</u>				
Female	29.0(7.0)	14.0(3.0)	4.0(1.9)	21.6(8.6)
Male	33.0(7.0)	13.0(3.0)	6.8(5.4)	29.2(13.3)
<u>Race:</u>				
White	32.0(7.0)	13.0(3.0)	6.6(5.2)	28.5(13.1)
Asian	28.0(1.0)	15.0(0)	2.9(1.5)	22.0(1.4)
<u>Religion:</u>				
Christians	33.0(8.0)	13.0(3.0)	6.7(5.2)	29.3(13.5)
No religion	32.0(8.0)	13.0(3.0)	7.2(5.9)	27.1(11.9)
Others	32.0(6.0)	16.0(1.0)	4.3(0.4)	25.5(6.4)

Table 5
The Profile of the Malaysian Respondents
(According to age education experience and annual earnings)

Demographic Factors	Age (Years)	Means (Standard Deviation)		Annual Earnings £(000)
		Education (Years)	Experience (Years)	
<u>Gender:</u>				
Female	34.0(7.0)	12.0(2.0)	5.5(4.3)	13.0(12.2)
Male	35.0(7.0)	13.0(3.0)	6.6(5.3)	12.8(12.9)
<u>Race:</u>				
Malays	34.0(7.0)	13.0(3.0)	4.1(4.5)	4.5(5.1)
Chinese	35.0(7.0)	12.0(3.0)	6.8(4.6)	15.0(12.4)
Indians	33.0(7.0)	12.0(2.0)	7.8(6.9)	16.6(17.8)
<u>Religion:</u>				
Islam	34.0(7.0)	13.0(3.0)	4.1(4.4)	5.3(8.5)
Buddhist	35.0(7.0)	12.0(3.0)	6.4(3.9)	14.7(12.1)
Hindu	32.0(6.0)	12.0(2.0)	6.4(6.5)	9.3(5.6)
Christian	36.0(7.0)	13.0(3.0)	8.9(6.5)	16.8(13.7)
No religion	34.0(6.0)	13.0(3.0)	6.6(4.5)	16.7(16.7)
Others	34.0(7.0)	13.0(3.0)	4.4(3.2)	11.3(9.7)

Table 6

The Profile of company B1 (UK) Respondents
(According to age education experience and annual earnings)

Demographic Factors	Age (Years)	Means (Standard Deviation)		Annual Earnings £ (000)
		Education (Years)	Experience (Years)	
<u>Gender:</u>				
Female	30.0(9.0)	13.0(3.0)	4.3(1.9)	18.9(7.8)
Male	34.0(7.0)	13.0(3.0)	8.2(6.3)	29.5(12.6)
<u>Race:</u>				
White	34(7.0)	13.0(3.0)	7.9(6.1)	28.7(12.7)
Asian	27(0)	15.0(0)	1.8(0)	23.0(0)
<u>Religion:</u>				
Christians	34.0(7.0)	13.0(3.0)	8.0(6.0)	29.5(12.9)
No religion	34.0(8.0)	13.0(3.0)	8.5(7.1)	26.9(11.7)
Others	29.0(5.0)	14.0(3.0)	5.1(4.7)	21.5(9.4)

Table 7

The Profile of company B2 (UK) Respondents
(According to age education experience and annual earnings)

Demographic Factors	Age (Years)	Means (Standard Deviation)		Annual Earnings £ (000)
		Education (Years)	Experience (Years)	
<u>Gender:</u>				
Female	28.0(5.0)	15.0(2.0)	3.4(1.7)	23.2(9.6)
Male	30.0(7.0)	13.0(3.0)	5.1(4.9)	27.7(13.2)
<u>Race:</u>				
White	30.0(6.0)	13(3)	4.8(4.6)	26.9(12.7)
Asian	-	-	-	-
<u>Religion:</u>				
Christians	30.0(7.0)	13.0(3.0)	5.1(5.0)	28.7(13.3)
No religion	26.0(3.0)	14.0(1.0)	3.7(2.0)	21.8 (8.0)
Others	28.0(5.0)	13.0(3.0)	3.4(1.9)	18.3 (6.1)

Table 8
The Profile of company B3 (UK) Respondents
(According to age education experience and annual earnings)

Demographic Factors	Means (Standard Deviation)			
	Age (Years)	Education (Years)	Experience (Years)	Annual Earnings £ (000)
<u>Gender:</u>				
Female	32.0(5.0)	13.0(3.0)	5.4(1.8)	23.0 (7.4)
Male	32.0(6.0)	14.0(3.0)	6.0(2.8)	30.0(14.7)
<u>Race:</u>				
White	32.0(6.0)	14.0(3.0)	6.0(2.7)	29.7(14.4)
Asian	28.0(0)	15.0(0)	4.0(0)	21.0(0)
<u>Religion:</u>				
Christians	32.0(6.0)	14.0(3.0)	5.8(2.6)	29.7(15.0)
No religion	32.0(6.0)	12.0(3.0)	7.2(2.9)	33.7(13.8)
Others	32.0(6.0)	16.0(1.0)	4.3(0.4)	25.5 (6.4)

Table 9
The Profile of Company M4 (Malaysia) Respondents
(According to age education experience and annual earnings)

Demographic Factors	Means (Standard Deviation)			
	Age (Years)	Education (Years)	Experience (Years)	Annual Earnings M\$ (000)
<u>Gender:</u>				
Female	34.0(7.0)	12.0(2.0)	5.6(4.3)	13.7(12.2)
Male	35.0(7.0)	13.0(3.0)	7.2(5.4)	14.7(13.3)
<u>Race:</u>				
Malays	32.0(8.0)	15.0(2.0)	4.5(5.6)	6.7(6.7)
Chinese	35.0(7.0)	12.0(3.0)	6.8(4.6)	15.0(12.4)
Indians & Sikhs	33.0(7.0)	12.0(2.0)	7.8(6.9)	16.6(17.8)
<u>Religion:</u>				
Islam	32.0(8.0)	14.0(3.0)	4.5(5.5)	8.4(11.9)
Buddhist	35.0(7.0)	12.0(3.0)	6.4(3.9)	14.7(12.1)
Hindu	32.0(6.0)	12.0(2.0)	6.4(6.5)	9.3 (5.6)
Christian	36.0(7.0)	13.0(3.0)	8.9(6.5)	16.8(13.7)
No religion	34.0(6.0)	13.0(3.0)	6.6(4.5)	16.7(16.7)
Others	34.0(7.0)	13.0(3.0)	4.4(3.2)	11.3 (9.7)

Table 10

**The Profile of Company M5 (Malaysia) Respondents
(According to age education experience and annual earnings)**

Demographic Factors	Means (Standard Deviation)			
	Age (Years)	Education (Years)	Experience (Years)	Annual Earnings M\$(000)
<u>Gender:</u>				
Female	35.0(5.0)	12.0(1.0)	3.3(2.9)	1.6(1.8)
Male	36.0(7.0)	12.0(2.0)	3.9(3.5)	3.1(2.4)
<u>Race:</u>				
Malays	36.0(6.0)	12.0(2.0)	3.8(3.3)	2.9(2.3)
<u>Religion:</u>				
Islam	36.0(6.0)	12.0(2.0)	3.8(3.3)	2.9 (2.3)

Organization Culture (Supporting Quantitative Survey)

I. Results oriented vs process oriented

1. Do you avoid risky situations?
2. Do you like challenge?
3. Do you comfortable in unfamiliar situations?
4. Are satisfied with the effort you have put on your job?

II. Employee oriented vs job oriented

1. Do you feel that your personal problems are taken into account?
2. Does organizations takes responsibility to employee welfare?
3. How are important decisions made in your company? by groups or individuals?
4. Do you feel a strong pressure to complete your job?
5. Do you feel that your organizations is only interested in work being done?
9. Do you think your organizations take into account your socail and family welfare?

III. Parochial vs professional

1. Do you think far ahead in your career?
2. Do you consider your private lives your own business?
3. Do you think your company hire you based on job competence?

IV. Open systems vs closed systems

1. Is your company open or closed system?
2. Do you like your job and the office environment?

V. Loose control vs tight control

1. Are you working according to any budget limits?
2. Are meeting times punctual?
3. Do you value punctuality?
4. Do you joke with other people?
5. How often you hear people joke in the company?

VI. Normative vs pragmatic

1. Are results more important than correct procedures?
2. Is there a major emphasis on following correct procedures?
3. Is there a major emphasis on meeting customer needs?
4. Do you value high ethical values and honesty?

Responses: 1 No 2 Sometimes 3 Yes

Results of Organization Culture Survey- Mean Score (Standard deviation)

	B2 (n=9)	M4 (n=14)	M5 (n=10)
Results oriented vs Process oriented			
Q1	1.78(.97)	2.07(.83)	1.80(1.03)
Q2	2.89(.33)	2.86(.53)	3.00(.00)
Q3	1.44(.73)	1.71(.91)	2.40(.84)
Q4	2.33(1.0)	2.86(.36)	2.40(.70)
Employee oriented vs Job oriented			
Q1	1.78(.97)	2.00(.91)	2.00(.94)
Q2	2.11(1.17)	2.71(.73)	2.00(1.05)
Q3	2.44(.73)	2.14(.95)	2.80(.63)
Q4	2.56(.88)	2.36(.84)	2.00(1.05)
Q5	2.67(.71)	1.79(.98)	2.10(.99)
Q6	2.00(.87)	2.54(.78)	1.60(.97)
Parochial vs Professional			
Q1	2.11(1.05)	2.71(.73)	3.00(.00)
Q2	3.00(.00)	2.57(.85)	2.60(.84)
Q3	2.00(1.00)	2.71(2.05)	1.60(.97)
Open systems vs Closed systems			
Q1	3.00(.00)	2.50(.83)	1.70(.98)
Q2	3.00(.00)	2.40(.97)	1.60(.85)
Loose control vs tight control			
Q1	2.56(.88)	2.07(.99)	2.10(.99)
Q2	2.67(.71)	2.71(.47)	2.50(.85)
Q3	2.89(.33)	3.00(.00)	3.00(.00)
Q4	3.00(.00)	3.00(.00)	2.30(.83)
Q5	2.33(.71)	2.86(1.83)	1.50(.53)
Normative vs Pragmatic			
Q1	2.11(1.05)	2.29(.83)	2.50(.85)
Q2	2.67(.71)	2.71(.61)	3.00(.00)
Q3	3.00(.00)	3.00(.00)	2.60(.84)
Q4	3.00(.00)	3.00(.00)	3.00(.00)