



**St. MARY's UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**THE IMPACT OF SALES SKILLS ON PERSONAL SELLING  
PERFORMANCE: *THE CASE OF ETHIO TELECOM ENTERPRISE (B2B)*  
SALESPERSONNEL**

**BY:**  
**MOHAMMED HAJI ABDULAH**

**NOVEMBER, 2014**

**ADDIS ABABA, ETHIOPIA**

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PERSONNEL***

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**ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSTY  
SCHOOL OF GRADUATE STUDIES  
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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Advisor: Tiruneh Legesse (Assit Prof). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

**Mohammed Haji Abdulahi**

**Name**

\_\_\_\_\_

**Signature & Date**

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# Table of Contents

Acknowledgement .....	i
List of Table and Figures .....	iv
List of Table .....	iv
List of Figures .....	v
Acronyms .....	vi
Abstracts .....	vii
CHAPTER ONE .....	1
INTRODUCTION.....	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem.....	2
1.3 Research Questions .....	3
1.4 Objective of the Study .....	3
1.5 Hypotheses .....	4
1.6 Operational Definition of Terms .....	4
1.7 Significance of the Study .....	5
1.8 Delimitation /Scope of the Study .....	5
1.9 Organization of the Paper .....	6
CHAPTER TWO .....	7
REVIEW OF RELATED LITERATURE.....	7
2.2 Personal Selling .....	9
2.3 The Personal Selling Process .....	10
2.4 B2B Personal Selling.....	12
2.5 Sales Performance .....	13
2.6 Determinants of Sales Performance .....	14
2.7 Sales Skills and Sales Persons Performance.....	15
2.7.1 Technical Skill and Sales Person Performance.....	15
2.7.2 Interpersonal Skill and Sales Person Performance.....	15
2.7.3 Marketing skill and sales person performance .....	16
2.7.4 Salesmanship Skill and Sales Person Performance .....	16
2.8 The Moderating Effect of Organizational Commitment on Salesperson Performance ...	16
2.9 Conceptual Frame Work .....	18

<b>CHAPTER THREE .....</b>	<b>19</b>
<b>3.1. Research Design .....</b>	<b>19</b>
<b>3.2 Population and Sampling and Techniques .....</b>	<b>19</b>
<b>3.3. Source and Instruments of Data Collection .....</b>	<b>20</b>
<b>3.4 Procedures of Data Collection .....</b>	<b>21</b>
<b>3.5. Method of Data Analysis.....</b>	<b>21</b>
<b>3.6 Ethical Consideration .....</b>	<b>21</b>
<b>CHAPTER FOUR.....</b>	<b>23</b>
<b>RESULT AND DISCUSSION.....</b>	<b>23</b>
<b>4.1 Measurement Reliability and Validity .....</b>	<b>23</b>
<i>4.1.1 Cronbach’s Alpha .....</i>	<i>23</i>
<i>4.1.2 Predictive Validity .....</i>	<i>24</i>
<b>4.2 Descriptive Analysis .....</b>	<b>26</b>
<i>4.2.1 Sales Persons’ Profile .....</i>	<i>26</i>
<i>4.2.2 Descriptive Statistics of the Variables .....</i>	<i>27</i>
<b>4.3 T-Test and Onaway ANOVA / Demography and Sales Performance.....</b>	<b>27</b>
<i>Independent Sample T-Test.....</i>	<i>28</i>
<i>One way ANOVA .....</i>	<i>29</i>
<b>4.4 Hierarchical Regression Analysis .....</b>	<b>30</b>
<b>4.5 Summary of the Findings.....</b>	<b>33</b>
<b>CHAPTER FIVE .....</b>	<b>34</b>
<b>CONCLUSION AND RECOMMENDATIONS.....</b>	<b>34</b>
<b>5.1 Conclusion.....</b>	<b>34</b>
<b>5.2 Recommendation.....</b>	<b>35</b>
<b>5.3 Implications for Further Research .....</b>	<b>36</b>
<b>REFERENCE .....</b>	<b>37</b>
<b>APPENDIX .....</b>	<b>41</b>
<b>APPENDIX 1: RESULT OF SPSS .....</b>	<b>42</b>
<b>APPENDIX 2: QUESTIONNAIRE ITEMS .....</b>	<b>56</b>

## List of Table and Figures

### List of Table

Table 1: Measure of Internal Consistency- Cronbach's alpha .....	24
Table 2: Predictive Validity – Correlation Matrix .....	25
Table 3: Sales Personnel Profile .....	26
Table 4: Descriptive characteristics of the variables .....	27
Table 5: Independent Sample T-test for Gender on Sales persons’ performance.....	28
Table 6: Independent Sample T-test for Age on Sales persons’ performance.....	29
Table 7: One way ANOVA / Experience and Sales Performance .....	29
Table 8: Hierarchical Regression Analysis.....	31



## List of Figures

Figure 1: The personal selling Process . . . . .	10
Figure 2: Conceptual Framework of the study . . . . .	18

## **Acronyms**

BA	Bachelor of Art
B2B	Business to Business
ETC	Ethiopian Telecommunication Corporation
HLM	Hierarchical linear modeling
MA	Masters of Art
WTO	World trade organization

## Abstracts

*The purposes of this study are twofold. Firstly to understand the influence of sales skill dimensions namely; interpersonal, salesmanship, technical and marketing skills; on sales person performance in Ethio Telecom enterprise (B2B) sales force. Secondly; to find out the effect of organizational commitment both as moderator and independent variable. The research design is quantitative, particularly, utilizing correlation research methodology. Data was collected from all the population of the study, 130 sales persons working for Enterprise Sales division. The findings from this research inferred that from the dimensions of sales skills, technical and salesmanship skills appeared to be significant predictors of sales performance. However, unexpectedly the finding also revealed that interpersonal skills, do not influence salesperson performance. In terms of magnitude of effect, technical skill is superior. The research also confirmed that organizational commitment of the sales person has both direct and moderating influence on sales person performance. Furthermore the study has tried to see the impact of demographic variables on performance of sales persons and found out that age and experience have significant and positive impact on personal sales performance. The study finally recommended three major success factors for ethio telecom, which enhance the performance of salesperson's performance in enterprise (B2B) personal selling. The company has to have more sales people to stay on their job for longer time or more experienced sales personnel, having Sale persons with excellent technical knowledge, by increasing commitment of the sales person toward the organization and also by developing the salesmanship skills of their sales personnel.*

# CHAPTER ONE

## INTRODUCTION

This chapter presents an overview of the entire thesis. It covers the background of the study, operational definition of terms, statement of the problem, objectives of the study, hypothesis, delimitations of the study, and significance of the study.

### **1.1. Background of the Study**

In this competitive and dynamic world we live in, the role of personal selling is immense and fundamental. The growing complexity of products, coupled with the expensiveness of advertising, induced company to rely more on personal selling. Personal selling is defined by Meredith (2009) as an interpersonal process whereby a seller tries to uncover and satisfy a buyer's needs in a mutually, long-term beneficial manner suitable for both parties. Even more it is important in Business to Business marketing. According to Gross et al., (1998) personal selling dominates the business marketer's promotion mix. Because the organizational buyer requires the help of the supplier in solving technical problems and because the buyer negotiated with the supplier the business marketer's promotion mix emphasizes personal selling.

One of the key issues relating to managing sales force is how to improve a B2B sale personal's performance (Singh and Koshy, 2009). They further forwarded that the answer is to identify and measure factors that determine B2B salespersons' performance. In one of the most cited authors in the area Churchill et al., (1985) sales skill is recognized as one of the most important variable in explaining personal selling performance. In their own words Churchill et al., (1985) have noted that "while differing sales situation, markets conditions, product types, etc all likely affect which factors contribute to sales success, one of the most striking and important commonalties across differing explanations of salesperson job performance is the importance each ascribes to selling skill".

Even if salespersons' importance in the telecommunication industry is critical, Ethio Telecom have been giving less emphasis to personal selling. Different reasons can be mentioned for this

but the most important ones are lack of competition in the industry because of regulation and lack of management knowledge. However after the reborn of Ethiopian Telecommunication Corporation (ETC) as Ethio Telecom with a management contract with French Telecom (Orange Telecom), a paradigm shift is being observed towards marketing and sales management.

## **1.2. Statement of the Problem**

Many researchers have emphasized the importance of sales person's skill levels in relation to their performance (Churchill et al., 1985; Rentz et al., 2002 as cited in Ahmad et al., 2010). Churchill et al., (1985), Ford et al., (1988) and Ahmed et al., (2010) also argued that beside aptitude, role perception, motivation, personality and organizational factors, sales skills affects a sales persons' performance. The dimension of sales skills are adopted from Ahmed et al., (2010) who intern adopted it from different studies. The three dimensions; interpersonal, salesmanship and technical from Rentz et al., (2002); which are found to be useful predictors of sales performance. And the fourth dimension marketing skills is adopted from Aherne and Schilleweart (2000)

Although these sales skills dimensions have long been recognized as predictors of sales performance, the majority of the previous studies had been conducted in advanced countries. In a sales oriented company selling products and service is very important. Even more it is important in highly complex and high-tech industry like telecommunication because by nature in this industry customer knowledge and confidence on the product and services is very low that sales people role in this regard is critical to the success of the company. The importance personal selling is greater in the business to business marketing. Ethio Telecom even if it has been having a monopoly power in the country, after the management contract with France Telecom, it is putting a great effort on marketing particularly selling and sales management. This is mainly because of the excess capacity in the company, dynamic technological changes in the industry, the need to become world Class Company and the threat of new entrant in the near future with the pressure coming from world trade organization (WTO).

Thus, there is a gap in the literature as no such research has been conducted on telecom in Ethiopia. As to the researcher's search, this study is the first of its kind in Telecommunication Industry in the country. It is also a gap that Organizational commitment has only been considered as a moderator. Ethio Telecom having shift from no personal selling to heavily relying on personal selling, it doesn't have a clear picture on what skills its sales people should acquire, what

are personal selling key success factors in the industrial, what type of training is needed and what kind of personal selling strategy to follow to enhance sales performance.

Therefore, the aim of this study is to assess the impact of sales skills; which is explained by variables; technical skills, interpersonal skills, marketing skills and salesmanship skills; on personal selling performance of ethio telecom business to business sales force. It also asses the both direct and moderating impact of organizational commitment on the relationship between sales persons skills and sales performance.

### **1.3 Research Questions**

The basic research questions that are addressed in this study are the following:

- To what extent are the sales persons armed with wide ranging skills?
- Does sales skill have impact on sales person's performance?
- Does organizational commitment moderates the relationship between the sales skills dimensions (interpersonal, salesmanship, technical and marketing skills) and salesperson performance?

### **1.4 Objective of the Study**

The general objective of the study is to examine the relationship between sales skills and sales person's performance.

Specifically the study has the following objectives:

- ❖ To identify the extent to which sales persons armed with wide ranging skills
- ❖ To investigate the impact of sales skills on sales person's performance
- ❖ To find out the relationship between organizational commitment and sales persons performance

## 1.5 Hypotheses

**H<sub>1</sub>:** Technical skills and sales person's performance are positively related.

**H<sub>2</sub>:** Interpersonal skills and sales person's performance are significantly and positively related.

**H<sub>3</sub>:** Marketing skills and sales person's performance are positively related.

**H<sub>4</sub>:** Salesmanship skills and sales person's performance are positively related.

**H<sub>5</sub>:** Organizational Commitment and sales person's performance are positively related

**H<sub>6</sub>:** The influence of Sales skills (Technical, Interpersonal, Marketing and Salesmanship) on salesperson performance is higher when organizational commitment is high.

## 1.6 Operational Definition of Terms

- ❖ ***Interpersonal skill:*** refer to mental and communication algorithms applied during social communication and interaction to achieve certain effects and results (Ahmed et al., 2010) According to Rentz et al, (2002) as cited in Ahmad et al., (2010) the dimensions of interpersonal skill are listening, empathy, optimism and perceived observation skills.
- ❖ ***Technical Knowledge:*** refers to sales person skill in proceeding information about design and specification of products and the applications and functions of both the products and services (Ahmed et al., 2010)
- ❖ ***Marketing skill:*** refers to knowledge about the industry and trends in general such as customers, markets and products; competitors' products, services, sales policies; knowledge of competitors' products lines, and knowledge of customer operations (Behrman and Perreault, 1982 as cited Ahmed et al., 2010).
- ❖ ***Salesmanship skill:*** refers to adoptability, consultative selling, negotiation and questioning and sales person's cues and communication style skills.
- ❖ ***Organizational commitment:*** "a committed employee is the one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and be more), protects company assets, shares company goals and others" (Meyer and Allen, 1997; as cited in Ahmad et al., 2010 p. 184).

## **1.7 Significance of the Study**

The study will have practical and theoretical significances. Its practical significance is for Ethio telecom and they are stated as follows:

- To identify sales skills which are highly relevant for the industry in general and for the company in particular?
- To identify training need areas for the sales skills and sales management.
- To identify key success factors in the telecom personal selling.
- To identify sales persons recruitment criteria for the company so that the recruits will have the needed skills.

Theoretically the research will have significance both for academician and researchers.

- ❖ For academician, since it is the first of its kind in the telecom industry in the market, it will provide a baseline for future researchers in the field.
- ❖ For the researcher, the research paper will be important and requirement for the partial fulfillment of Masters of Art in Marketing Management. In addition it will give an opportunity for the researcher to apply theoretical knowledge acquired through the courses.
- ❖ For academicians, since it is the first of its kind in the telecom industry, it provides base for future researchers in the field.

## **1.8 Delimitation /Scope of the Study**

The study has limited itself on assessing only the impact of selling skills but sales person's performance is affected by many other variables including personality factors, role variables, motivation, aptitude and organizational factors. Thus, the research could have been more comprehensive if it had included variables other than sales skill like Personality, Role perception, Environmental factors and Aptitude. In terms of the Universe of the study, it is limited to single industry sales persons (Telecommunication). Even within Ethio Telecom the study is limited only to the Enterprise Division (B2B) sales force.

While these results are valuable, the limitation of this study must also be considered. A potential limitation of this research is the possibility that the results are not generalizable due to the



particular industry it studied. The population considered of industrial (B2B) sales people only, but it is feasible the relations among these variables are quite different for sales people in other environments such as consumer sales, selling products, etc. In the method of data collection, only supervisory rating is used. If self-reporting method had been used in tandem with supervisory rating it would have better measured construct and allow for comparing supervisory perception and sales persons perception. It is also the limitation, to only investigate one industry sales persons.

## **1.9 Organization of the Paper**

The research paper has consisted of five chapters. The first chapter is the introductory part of this research. The second chapter reviews relevant literature and the third chapter contain the research analysis and methodology. While chapter four presents data analysis and results part of the paper. Finally chapter five deals with conclusion and recommendation. The references and appendix are presented at the end of the paper.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

An effort has been made to review relevant literature. This chapter demonstrates an Introduction about Personal selling, the Personal Selling Process, B2B Personal Selling, Sales performance, determinants of Sales performance, Sales Skills and Sales persons Performance, and Organizational Commitment and Sales persons Performance.

#### 2.2 Theoretical Review

Several studies have identified a number of independent variables that influence salesperson performance (see Churchill *et al.*, 1985; Baldauf and Cravens, 1999; 2002; Piercy *et al.*, 1997; 1998; Baldauf *et al.*, 2001; Babakus, *et al.*, 1996; Barker, 1999; Rentz *et al.*, 2002). Churchill *et al.*, (1985) found that in terms of the average size of their association with salesperson performance, the determinants were ordered as follows:

- Role variables, selling skills, motivation, personal factors, aptitude, and organizational factors; *but* when ordered according to real variation (i.e., not attributable to sampling error), the determinants were ranked as: personal factors, selling skills, role variables, aptitude, motivation, and organizational/environmental factors.

The findings from Churchill *et al.*, (1985) indicated that selling skills were the second most important of six variables, both in terms of average size association with performance and in terms of real variation. However, Churchill *et al.*, (1985) and Rentz *et al.*, (2002) observed that few studies on individual characteristics relating to the selling skills dimensions of salespersons were conducted before the meta-analysis studies of Churchill *et al.*, (1985). Nonetheless, since these studies, a considerable amount of research has focused upon specific aspects or the micro-skill stream of selling skills, which focused on individual sales skills (Rentz *et al.*, 2002). These micro-stream selling skills can be divided into three dimensions – interpersonal, salesmanship and technical skills.

With respect to this, this paper attempts to build upon Churchill *et al.*'s, (1985) seminal work to examine the influence of sales skills on salesperson performance in an emerging economy

context. Specifically, the paper investigates the influence of four sales skills dimensions on salesperson performance. Three sales skills dimensions – interpersonal, salesmanship and technical skills – are derived from Ford et al., (1988; cited in Churchill et al., 2000), and the other dimension of marketing skills is derived from Ahearne and Schillewaert (2000). Although there have been numerous studies on the direct relationship between organizational commitment and job performance, however, there have been few studies conducted treating organizational commitment as a moderator. According to Meyer and Allen (1997), a committed employee is the one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and maybe more), protects company assets, shares company goals and others.

Thus, having a committed workforce is an added organizational advantage. Irving and Coleman (2003), for example, examined the moderating effect of organizational commitment on the relationship between role ambiguity and job tension in an organization undergoing significant change. Results of their study indicated that the Relationship between Sales Skills and Salesperson Performance organizational commitment tended to aggravate relations between the two variables. From a different perspective, Chang (1999) examined the effect of organizational commitment as a moderator on the relationship between perceptions of a company's career practices and turnover intention. The results showed that organizational commitment had some bearing on turnover intention.

Thus, in sum, organizational commitment can and does play a role in influencing job performance. Nonetheless, the literature reviewed showed that no previous study utilized organizational commitment to moderate the relationship between sales skills dimensions and salesperson performance. Hence, the present study simply focuses on the moderating impact of affective organizational commitment towards salesperson performance. Affective commitment was used in the present study because employees' emotional attachment to, identification with, and involvement in the organization may contribute to the achievement of organizational objectives according to Harif (2005).

The present study examines the relationship between selling skills dimensions (interpersonal, salesmanship, technical, and marketing) and salesperson performance. The effect of organizational commitment on this relationship is explored as a moderating variable.

## 2.2 Personal Selling

The basic parts of a firm's promotional effort are personal selling, advertising, publicity, and sales promotion (Futrell, 1992; as cited in Jaramillo & Marshall, 2003). Personal selling is defined as "the personal communication of information to persuade a prospective customer to buy something – a good, service, idea, or something else" (Futrell, 1992 as cited in Jaramillo & Marshall, 2003). Jaramillo and Marshall (2003) believe that personal selling messages have the potential to be more persuasive than advertising or publicity due to the face-to-face communication with customers. Brooksbank (1995) suggests that personal selling is a critical component of marketing success. He defines the personal selling process as the "positioning of goods or services in the mind of a particular prospective customer" (Brooksbank, 1995, p. 63 as cited in Jaramillo & Marshall, 2003). With increasingly fragmented markets, the role of personal selling becomes extremely important. The role of personal selling will continue to be of overwhelming importance in the case of those companies operating in markets characterized by high volume customized goods and services with relatively long and complex decision making processes (Brooksbank, 1995, p. 61 as cited in Jaramillo & Marshall, 2003)

Historically, the act of communicating for the purposes of exchanging goods and services has occurred since the early stages of the human race. Around 10,000 years B.C., the forging and gathering activities of men were set aside as less profitable by the discovery of agriculture and planned production created shortage and surplus / supply and demand (Powers et.al., 1987).

Lambert (2008) as cited in Meredith (2009), offers a useful depiction of the evolution of sales eras described as follows:

The era of sales science (1890-1920): focused on the transaction itself, defining sales systems, methods, and approaches; most learning about sales was informal.

The era of sales process (1920-1945): focused on facilitating transactions one customer at a time and producing new methods to train sales representatives on repeatable sales processes; most learning for salespersons was done on the job.

The sales relationship era (1945-1985): focused on the transaction decision and closing the sale; training focused on pre-closing activities and landing business deals.

The sales technology era (1985-2005): focused on all transaction steps as technology helped speed up the salesperson's reaction times to market trends, awareness of industry news, and develop a better understanding of clients.

The sales competency era (2003-present): focuses on the buying experience and is built on a salesperson's competence for building relationships, solving problems, and bringing true value to the client, not just winning the sale.

### 2.3 The Personal Selling Process

Personal selling is not one time process; rather it is process taking several steps. As revised by Marshal & Moncrief (2005), there are seven steps of selling. Fill (2002) as cited in Tsalidis (2010) argues that the alignment and the rigidity of the sequence should not be overstated, as the actual activities undertaken within each of these stages will vary not only from organization to organization but also between the salespersons. The Seven Steps are reviewed by Marshal & Moncrief (2005) as Follows:

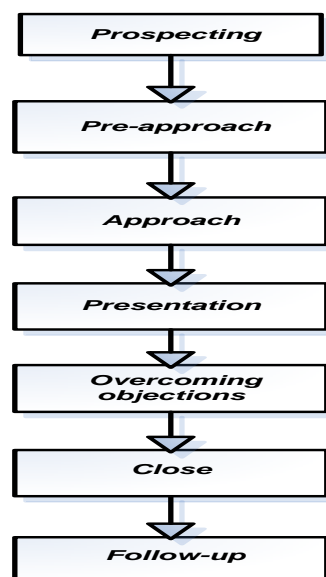


Figure 1: The personal selling Process -Adopted from Marshal & Moncrief (2005) p.15.

#### ***Prospecting***

Prospecting is the method by which salespeople search for new customers and potential customers. Marshal & Moncrief (2005). One obvious reason for prospecting is to expand the

customer base, which is important because most sales organizations lose customers every year (Jolson & Wotruba, 1992 as cited in Marshal and Moncrief ,2005). Sales textbooks typically discuss methods of prospecting, such as referrals, networking, bird-dogging, cold canvassing, and numerous others. Prospecting usually includes a discussion of qualifying the prospect and thus developing some type of screening procedure. Traditionally, salespeople were expected to find their own prospects. Prospecting was an essential and large part of the selling job, and for many salespeople, this was the most difficult and tedious part of the job in fact; it is an aspect of sales jobs that has chased off many would be salespeople.

### ***Pre-approach***

The pre-approach step includes all post prospecting activities prior to the actual visit with a prospect or customer. The pre-approach step occurs on virtually every sales call. Sellers are doing their research on the prospect or customer, familiarizing themselves with the customer's needs, reviewing previous correspondence, and pulling together any other new and relevant material that might be appropriate for bringing to the sales call itself. Pre-approach activities also include talking with gatekeepers, doing homework on the customer (individual and organization), mentally preparing for the approach and presentation (rehearsal), and breaching the customer's office on entry.

### ***Approach***

The approach usually takes the first minute or minutes of a sale. It consists of the strategies and tactics employed by salespeople when gaining an audience and establishing initial rapport with the customer. The approach includes opening small talk, the handshake, eye contact, and generally making a good initial impression. Most sales textbooks include a variety of different approaches that can be used, including the introductory approach, the assessment approach, the product approach, the consumer-benefit approach, the referral approach, the consultative approach, and many others.

### ***Presentation***

The presentation is the main body of the sales call and should occur after the salesperson has predetermined the needs of the customer. This step can be one presentation or multiple presentations over a period of time. Goals for the sales presentation will vary. First-time buyers must get sufficient information to adequately understand the product's benefits, which may be facilitated by building the presentation around a product demonstration. Selling points and

attributes are visualized and built around a call agenda or sales proposal. This step can be complex, and preparation is essential.

### ***Overcoming objections***

Objections can be broadly defined as customer questions and hesitations about the product or company. Salespeople should expect that objections will be encountered in every sales presentation. A number of reasons exist for objections, and despite the fact that objections can delay the sales process, for the most part they should be perceived in a positive sense as useful. This is because by revealing objections, true buyer needs can be uncovered. In the early days of selling, sales objections were viewed mostly as a hurdle that salespeople had to overcome to get to the ultimate sale. In more modern times, a true objection might be viewed as a sign not to pursue the sale further because a need may not be met with a given product.

### ***Close***

The close is defined as the successful completion of the sales presentation culminating in a commitment to buy the good or service. Once any objections have been successfully overcome, the salesperson must actually ask for the business and thus begin the process of closing the sale. This step traditionally has been trumpeted as difficult for many salespeople (especially new salespeople) because many simply do not ask for the order.

### ***Follow-up***

The follow-up step is a relatively newer addition to the steps of selling in which the salesperson does not assume the sale is over with the acceptance of an order. Rather, much work begins after the sale to make sure the customer is happy with the product/ service and that everything that was promised is being delivered. Examples that are frequently given include a thank-you letter to the customer or a follow-up phone call to ensure the customer is happy.

## **2.4 B2B Personal Selling**

For many firms, especially in business-to-business markets, personal selling is the dominant element in the marketing communications mix and the key to implementing marketing strategy successfully. Sales expenditure may be as much as 15 per cent of sales, and higher than advertising costs (Barker, 1999 as cited in Sweet, 2007). Therefore the factors that enhance the performance of the sales function are of critical interest.

One important advantage of personal selling is that the selling pitch can be adjusted and individualized to the prospect. Once you determine the prospect's needs, you tailor the sales pitch. Unfortunately, personal selling is extremely expensive. As noted previously, door-to-door selling is disappearing in the area of consumer marketing (Friedman, 2011). This is, however, not true in the area of business-to-business (B2B) marketing. Companies selling complex products such as printing presses, buses, jets, computer systems, power plants, and other expensive "installations" usually use salespeople to sell their products (Friedman, 2011). These salespeople are compensated quite well and a large number of them are college graduates. When selling complex, costly products B2B (business-to-business), personal selling is extremely important. You need to develop a relationship with customers and may have to answer technical questions. A customer with a question can get an immediate response. Personal selling is also important where prices have to be negotiated and the sale involves a great deal of money (Friedman, 2011). A key disadvantage of personal selling is that it is costly and you have to deal with customers one at a time.

## **2.5 Sales Performance**

There are immediate difficulties in defining sales performance, which has meant different things to different researchers and practitioners. Performance, which in a literal sense means the way that something functions, or the results of activity over time, is measured differently in different organizations (Sweet et al., 2007). It is important to discuss defining characteristics of sales performance. Anderson and Oliver (1987) as cited in Zallocco et al., (2009) conceptualized sales performance as the evaluation of salespeople based on what they produce (i.e. sales outcomes) as well as what they do (i.e. sales behaviors). Examples of the former include generations of sales units, revenue, market share, new accounts, profitability, etc., while sales behaviors include selling skills (e.g. adaptive selling, teamwork, effective communication, etc.) and selling activities (e.g. making sales calls, managing time and territory, etc.) (Zallocco et al., 2009).



Based on this view, salesperson performance has been studied relative to both salesperson outcome and behavior performance (Anderson and Oliver, 1987; as cited in Zallocco et al., 2009; Cravens et al., 1993). Regardless of how performance is defined, sales managers play a key role in ensuring that salesperson performance goals are met and a major problem that sales managers face in doing this is the inability to accurately measure performance (Zallocco et al., 2009).

## 2.6 Determinants of Sales Performance

Due to its vital importance to both the firm and to individual sales people, improving sales performance is of a great interest to both managers and researchers (Johilke, 2006). A large number of researchers have forwarded different factors that do have an influence on sales person's performance (Churchill et al., 1988; Baldauf and Crevens, 1999; Piercy et al., 1997; Baldauf et al., 2001; Babakus et al., 1996; Barker, 1999; Ahmad et al., 2010; Johalke, 2006; Sweet et al., 2007).

Sweet et al, (2007) in their work "Developing a Benchmarking for company-wide Sales Capability" identified five drivers of sales performance:

**Leadership:** including strategy, decision making, attitudes toward learning, improving, coaching.

**Motivation:** including goal orientation and discipline, enthusiasm, planning, attitudes.

**Skills:** including communication, negotiation, customer relationships, and presentation.

**Process:** including company's sales systems, information, records, preparation, follow through and delivery.

**Marketplace:** including understanding of the needs of customers, the market, their own products and those of their competitors.

The most frequently studied theme pertaining to personal selling is the examination of the selling processes and techniques of salespeople (Meredith, 2009). Selling process and technique studies examine individual level approaches to improving the effectiveness of customer and prospect interactions and sales outcomes, respectively.

These individual sales skills can be categorized in to three dimensions: - Interpersonal, salesmanship and technical skills (Ahmad et al., 2010). The fourth dimension, which is divided from Ahearne and Schillewaort (2000), is marketing skills. The following paragraphs will discuss synthesis of empirical studies made on each of the four dimensions of sales skills and organizational commitment.

## **2.7 Sales Skills and Sales Persons Performance**

### **2.7 .1 Technical Skill and Sales Person Performance**

“Technical knowledge refers to salesperson’s skill in providing information about design and specification of products and the applications and functions of both products and services (Ahmad et al., 2010, p.188). Many researchers have found a significant and positive relationship between technical skills and salespersons performance (e.g. Baldauf et al., 2001; Grants and Cravens, 1999; Baldout and Cravens, 1999; Katisheck and Skermeas, 2003; Baldouf and Cravens, 2002). However there are some researchers who come up with the contrary result (Ahmad et al., 2010; Ahearne and Schillewaert, 2000; Barker, 1999; Piercy et al., 1997). This researchers finding is that technical skills levels possessed by salespersons do not necessarily lead to positive effects in terms of salespersons performance. The first hypothesis emanates from the above literature.

### **2.7.2 Interpersonal Skill and Sales Person Performance**

“Interpersonal skills refer to mental and communication algorithms applied during social, communication and interaction to achieve certain effects and results” (Ahmad et al., 2010, p.186). Different researches on the area have found that interpersonal skills significantly predict salespersons performance (E.g. Ahmad et al., 2010; Ford et al., 1988; Pilling and Eroglu, 1994;). Furthermore it is found that interpersonal skills play a significant role in predicting salesperson success (Lockemon and Hallag, 1982). As the finding form Hill and Petty (1995) indicate interpersonal skill can also predict employability.

Interpersonal skills are expressed by listening, empathy, optimism and perceived observation skills (Rentz et al., as cited in Ahmad et al., 2010).As confirmed by Ahmad et al., (2010) this dimensions are likely to collectively realize effective interpersonal skills that will in turn explain sales person performance. The second hypothesis of this study is derived from the above literature.

### **2.7.3 Marketing skill and sales person performance**

Salespersons' marketing skill refers to knowledge about the industry and trends in general such as customers, markets and products; Competitor's products, Services, sales policies; knowledge of competitors product lines, and knowledge of customer operation" (Behrman and Perrault, 1982, as cited in Ahmad et al., 2010 p.188). Ahearne and Schillewaert (2000); Leigh and McGraw (1989); Sujan et al., (1988); Smith and Owns, (1995) found positive and a significant relationship between marketing skills and sales performance. As expressed by Ahmad et al., (2010) extensive knowledge base is importance for a sales person since it allows them to cope with the complex market environment. Thus the third hypothesis is derived from the above literature.

### **2.7.4 Salesmanship Skill and Sales Person Performance**

Salesmanship can be explained by five dimensions which are adoptability, consultative selling, negotiation, questioning and salesperson cues and communication styles skills (Ahmad et al., 2010). Generally most of the studies on the area have found a positive relationship between salesmanship skills and salespersons' performance (Ford et al., 1988; Baldaf et al., 2001; Babakes et al., 1996; Katsikon and Skarmeas, 2003; Baldouf and Cravers, 1999). However still there are other researchers who have found the opposite of the above one's (Ahmad et al., 2010 and Aheorne and Schillewaert, 2000). Most of the previous studies have tried to relate each dimension of the salesmanship with salesperson's performance (Kentz et al., 2002 as sited in Ahmad et al, 2010). "Adaptive selling is defined as the sales person's ability to alter her/his sales behavior when interacting with customers and it is important because it shows the amount of customization a salesperson is utilized" (Ahmad et al., 2010 p. 186). Many researchers have found a positive relationship between adoptive selling and sales performance (Babakus et al., 1996; Boorom et al., 1998as cited in Ahmed et al., 2010)

## **2.8 The Moderating Effect of Organizational Commitment on Salesperson**

### **Performance**

While interpersonal, salesmanship, technical and marketing skills have been shown as key determinants of salesperson performance in previous research, they are not the only factors that influence salesperson performance. As activities take place within organizational contexts, the

effects of affective organizational commitment on sales skills dimensions can be expected and anticipated (Dutto et al., 1994).

Organizational commitment is defined as a state of psychological congruence between individuals and organizational values (Mowday et al., 1979). The commitment to fulfilling the needs and wants of customers are now commonly held organizational values across the industrial landscape. Accordingly, it is argued that when a salesperson's selling skills (that is constituted by the four dimensions) level is high, organizational commitment will stimulate them to accomplish good sales, which in turn will be rewarded and recognized by the organization upon successful completion of this activity. Several previous studies found a direct relationship between organizational commitment and job performance (e.g., Mowday et al., 1974, as cited in Yousef, 2000; Baugh and Robert, 1994; Ward and Davies, 1995; Mayer and Schoorman, 1992; Putti et al., 1990). Meanwhile, Brett and Slocum (1995) reported that there are stronger relationships between organizational commitment and performance for those with low financial requirements than those with high financial requirements. Benkhoff (1997) investigated the link between employee commitment and organizational commitment in terms of sales targets met and improved profitability; and the study found there was a strong relationship. Zabidet al., (2003) also found that organizational commitment correlated with financial performance. Moreover, Meyer and Schoorman (1992) examined the relationship between job performance and affective and continuance commitment; and concluded that affective commitment is directly correlated; and continuance is correlated inversely with all measure of performance.

On the other hand, some studies discovered a modest relationship between organizational commitment and job performance (e.g, Kelleberg and Marsden, 1995). In contrast, Wright (1997) found a negative relation correlation between measures of organizational commitment and job performance. Thakor and Joshi (2002) studied the relationship between experienced meaningful and customer-oriented selling, which acted as a proxy of long-term performance, with organizational commitment as a moderator. Research results showed that organizational commitment did moderate the relationship between the two variables.

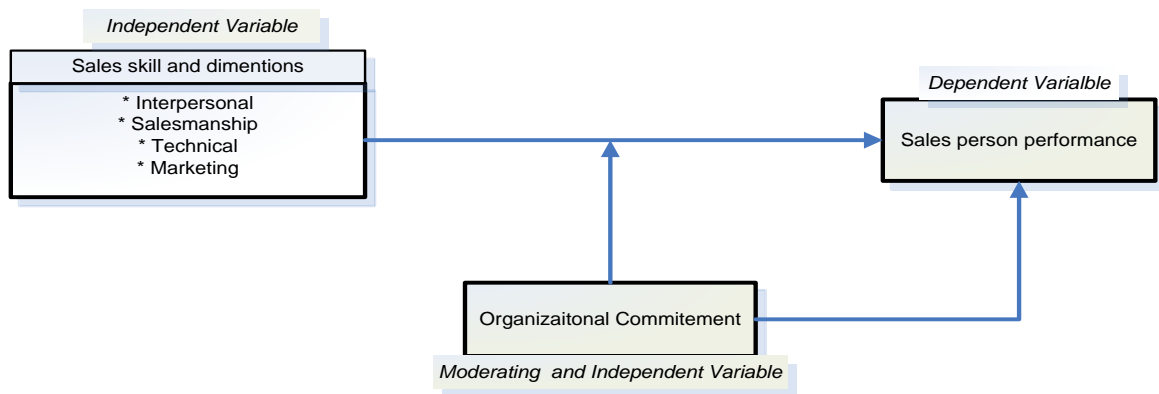
Therefore, in addition to testing the relationship between sales skills (technical, interpersonal, marketing and salesmanship) and sales persons performance and the moderating role of organizational commitment in Ethio Telecom business to business selling, the present research

will also try to fill the research gap by adding organizational commitment not only as a moderator but also as determinant of sales persons performance.

## 2.9 Conceptual Frame Work

As indicated on the review of related literature many researchers have indicated a positive impact of sales skills on sales persons Performance. This is summarized in the following figure.

Figure 2: Conceptual Framework of the study



Source: Adopted from Ahmad et al, (2010) p.185 modified by the researcher

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This chapter explains the research methodologies used and it covers, design of the study, Participants, Instruments/ Measurement, Procedures and finally Method of Data Analysis used.

#### **3.1. Research Design**

In general quantitative research design is used in the study. Particularly it utilizes co-relational research design in investigating the relationship between sales skills (Technical, Interpersonal, Marketing and Salesmanship) and sales performance of personal selling. This method will help the researcher to find out the impact and relation of the independent variables (sales skill) has on the dependent variable (sales performance).

#### **3.2 Population and Sampling and Techniques**

The population/ sampling frame of the study were sales person's working in Ethio Telecom Enterprise (B2B) division who are responsible for business customers. Today 130 sales persons are working under enterprise division as personal sellers. There were no any sampling mechanisms to be used because the study has taken all the population that increased the generalizability of the finding to the company. Therefore the subjects of the research were all the 130 sales persons working under Enterprise division. Enterprise sales persons are selected for this study because these sales persons are not mere order takers but rather they are missionary sales persons who are problem solvers, demand initiators and persuaders. From the total 130 questionnaires distributed 107 (82.3% response rate) is returned. And Personal selling is more appropriate and effective in business marketing than consumer marketing.

These supervisors hold diverse hierarchical positions in the organization i.e. from Assistant Manager to General Managers of Sales Units. Moreover, the present study adopted a supervisor-rating evaluation approach i.e. the supervisor (rater) rated the subordinate (salesperson (s) being rated) under his or her supervision. This means that the immediate supervisors of the respective

salespersons were given the questionnaires to rate their subordinates. The questionnaire was divided into three parts including demographic information; sales skills, namely, interpersonal, salesmanship, technical and marketing skills; and salesperson performance.

The supervisor-rating evaluation approach used in the present study was based on research on performance appraisal (e.g. Landy and Farr, 1980), which suggested that supervisor evaluation is superior because supervisors integrate many facets of performance, some of which are not readily quantifiable. The supervisor was extremely familiar with the subject's (the person being rated) performance. Moreover, the supervisor-rating approach will also be used to rate the organizational commitment of the salespersons as opposed to the widely adopted self-rated approach to the scale. The supervisor-rating approach is a meaningful construct as proven by Shore et al., (1995) and Allen (1994) in their studies on managerial perception of employee commitment to the organization.

### **3.3. Source and Instruments of Data Collection**

The researcher used primary data. A questionnaire survey instrument was employed. The questionnaires used are structured as it is the case in quantitative research design. The study used a five point Likert Scale from (1) strongly disagree to (5) strongly agree. No need of translating the questionnaires from English to the local language Amharic because the supervisors are BA and MA holders. To measure all the variables the researcher directly took up highly validated measurements from different researchers which are organized in to one by Ahmed et al (2010). Very slight Modification will be made on the questions to fit the existing condition in the Industry.

- ❖ Measurements of Technical, interpersonal and salesmanship skill are adopted from Rentz et al (2002) as cited in Ahmed et al (2002).
- ❖ Measurement of Marketing skill are adopted from Ahearne & Schillewaert (2000)
- ❖ Measurement of Salespersons Performance items are adopted from Behrman and Perreault (1982) as cited in Ahmed et al (2002).
- ❖ Measurements of organizational commitment are adopted from Ahmed et al.,(2010).

### **3.4 Procedures of Data Collection**

To collect and analyze the data the following procedures was used:

First sample questionnaires were distributed to 5 supervisors (pilot) to enhance the validity and reliability of the questionnaire. Secondly, the final questionnaires were produced incorporating the comment and feedback from the pilot test. Then the questionnaires were given to supervisors of the sales people who are respondents of this study to fill for each sales person under his/her supervision. In addition briefings on the questionnaire were given for the supervisors who rated on the questionnaire for their respective subordinate sales persons. The identity of the sales persons is coded to avoid the impact on the supervisor when rating the questionnaire.

### **3.5. Method of Data Analysis**

Different quantitative methods were used in the study. To test all the hypothesis hierarchical regression analysis was utilized. Independent sample T-Test and One way ANOVA was used to investigate the relationship between demographic variables (Sex, Age, Education and Experience) and personal selling performance. In addition different descriptive statistical tools like frequency distribution, cross tabulation, mean and median were used to further indicate the relationship. Charts, tables and graphs were also used to substantiate and describe the data. All the analysis methods use the SPSS (Statistical Package for Social Science) software Version 20.

### **3.6 Ethical Consideration**

Informed consent is the major ethical issue in conducting research, according to Armiger. “It means that a person knowingly, voluntarily and intelligently and in a clear and manifest way gives his/her consent”.

Accordingly, respondents were assured that the information they provide is confidential and used for exclusively for academic purpose. In addition statements, conform the prohibition incorporating any identity details or personal references in the questioner. This helps the



researcher to collect bias free response and allow respondents a room for express their idea with full of freedom. Much effort was made to keep the response confidential and would not be used for any personal interest. Generally the whole process of the research was controlled to be within acceptable professional ethics.

# CHAPTER FOUR

## RESULT AND DISCUSSION

The collected data has been analyzed and interpreted in this chapter. It consist the Measurement validity and reliability of scale, Sales Persons' Profile, Descriptive statistics of the Variables, T-Test and One-way ANOVA (Demography and Sales Performance) and Hierarchical Regression Analysis.

### 4.1 Measurement Reliability and Validity

In survey based research it is important to validate the scales used for reliability and validity. Even if the measurement variables and scale questionnaires are adopted from highly validated instruments, checking it whether they can be applied in Ethiopian context is important. Gleam & Rosemary (2003:82) explained that "Oftentimes information gathered in the social sciences, marketing, medicine, and business, relative to attitudes, emotions, opinions, personalities, and descriptions of people's environment involves the use of Likert-type scales". As individuals attempt to quantify constructs which are not directly measurable they oftentimes use multiple-item scales and summated ratings to quantify the construct(s) of interest. The present study validated the measurements using Internal Consistency and Predictive Validity.

#### 4.1.1 Cronbach's Alpha

Cronbach's alpha is a coefficient (a number between 0 and 1) that is used to rate the internal consistency (homogeneity) or the correlation of the items in a test. A good test is one that assesses different aspects of the trait being studied. Cronbach's alpha will generally increase as the inter correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores. Because inter correlations among test items are maximized when all items measure the same construct, Cronbach's alpha is widely believed to indirectly indicate the degree to which a set of items measures a single construct (Gleam & Rosemary , 2003).George and Mallery (2003:231) provide the following rules of thumb: "> .9 Excellent, > 0.8 – Good, >0 .7 Acceptable, >0 .6 Questionable, \_ > 0.5 Poor, and < 0.5 Unacceptable" (as cited in Gleam & Rosemary , 2003).If correlations between items are too low, it is likely that they are measuring

different traits and therefore should not all be included in a test that is supposed to measure one trait.

Table 1: Measure of Internal Consistency- Cronbach's alpha

Variables	No of Items	Cronbach's Alpha
Technical Skill	4	0.92
Marketing Skill	3	0.92
Interpersonal Skill	5	0.89
Salesmanship Skill	3	0.89
Sales Performance	2	0.91
Organizational Commitment	6	0.88

Source: Survey data

All dimensions' Cronbach's Alpha is by far above the cut of point of 0.7. The lowest Alpha registered is 0.87 (Organizational Commitment) and the highest is 0.92 (Technical skill and Marketing skill). Therefore it can be inferred that all measures are internally consistent.

#### 4.1.2 Predictive Validity

Predictive validity is the extent to which a score on a scale or test predicts scores on some criterion measure (Cronbach & Meehl, 1955; as cited in Gleam & Rosemary, 2003). They gave an example; the validity of a cognitive test for job performance is the correlation between test scores and, for example, supervisor performance ratings. Such a cognitive test would have predictive validity if the observed correlation were statistically significant. It examines a measure's ability to predict some subsequent event.

“One-tailed Pearson Correlation test is important method to assess predictive validity of the variables” (Ahmed et al, 2010 p.96). The present research also employed one-tailed correlation to test the predictive validity of the variables. This method tries to see the correlation between all independent variables and the dependent validity.

Table 2: Predictive Validity – Correlation Matrix

<b>Variables</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Technical Skill	1					
Marketing Skill	0.73	1				
Interpersonal Skill	0.77	0.69	1			
Salesmanship Skill	0.73	0.68	0.78	1		
Organizational Commitment	0.69	0.59	0.61	0.61	1	
Sales Performance	0.76	0.63	0.70	0.74	0.70	1

Source: Survey data

One-tailed Pearson correlation tests were employed to assess predictive validity of the variables (please refer to Table 2 for the results of correlation). All independent variables were found to be significantly correlated with the dependent variable of Salesperson Performance, indicating the achievement of predictive validity.

## 4.2 Descriptive Analysis

### 4.2.1 Sales Persons' Profile

The profile of sales persons' working in Ethio Telecom Enterprise (B2B) Division is summarized by the following table.

Table 3: Sales Personnel Profile

Variables	Description	Frequency	Percentage
Gender	Male	88	82.2%
	Female	19	17.8%
Age	18-25 years	0	0%
	26-35 years	90	84.1%
	36-45 years	17	15.9%
	>45 years	0	0%
Education	High School	0	0%
	Diploma	5	4.7%
	Bachelor Degree	102	95.3%
	Master's Degree	0	0%
Experience	<5 years	68	63.6%
	6-10 years	26	24.3%
	11-20 years	13	12.1%
	>20 years	0	0%

Source: Survey data

It is important to note that, majority of the salespersons are concentrated in one group in terms of Gender, Age and Education. In terms of sex the majority (82.2%) are male. When it comes to Age most sales persons are at their young age (25-35) 84.1% and no sales person is found within the age groups of less than 25 years and above 45 years. As a result to test the relationship between the age groups T-test can be used effectively, there is no need to use one-way ANOVA. With regards to Education of the sales persons since almost all (95.3%) of the total population are BA Degree holders. This makes it difficult to see the difference between education levels because numbers of sales persons with other qualification apart from BA degree in the groups are very low or nonexistent.

#### 4.2.2 Descriptive Statistics of the Variables

Table 4: Descriptive characteristics of the variables

Variables	Minimum	Maximum	Mean	Std. Deviation
Technical Skill	2	5	3.75	0.9
Marketing Skill	2	5	2.93	0.87
Interpersonal Skill	2	5	3.18	0.99
Salesmanship Skill	2	5	3.13	0.96
Organizational Commitment	2.33	5	3.3	0.75
Sales Persons Performance	1	5	4.09	0.83

Source: Survey data\

To come up with the scores of the variable, items under each dimension are aggregated to one. As indicated in the table and bar graph, all variables mean score is greater than the midpoint of the scale which is 2.5. Of the four independent variables technical skill is the highest (3.75), while marketing skill is the lowest (2.93). The mean value of the dependent variable (sales performance) is also above 3. From the variables the highest range is of sales performance and the lowest is of organizational commitment 4 and 2.77 respectively. In other words, all variables exhibited a standard deviation of less than 1. This shows that the data are clustered around the mean which showed the reliability of the data.

#### 4.3 T-Test and Onaway ANOVA / Demography and Sales Performance

To assess the relationship between demographic variables and sales persons performance, the Independent sample T-Test and one way ANOVA is used. Before presenting and discussing the results it is worthy to explain what the analysis methods are and why they are selected for this particular study.

## Independent Sample T-Test

The t-test is the most commonly used method to evaluate the differences in means between two groups. Independent sample t-test is a statistical technique that is used to analyze the mean comparison of two independent groups. When samples are taken from two different populations, then the mean of the sample may differ. In this case, independent sample t-test is used to draw conclusions about the means of two populations, and used to tell whether or not they are similar. Theoretically, the t-test can be used even if the sample sizes are very small (e.g., as small as 10;) as long as the variables are normally distributed within each group and the variation of scores in the two groups is not reliably different (Gleam & Rosemary , 2003). Independent sample T-Test is performed for variables Gender and Age.

Table 5: Independent Sample T-test for Gender on Sales persons' performance

Sex	N	Mean	T-Test Result	
			T-value	Sig (P-value)
Male	88	5.01	-1.4	0.14
Female	19	5.47		

Source: Survey data

It is shown in the table that there is no significant (Sig= 0.14) difference between Male and Female sales persons in Ethio Telecom in terms of their performance. Therefore there is no relationship between sex and sales persons' performance.

The dataset for the variable Education is not suitable to conduct an independent sample T-Test, because almost all sales persons are in the same group (BA). So the present research is unable to see the relationship between Education and personal selling performance.

With regards to Age of the salespersons, since it has values for only two groups, there is no need to use ANOVA. It can be done by using Independent sample T-Test. As can be seen from the Table 6, there is statistically significant difference between the Age groups 25-34 years old and 35-45 years old in terms of sales performance (at 5% level of significance). The performance of 25-35 years group is lower than that of 35-45 years, which shows age of the sales person matters. So it can be inferred that age and sales persons' performance have significant and positive relationship.

Table 6: Independent Sample T-test for Age on Sales persons' performance

Age Groups	Mean	T-Test Result	
		T-value	Sig(P-value)
25-34 years	4.97	-2.39	0.019
35-45 years	5.74		

Source: Survey data

### One way ANOVA

Analysis of variance (ANOVA) is a general method for studying sampled-data relationships. The method enables the difference between two or more sample means to be analyzed, achieved by subdividing the total sum of squares. One way ANOVA is the simplest case. In statistics, one-way analysis of variance (abbreviated one-way ANOVA) is a technique used to compare means of two or more samples (using the F distribution). It is a way to test the equality of three or more means at one time by using variances. Incidentally, if we are only comparing two different means then the method is the same as the T-Test for independent samples. In a one-way ANOVA (also known as a single-classification ANOVA), there is one measurement variable and one nominal variable. Multiple observations of the measurement variable are made for each value of the nominal variable. Hence, Onaway ANOVA is conducted to see the relationship between Experience and sales persons' performance. As can be inferred from Table 7, it appeared that there is a significant difference between the different experience level groups in terms of their performance at 1% level of significance.

Table 7: One way ANOVA / Experience and Sales Performance

Experience	Mean	One-way ANOVA Result	
		F-value	Sig(P-value)
<5years	4.80	5.42	0.006
5-10 years	5.55		
10-20 years	5.65		

The more the sales person has experience, the more his/her performance will be in terms of generating high level of sales and exceeding sales targets. This implies that as the sales person gets more and more experience on sales, he/she will be equipped will all the necessary skills and



knowledge on how to achieve the sales target. This is consistent with previous researchers' results. (see Churchill *et al.*, 1985; Baldauf and Cravens, 1999; 2002; Piercy *et al.*, 1997; 1998; Baldauf *et al.*, 2001; Babakus, *et al.*, 1996; Barker, 1999; Rentz *et al.*, 2002).

#### **4.4 Hierarchical Regression Analysis**

In statistics, hierarchical linear modeling (HLM), a form of multi-level analysis, is a more advanced form of simple linear regression and multiple linear regression. Hierarchical Regression Analysis allows variance in outcome variables to be analyzed at multiple hierarchical levels, whereas in simple linear and multiple linear regressions all effects are modeled to occur at a single level (Raudenbush & Bryk, 2002).

Thus, in order to test all the hypotheses, hierarchical regression is the most appropriate analysis tool. This is because hierarchical regression is efficient in determining the relationship between sales skills and performance and in checking organizational commitment do actuality moderates the relationship.

The hierarchical regression conducted for this study is three steps analysis. On the first steps all the sales skills dimensions (technical, marketing, salesmanship and interpersonal) are entered as an independent variables. On the second steps organizational commitment is entered to see it do have a direct effect and to what extent it increase the goodness of feet. Finally on the third step, to see the moderating effect of organizational commitment in the relation between sales skills and sales persons' performance, the interaction variables (sales skill dimensions X organizational commitment) are entered. It is important to note that at step 2 and step 3 of the hierarchical regression analysis, the change in  $R^2$  statistics is more relevant for interpretation.

Table 8: Hierarchical Regression Analysis

Variables	Step 1		Step 2		Step 3	
	Beta	Sig.	Beta	Sig.	Beta	Sig.
<b>Sales Skills Effects</b>						
Technical Skill	0.45	0.00				
Marketing Skill	0.02	0.85				
Interpersonal Skill	0.07	0.51				
Salesmanship Skill	0.34	0.00				
<b>Moderator Direct Effect</b>						
Organizational Commitment			0.25	0.02		
<b>Moderator Effect</b>						
Technical Skill X Organizational Commitment					0.32	0.26
Marketing Skill X Organizational Commitment					1.87	0.04
Interpersonal Skill X Organizational Commit.					0.93	0.00
Salesmanship Skill X Organizational Commit.					0.73	0.29
<b>R<sup>2</sup></b>	<b>0.65</b>	-	<b>0.67</b>	-	<b>0.78</b>	-
<b>R<sup>2</sup> Change</b>	<b>0.65</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>	<b>0.11</b>	<b>0.00</b>
<b>F-Change</b>	<b>48.84</b>	-	<b>10.62</b>	-	<b>13.20</b>	-

Source: Survey data

As can be inferred from Table 8, in the first step the first variable which is technical skill of sales person significantly affect sales performance at 1% level of significant. And its coefficient is the highest of all independent variables (0.45). This result is interesting because in technical complex and dynamic industry like that of telecommunication, sales person technical knowledge about the product and service he/she is selling is critical. This is even more correct in Business to business marketing, for the reason that a sales person is consultant who identifies customer needs and problems and tries to fix it with the appropriate product and service. In addition in this industry customer knowledge about the product is so low that the sales person should have a sufficient technical knowledge to explain and demonstrate the product. This will in turn create confidence and desire for the product and service.

The second variable, marketing skill appeared not significant in the model. Marketing skill is the skill of the sales person which is related to knowledge about the industry in general, the

marketing, customers, and competitors in particular. This result also makes sense in the industry under investigation because it is a monopoly with one operator controlling the market. So knowledge about the market and competitors is not that much important for a sales person working under Ethio Telecom.

Surprisingly interpersonal skill of sales person in Ethio Telecom, have statistically insignificant effect on sales performance. Therefore interpersonal skill which is listening, emphatic, optimism and perceived observation skills; appeared that its impact on sales person performance is statistically insignificant.

The final variable in Step 1 salesmanship skill; which is related to adoptable, consultative selling , negotiation and communication style skill; is found to be a significant determinant of sales performance (at 1% level of significant). Since the sales people are enterprise (B2B) this skill is very critical.

Organizational committeemen which is introduced in the 2<sup>nd</sup> step of the hierarchical regression, is found to have a direct effect on personal selling performance. Former researchers in the area of sales performance have only been considering it as a moderator in the relation between sales skills and performance. But it is found in this research that it also directly affect performance of the sales personnel. And the addition of organizational commitment on the second step has improved the goodness of feet ( $R^2$ ) by 3% (at 1% of significant).

On the 3<sup>rd</sup> and final step of the hierarchical regression whether organizational commitment can moderate the relationship between sales skills and personal selling performance is tested. And it is found that organizational commitment has significant moderating effect. As can be referred from Table 8, the addition of the interaction variables improved the percentage of the variance explained by 11% (significant at 1%). Sales skills, even if important determinant of performance, their

## 4.5 Summary of the Findings

The following table summarizes the major findings of the study:

**Table 9: Summary of major findings**

Statement of Hypothesis	Supported?
<b>H1:</b> Technical skills and sales person's performance are significantly and positively related.	Yes
<b>H2:</b> Interpersonal skills and sales person's performance are significantly and positively related	No
<b>H3:</b> Marketing skills and sales person's performance are significantly and positively related.	No
<b>H4:</b> Salesmanship skills and sales person's performance are significantly and positively related.	Yes
<b>H5:</b> Organizational Commitment and sales person's performance are significantly and positively related	Yes
<b>H6:</b> The influence of Sales skills (Technical, Interpersonal, Marketing and Salesmanship) on salesperson performance is higher when organizational commitment is high	Yes

In addition with regards to the relationship between demographic variables and sales performance, Experience and Age of the sales person have positive and significant influence on personal selling performance. On the other hand sex and sales performance are not significantly related, which shows that there is no difference on salesperson's performance weather they are male or female.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATIONS

This chapter focuses on the conclusion of the study. It covers summary of major findings, conclusions and recommendations of the thesis, and limitation and implications for further research.

#### 5.1 Conclusion

From the analysis of the data collected, it can be concluded that:

- ❖ Gender of the sales person, have no significant influence on performance of Ethio Telecom sales persons. Being male or female by itself have no statistically significant evidence to affect the performance level of the sales person in ethio telecom. Thus, ethio telecom should not consider gender in hiring sales executives for the B2B sales in the future which does not add value for the performance of the sales persons.
- ❖ There is sufficient statistical evidence to support significant and positive relationship between Age of the sales person and sales person performance. Thus, ethi telecom should consider the age of the sales persons which could definitely result in higher performance on their sales activities. However, if the company fails to consider age and continue hiring young sales personnel, the sales personnel will continue with their lower performance and this will make difficult for the company to meet its sales target.
- ❖ Experience also appeared to be a significant and positive predictor of sales performance. As the experience of sales person increases their respective performance increases. More experienced sales person has relatively higher performance when compare with that of less experienced sales person.
- ❖ Technical skill and sales person performance are significantly and positively related. Furthermore technical skill is the highest predictor of sales person performance compared to other sales skills. So technical skill is the main predictor of sales success in Ethio Telecom Business to business selling.
- ❖ Next to technical skill salesmanship skill is the second highest predictor of sales performance. Therefore having a sales force with greater salesmanship skill like

negotiation, adaptability, presentation and consultative selling; can significantly improve sales performance.

- ❖ There is no evidence to support both marketing and interpersonal skill impact on personal selling performance.
- ❖ Organizational commitment, which had been only considered as a moderator in previous research, is found to have a significant and a positive direct effect on personal selling performance. The inclusion of organizational commitment have significantly improve the percentage of the variance explain by the model.
- ❖ Finally it is found that not only sales skills are important for an organization sales person to be successful, but also organizational commitment of the sales person which can effectively moderate the impact of sales skills. The addition of moderating variables has significantly improved the percentage of the variance explained by the model.

## **5.2 Recommendation**

The following recommendations can be drawn from the analysis and conclusions made. It is presented in the form of Key Success factors for Ethio Telecom in business to business marketing.

### **Key Success Factor Telecom Personal Selling in Ethiopia**

#### **More experienced sales persons**

By retaining more sales people to stay on their job for longer time, Ethio Telecom can effectively improve the performance of the sales force. For this Ethio Telecom should have benefit packages (both Financial and non-Financial) which are attractive to sales persons. In addition when recruiting sales person one of the criteria should be experience in sales.

#### **Sale persons with Excellent Technical knowledge**

Having excellent knowledge not only in describing the product and understanding how the product work but also in describing and showing the customer using the product and service. To this end Ethio Telecom should use technically knowledgeable sales personnel (either should hire engineers and train them selling or hire marketers and extensively train them on technical function of the product and service).

The bottom line is the sales person should have up-to-date and standard technical skill on: how the product is developed; to what extent it performs; how to use the product (demonstration) and how to configure the product.

#### **Commitment of the sales person toward the organization**

Commitment of the sales person towards the organization is the key success factor in Ethio Telecom context. By both directly affecting and moderating the relationship between sales person performance, organizational commitment contributes positively towards achievement of sales person. So Ethio needs to invest in activities that increase sales person commitment towards the organization. Involving the sales person in planning sales target, designing attractive benefit packages, creating a suitable and attractive working condition, recognizing and appreciating the importance of the sales person, and creating and social network within employee are some of actions that Ethio should do to increase commitment of the sales person.

#### **Salesmanship Skill**

Salesmanship Skill of the sales person; which includes adoptability, consultative selling, negotiation and questioning skills; is also key success factor for telecom personal selling. Ethio Telecom, in addition to technical skill, should give due emphasis and training (both on the job and off the job) salesmanship skills.

### **5.3 Implications for Further Research**

The researcher suggests the following further research arias:

- ❖ Additional researches with samples drawn from differing sales environments, especially researches that rigorously compare different groups of sales people, are needed.
- ❖ In addition it will be better if researchers in the area will employ both supervisory and self-reported method of data collection and cross comparisons are made between the two groups.
- ❖ Furthermore it will be better if additional variables other than sales skills like; Personality, Role perception, Environmental factors and Aptitude; included in the model.

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# APPENDIX

## APPENDIX 1: RESULT OF SPSS

### *Appendix 1A: Cronbach's Alpha*

#### Reliability

#### Scale: Technical Skill

Case Processing Summary

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.923	4

#### Reliability

#### Scale: Marketing Skill

Case Processing Summary

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items

**Case Processing Summary**

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0
		.913	3

**Reliability**

**Scale: Interpersonal Skill**

**Case Processing Summary**

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.887	5

**Reliability**

**Scale: Salesmanship Skill**

**Case Processing Summary**

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items

**Case Processing Summary**

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0
		.897	3

**Reliability**

**Scale: Performance**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.910	2

**Reliability**

**Scale: Organizational Commitment**

**Case Processing Summary**

		N	%
Cases	Valid	107	100.0
	Excluded <sup>a</sup>	0	.0
	Total	107	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.879	6

## Appendix 1B: Predictive and Discriminate Validity

### Correlations

#### Correlations

		Technical Skill of the Sales person	Marketing Skill of sales person	Interpersonal Skill of the sales person	Salesmanship Skill of the sales person	Organizational Commitment of sales person towards the Organization	Sales Persons Performance
Technical Skill of the Sales person	Pearson Correlation	1	.737**	.773**	.733**	.697**	.768**
	Sig. (1-tailed)		.000	.000	.000	.000	.000
	N	107	107	107	107	107	107
Marketing Skill of sales person	Pearson Correlation	.737**	1	.690**	.688**	.593**	.632**
	Sig. (1-tailed)	.000		.000	.000	.000	.000
	N	107	107	107	107	107	107
Interpersonal Skill of the sales person	Pearson Correlation	.773**	.690**	1	.784**	.606**	.697**
	Sig. (1-tailed)	.000	.000		.000	.000	.000
	N	107	107	107	107	107	107
Salesmanship Skill of the sales person	Pearson Correlation	.733**	.688**	.784**	1	.610**	.737**
	Sig. (1-tailed)	.000	.000	.000		.000	.000
	N	107	107	107	107	107	107



Organizational Comitment of sales person towards the Organization	Pearson Correlation	.697**	.593**	.606**	.610**	1	.701**
	Sig. (1-tailed)	.000	.000	.000	.000		.000
	N	107	107	107	107	107	107
Sales Persons Performance	Pearson Correlation	.768**	.632**	.697**	.737**	.701**	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	
	N	107	107	107	107	107	107

\*\* . Correlation is significant at the 0.01 level

(1-tailed).

### *Appendix 1C: Salespersons' Profile*

#### Frequency Table

##### sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	19	17.8	17.8	17.8
	Male	88	82.2	82.2	100.0
	Total	107	100.0	100.0	

##### Age of the sales person

		Frequency	Percent	Valid Percent	Cumulativ e Percent
Valid	25-34 years old	90	84.1	84.1	84.1
	35-45 years old	17	15.9	15.9	100.0
	Total	107	100.0	100.0	

### Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	5	4.7	4.7	4.7
	BA	102	95.3	95.3	100.0
	Total	107	100.0	100.0	

### Experience on sales

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5 years	68	63.6	63.6	63.6
	6-10 years	26	24.3	24.3	87.9
	11-20 years	13	12.1	12.1	100.0
	Total	107	100.0	100.0	

### *Appendix 1D: Descriptive*

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Technical Skill of the Sales person	107	2	5	3.75	0.9
Marketing Skill of sales person	107	2	5	2.93	0.87
Interpersonal Skill of the sales person	107	2	5	3.18	0.99
Salesmanship Skill of the sales person	107	2	5	3.13	0.96
Organizational Comitment of sales person towards the Organization	107	2.33	5	3.3	0.75

Sales Persons Performance	107	1	5	4.09	1.24
Valid N (listwise)	107				

**Appendix 1E: Independent sample T-Tests**

**T-Test**

**Group Statistics**

sex	N	Mean	Std. Deviation	Std. Error Mean
Sales Persons Performance Male	88	5.0057	1.19504	.12739
Female	19	5.4737	1.41886	.32551

Independent Sample Test

	t-test for Equality of Means								
	F	Sig.	t	df	Sig. (2- tailed)	Mean Differ ence	Std. Error Diffe rence	95% Confidence Interval of the Difference	
								Lower	Upper
Sales Persons Performance Equal variances assumed	2.344	.129	-1.496	105	.138	-.3127 .46800	.3127 5	1.088 12	.15212
Equal variances not assumed			-1.339	23.821	.193	-.3495 .46800	.3495 5	1.189 72	.25372

**T-Test**

**Group Statistics**

	Education level	N	Mean	Std. Deviation	Std. Error Mean
Sales Persons Performance	Diploma	5	5.4000	.65192	.29155
	BA	102	5.0735	1.26530	.12528

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Sales Persons Performance	Equal variances assumed	1.212	.273	.571	105	.569	.32647	.57139	-.80650	1.45944
	Equal variances not assumed			1.029	5.606	.346	.32647	.31733	-.46342	1.11636

**T-Test**

**Group Statistics**

	Age of the sales person	N	Mean	Std. Deviation	Std. Error Mean
Sales Persons Performance	25-34 years old	90	4.9667	1.26491	.13333
	35-45 years old	17	5.7353	.90342	.21911

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2- tailed)	Mean Differen- ce	Std. Error Differen- ce	95% Confidence Interval of the Difference	
									Lower	Upper
Sales Persons Performance	Equal variances assumed	.307	.581	2.389	105	.019	-.76863	.32178	1.40666	-.13060
	Equal variances not assumed			2.997	29.320	.006	-.76863	.25649	1.29296	-.24429

## Appendix 1F: ANOVA

### Oneway

#### Descriptives

Sales Persons

Performance

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1	68	4.8015	1.37987	.16733	4.4675	5.1355	1.00	7.00
2	26	5.5577	.63760	.12504	5.3002	5.8152	4.00	7.00
3	13	5.6538	.94394	.26180	5.0834	6.2243	4.00	7.00
Total	107	5.0888	1.24350	.12021	4.8505	5.3271	1.00	7.00

## ANOVA

Sales Persons Performance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.481	2	7.740	5.424	.006
Within Groups	148.426	104	1.427		
Total	163.907	106			

### Post Hoc Tests

#### Multiple Comparisons

Sales Persons Performance

Tukey HSD

(I)	(J)	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1 Experian ce on sales	2 Experian ce on sales	-.75622*	.27546	.019	-1.4112	-.1012
	3 Experian ce on sales	-.85238	.36162	.053	-1.7122	.0075
2 Experian ce on sales	1 Experian ce on sales	.75622*	.27546	.019	.1012	1.4112
	3 Experian ce on sales	-.09615	.40580	.970	-1.0610	.8687
3 Experian ce on sales	1 Experian ce on sales	.85238	.36162	.053	-.0075	1.7122
	2 Experian ce on sales	.09615	.40580	.970	-.8687	1.0610

\*. The mean difference is significant at the 0.05 level.

## Appendix 1F Hierarchical Regression Analysis

### Regression

#### Variables Entered/Removed<sup>b</sup>

Model	Variables Entered	Variables Removed	Method
1	Salesmanship Skill of the sales person, Marketing Skill of sales person , Technical Skill of the Sales person , Interpersonal Skill of the sales person <sup>a</sup>	.	Enter
2	Organizational Commitment of sales person towards the Organization <sup>a</sup>	.	Enter
3	Interpersonal Skill x Organizational commitment, Technical Skill x Organizational commitment, Salesmanship Skill x Organizational commitment, Marketing Skill x Organizational commitment <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: Sales Persons Performance

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.811 <sup>a</sup>	.657	.644	.74240	.657	48.847	4	102	.000
2	.830 <sup>b</sup>	.690	.674	.70967	.033	10.626	1	101	.002
3	.894 <sup>c</sup>	.799	.780	.58272	.109	13.200	4	97	.000

## ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	107.689	4	26.922	48.847	.000 <sup>a</sup>
	Residual	56.218	102	.551		
	Total	163.907	106			
2	Regression	113.040	5	22.608	44.891	.000 <sup>b</sup>
	Residual	50.866	101	.504		
	Total	163.907	106			
3	Regression	130.969	9	14.552	42.856	.000 <sup>c</sup>
	Residual	32.937	97	.340		
	Total	163.907	106			



**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.982	.455		-2.161	.033
	Technical Skill of the Sales person	.622	.144	.452	4.334	.000
	Marketing Skill of sales person	.025	.131	.017	.188	.851
	Interpersonal Skill of the sales person	.089	.135	.071	.663	.509
	Salesmanship Skill of the sales person	.438	.131	.338	3.348	.001
2	(Constant)	-1.843	.508		-3.624	.000
	Technical Skill of the Sales person	.457	.146	.332	3.122	.002
	Marketing Skill of sales person	-.016	.126	-.011	-.124	.901
	Interpersonal Skill of the sales person	.072	.129	.057	.562	.575
	Salesmanship Skill of the sales person	.386	.126	.298	3.063	.003
	Organizational Commitment of sales person towards the Organization	.429	.132	.259	3.260	.002
3	(Constant)	-11.099	2.152		-5.156	.000
	Technical Skill of the Sales person	.536	.188	.390	2.856	.005
	Marketing Skill of sales person	1.808	.863	1.264	2.094	.039
	Interpersonal Skill of the sales person	.539	.148	.427	3.632	.000
	Salesmanship Skill of the sales person	-.020	.594	-.016	-.034	.973
	Organizational Commitment of sales person towards the Organization	2.438	.413	1.472	5.899	.000
	Technical Skill x Organizational commitment	-.053	.047	-.317	-1.132	.261
	Marketing Skill x Organizational commitment	-.321	.157	-1.869	-2.042	.044
	Interpersonal Skill x Organizational commitment	-.158	.029	-.934	-5.443	.000
	Salesmanship Skill x Organizational commitment	.119	.113	.737	1.048	.297

a. Dependent Variable: Sales Persons Performance

### Excluded Variables

Model		Beta	t	Sig.	Partial Correlation	Collinearity Statistics
		In			ion	Tolerance
1	Organizational Commitment of sales person towards the Organization	.259 <sup>a</sup>	3.260	.002	.309	.487
	Technical Skill x Organizational commitment	.126 <sup>a</sup>	1.034	.304	.102	.225
	Marketing Skill x Organizational commitment	.374 <sup>a</sup>	2.260	.026	.219	.118
	Interpersonal Skill x Organizational commitment	-.083 <sup>a</sup>	-.661	.510	-.066	.217
	Salesmanship Skill x Organizational commitment	.338 <sup>a</sup>	2.102	.038	.205	.126
2	Technical Skill x Organizational commitment	-.971 <sup>b</sup>	-4.173	.000	-.385	.049
	Marketing Skill x Organizational commitment	-1.694 <sup>b</sup>	-3.040	.003	-.291	.009
	Interpersonal Skill x Organizational commitment	-1.003 <sup>b</sup>	-6.101	.000	-.521	.084
	Salesmanship Skill x Organizational commitment	-1.186 <sup>b</sup>	-2.690	.008	-.260	.015



## APPENDIX 2: QUESTIONNAIRE ITEMS



### **The Impact of Sales Skills on Personal Selling Performance:**

*The Case of Ethio Telecom Enterprise (B2B) Salas Personnel*

**St. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**(Master's Program)**

**A Questionnaire to be filled by Enterprise (Business to Business) Sales Supervisors**

Dear Respondent,

This questionnaire is prepared to conduct a research entitled with “**The Impact of Sales Skills on Personal Selling Performance: *The Case of Ethio Telecom Enterprise (B2B) Salas Personnel***”, which is prepared in partial fulfillment of Master's Degree in Business Administration. Also I would like to inform you that it is only for academic purpose, and I kindly request you to fill the questionnaire honestly with care. When you fill the questionnaire please consider all sales persons under your supervision.

**Part I: Demographic Data of the sales person (To be enumerated by the Researcher)**

Sex	<input type="checkbox"/>	Male	<input type="checkbox"/>	Female
Age	<input type="checkbox"/>	18- 25 years old	<input type="checkbox"/>	26-35years old
	<input type="checkbox"/>	36-45 years old	<input type="checkbox"/>	above 45 years old
Education	<input type="checkbox"/>	High school completed	<input type="checkbox"/>	Diploma
	<input type="checkbox"/>	Bachelor degree	<input type="checkbox"/>	Master's Degree
Experience	<input type="checkbox"/>	0- 5 years	<input type="checkbox"/>	6-10 years
	<input type="checkbox"/>	11-20 years	<input type="checkbox"/>	Greater than 20 years

**Part II: Scale Questions**

**Please give score from 0 to 5 rating the sales skills, organizational commitment and performance of those sales persons under your supervision parallel to each statement under the score column as follows:**

1= strongly disagree

2= Disagree

3= neither agree nor disagree

4= Agree

5= strongly agree

<b>Statement</b> :when you rate the below questions, assume one of your sales person under your supervision	<b>Score</b>
<b>Technical skill</b>	
1. He/she has excellent knowledge about product development.	
2. He/she has excellent knowledge of product performance.	
3. He/ She has excellent knowledge of delivery process.	
4. He/ She has excellent knowledge of product features.	
<b>Marketing skills</b>	
1. He/ She always have a real time information	
2. He/ She has a lot information on industry trends	
3.He/ She is well informed about important events in our industry	
<b>Interpersonal skills</b>	
1.He/ She has excellent ability to express oneself	
2.He/ She has excellent ability in general speaking	
3.He/ She has excellent awareness and understanding of the customer	
4.He/ She is excellent in controlling and regulating emotion	
5. He/ She has excellent ability to influence	
<b>Salesmanship skills</b>	
1.He/ She has excellent ability to influence the customer to buy	
2. He/ She has excellent ability in presenting offers to customers	
3.He/ She has excellent ability to service customers	

<b>Sales person Performance</b>	
1. He/ She is excellent in generating high level of sales	
2. He/ She is very effective in exceeding sales targets	
<b>Organizational commitments</b>	
1.He/ She puts a great deal of effort	
2.He/ She accept any type of assignment	
3. He/ She has values similar to company	
4. He/ She is proud to be associated with organization	
5. He/ She is glad she/he is employed by the company	
6. He/ She care about the fate of the company	