

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

The Determinants of Sales Force Turnover in FMCG Industry – An Empirical Study in Sri Lankan Context

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Abstract:

This study focused on determining the key factors contributing to the Sales Force Turnover in the FMCG industry in Sri Lanka based on the previous researches done on the same subject in different contexts.

With the rapid economic development during the post war era, the entire FMCG industry in Sri Lanka faced with a problem of recruiting and retaining the front liners of their Sales Force. It was revealed that the turnover of Sales people was almost double when compared to the other employees in the same FMCG companies. Therefore this empirical study was done to identify salient points contributing to the situation.

A survey was conducted amongst a sample of sales Representatives in FMCG companies in Sri Lanka using the 7 point Likert Scale based on the questions derived from the literature review. The results of 264 properly filled questionnaires from the survey were analyzed using parametric tests such as mean for the central tendency, standard deviation for variability and Pearson's r for association.

A total of 17 different variables were tested under 4 factors namely External, Organizational, Work related and Personal. The analysis revealed that Organizational and Work Related factors have a significant influence towards the staying or quitting of the Sales Representatives from their companies. Personal factors had a marginal effect while External factors were identified as not influential.

The study had the limitation of been conducted amongst only 4 different sectors of FMCG industry and using only male Company Sales Representatives while the market comprised a large number of sectors and employed almost a similar number of Distributor's Sales Representatives and a marginal number of females.

Keywords: FMCG, Sri Lanka, Sales Force Turnover

1. Introduction

Identifying, acquiring, and retaining top sales talent remains a priority in many sales organizations because salesperson turnover remains such an intractable management problem (Boles et al., 2012). Sales function has been identified in the recent past as one of the top 10 jobs in the market that is difficult to fill (Fournier et al., 2010; Rivera, 2007). The replacement cost of a sales person can sometimes go up to 200% of the annual salary (Griffeth and Horn 2001). This could be a major cost to the organization since the turnover in the sales profession has been identified as double when compared to the other functions in the Company (Richardson 1999).

The sales force of the FMCG companies in Sri Lanka covers the entire island and therefore the number of sales personnel employed by the industry is high. The ideal FMCG sales force comprises 3 different channel focused sales teams. Grocery Sales force covers the entire Island while the HORECA (Hotels, Restaurants and Catering) sales team mainly concentrating in the western province and areas with a high density of tourists hotels. The Modern Trade sales team is mostly confined to Colombo since all Supermarket chains are controlled by their head offices in the capital. The FMCG Products are targeted to the masses and the task of the organization is to make them available, visible and accessible for all across the country. Therefore, usually the Grocery sales force is by far high in numbers. There are about 250,000 outlets in the Island and the products marketed by large organizations i.e. Unilever, Ceylon Biscuits, GSK, Hemas, Nestle etc. are available in more than 150,000 outlets (Nielsen - 2016). Except a few mega operators, many FMCG companies do not visit all those outlets. They mainly concentrate of urban and semi urban customers and use the wholesalers to cater the small outlets situated in interior and peripheries. However even for that purpose, all national level FMCG companies have to deploy large sales forces that would be based in the respective locations and assigned to work for one or more of the nominated distributors of the company. It is a fact that the organizations are using the sales team to manage the customer relationship (Bradford et al., 2010). Therefore, when someone who handles a geographical sales territory leaves the organization, the Company not only loses sales in the immediate future but also lose sales in a longer term to the competition in those areas since the brand

switching in the FMCG industry has low barriers. This is fueled by losing the display spaces to the competitors that was maintained by the sales person through his relationship with the customer.

A survey conducted by the researcher on the Top 20 best FMCG Companies in Sri Lanka based on the availability of their products (source – Nielsen) revealed that almost 100% of Sales Representatives who were the frontlines of those companies were males. There were very little number of females involved in selling high end Feminine Beauty Care products but they were mostly doing personal selling. Educational qualification to enter a well-known FMCG company as a Sales Representative must be minimum GCE (O/L) qualifications with prior selling experience of 2 – 3 years. Those who would join as Trainee Sales Representatives need GCE (A/L) qualifications. They will face an aptitude test to check their skills in calculations and their selling skills are tested at the interviews. Most of the sales representatives are school leavers and do not possess other educational qualification at the time of entry. They should be good communicators with a friendly attitude and prepared to travel a vast geographical area to meet their customers and usually have to be street smart. Their earning capacity is higher than of someone with the same educational background due to their fixed salaries and incentives in addition to other expenses borne by the company such as lunch, travelling and rent allowances etc.

The demand for the Sales Representatives increased rapidly with the expansion of distribution across the island after the end of the war in 2009. To meet the initial demand, many companies transferred Tamil speaking sales people to the newly opened areas in North and East. But the market has not been able to supply the vacuum created with this new opening. When compared to other professions, there was no institute to produce the required sales professionals while Chartered Institute of Management Accountants (CIMA), Association of Accounting Technicians (AAT) and Chartered Accountants (CA) etc. produced Finance people, Chartered Institute of Marketing (CIM), Sri Lanka Institute of Marketing (SLIM) and many others institutions were creating Marketing professionals. Even the Universities did not produce graduates specialized in sales management. At the same time, there was a sudden boom in many other sectors such as Banking, Insurance, Finance/Leasing and Telecommunications companies with opening up of large number of branches across the country. Many youth both male and female were competing with each other to join them and the FMCG industry failed to attract them for the sales vacancies existed in their organizations.

During the survey conducted by the researcher with a selected sample of a total number of 10 medium and large scales FMCG companies it was revealed that the annual sales force turnover (voluntarily) was at minimum 24% and going up to 78%. In the same 10 organizations, the annual total employee turnover was ranging from 14% to 29%.

Lot of research work has been done by many researchers such as Farris, (1971); Muchinsky and Tittle, (1979); Lucas et al., (1987); Johnston et al., (1988) etc. to identify the probable influencing factors for this situation. But there was nothing found in a similar magnitude focusing on the FMCG Industry in Sri Lanka during the post war era. This study will directly provide a new knowledge to the entire FMCG industry in Sri Lanka as to how they should safe guard one of their most valuable assets, the Sales Force. The findings should be contributing in solving a long standing problem faced by the management. The outcome of the research will clearly explain the variables positively or negatively affecting the intention to leave by the Sales Representatives. These results will help the organization to identify where they are strong and where they are weak and take remedial actions accordingly. The Sales and Human Resource Managers of the FMCG companies in Sri Lanka can adopt these factors into their recruitments processes. Also can use when preparing policies and procedures with regards to promotions, transfers, training and development for the Sales Force.

It is difficult to find a linier relationship between the sales force turnover and the social image and stability of the company. The problem was somewhat similar to high performing multinational/local companies as well as to the medium level average performing organizations. Therefore it is important to clearly understand the key determinants of the Sales Force turnover and what are the most influential factors amongst them in the FMCG industry in Sri Lanka. Therefore, based on the objective of the study and its expected contribution to the knowledge, the most important question for which we have to find answers would be what are the key determinant factors of sales force turnover in the FMCG industry in Sri Lanka and which determinants are more influential.

2. Literature Review

Cotton and Tuttle (1986) justify their efforts on meta-analysis saying it was easy to summarize more than 120 research papers done on the same subject than doing a traditional review. The final analysis of them has proven that there is a strong correlation on 16 factors with employee turnover towards positive or negative direction. They have taken two factors as external factors and under them, employment perception about the organization has been mentioned as a positive factor towards intention to quit while a presence of a Union has been taken as a negative influence. During their analysis they have noted another 6 factors as structural or work related factors. All these factors have been identified as negative influences. The pay and the satisfaction with pay have been taken as two factors. Satisfaction with work itself and satisfaction with supervision are the next two factors while organizational commitment and overall job satisfaction have been taken as the last two factors. Under the personal characteristics of the employee, they have identified a total of 8 factors. Ages, tenure, number of dependents and meeting of expectations have been taken as 4 negative factors. Education and behavioral intensions have been identified as positively influencing factors while gender has been taken as a positive factor for female employees. Biographical information was the last factor but without any specific direction. Cotton and Tuttle (1986) strongly believe that research on employee turnover needs to include the industry, employee population, nationality, and related variables. Also

they say that additional factors such as organizational size, job characteristics, organizational structure, and other organizational factors also seem ripe for study.

Hausknecht et al. (2008) who studied the literature that have been published over the last 60 years surveying 24,829 employees has listed 12 major retention factors which help explain why employees stay or quit. His first factor found from the reviews was the Job Satisfaction of the employee. It means the degree to which the employee likes his job. The amount of pay, benefits or equivalents in return for the services rendered by the employee (known as extrinsic rewards) is the next. The 3rd factor was the constitution attachments that can be explained as the degree of attachment to individuals associated with the organization such as supervisor, coworkers, or customers. The degree to which individual's identify with and are involved in the organization is known as the organizational commitment and that has been identified as the 4th factor while Organizational prestige, the degree to which the organization is perceived to be reputable and well-regarded was the other factor identified by him. If the employee believes that there are no opportunities available outside the organization, it is called lack of alternative which has been taken as the 6th factor.

The next factor affecting the retention of the employee is his perception about the length of service within the organization and that is called the investment. Advancement opportunities are taken as the 8th factor which explains the amount of potential for the employee's movement to higher levels within the organization. The closeness of the work place to the home of the employee has been taken as the next. The perception about the fairness of reward allocations, policies and procedures, and interpersonal treatment known as the Organizational justice was the 10th factor. The nature of the work schedule or hours known as Flexible work arrangements and the existence of responsibilities and commitments outside of the organization which is called non-work influences have been taken as the last 2 employee retention factors.

A similar study has been conducted by Ghosh et al (2013) explaining the factors predicting employees intention to stay. Their research paper has produced a very important summary of factors influencing employee retention and they have been divided into 10 different areas. Organizational commitment, job satisfaction, work environment and compensation are common to previously sighted literature as well. In addition to them, they have brought in employee engagement, challenging assignments, training and development, work life balance, job stress and organizational culture into the study and concluded all of them as factors to predict the intention to quit of the employees.

Generally in the annual reviews or appraisals with the staff, most of the above factors are discussed at length. Some organizations conduct periodical employee surveys. That information is important to take remedial actions if a performing employee is dissatisfied. A common method used by many is to have the exit interviews and ask the employee who is leaving to explain reasons. But then it is too late. Therefore a suitable method is to understand what the researchers have found in their research work and relate them to the situations to identify probable reasons and take necessary action.

But when you critically evaluate literature, you may sometimes find contradicting answers. In the above literature purposely selected from 3 different time periods, you can see some of the factors identified by Cotton and Tuttle (1986) are not in the findings of Ghosh et al (2013) which is conducted after more than 26 years. Some factors are universal and have no time barrier when it comes to the intention to quit by an employee. Factors such as organizational commitment, satisfaction with the compensation, job satisfaction and work environment have been affecting the decision of the employees when they want to quit the organization. But the factors such as union presence, age and education of the employee have been replaced with more recent issues with the changing lifestyles i.e. job stress, work life balance, training and development etc. Therefore it is important to understand these changing factors clearly to reduce the effect of Staff turnover.

The above theory of changing factors with the time is always not correct when you study the literature. There are 5 reasons identified by Herman (1999) and he has mentioned them as dissatisfaction with pay, poor relationship with the colleagues at work place, lack of promotional opportunities, inadequate support from the organization and organizational culture. The study conducted by Abbasi and Hallman (2000) also has identified 5 reasons. Unfavorable work environment, poor compensation package, management style, irregularities in hiring process and lack of recognition are those factors. Following year in the research conducted by Walker (2001) he has mentioned 7 factors to retain the performing employees. Challenge of the task entrusted, learning opportunities provided by the company, performance appreciation, recognition of the contribution, relationship with coworkers, proper communication from the organization and work life balance. Above are three studies done in 1999, 2000 and 2001 but still there is very little agreement on the salient factors contributing to the employee retention. Based on primarily the research done by Cotton and Tuttle (1986) and Hausknecht et al. (2008), the following factors will be taken into the conceptual framework. Accordingly, the hypotheses are formulated to test the relationship between external, organizational, work related and personal factors on the sales force turnover. (Boles et al. 2012, Cotton and Tuttle 1986, Farris 1971, Fournier et al. 2010, Ghosh et al. 2013, Lucas et al. 1987 and Hausknecht et al. 2008)

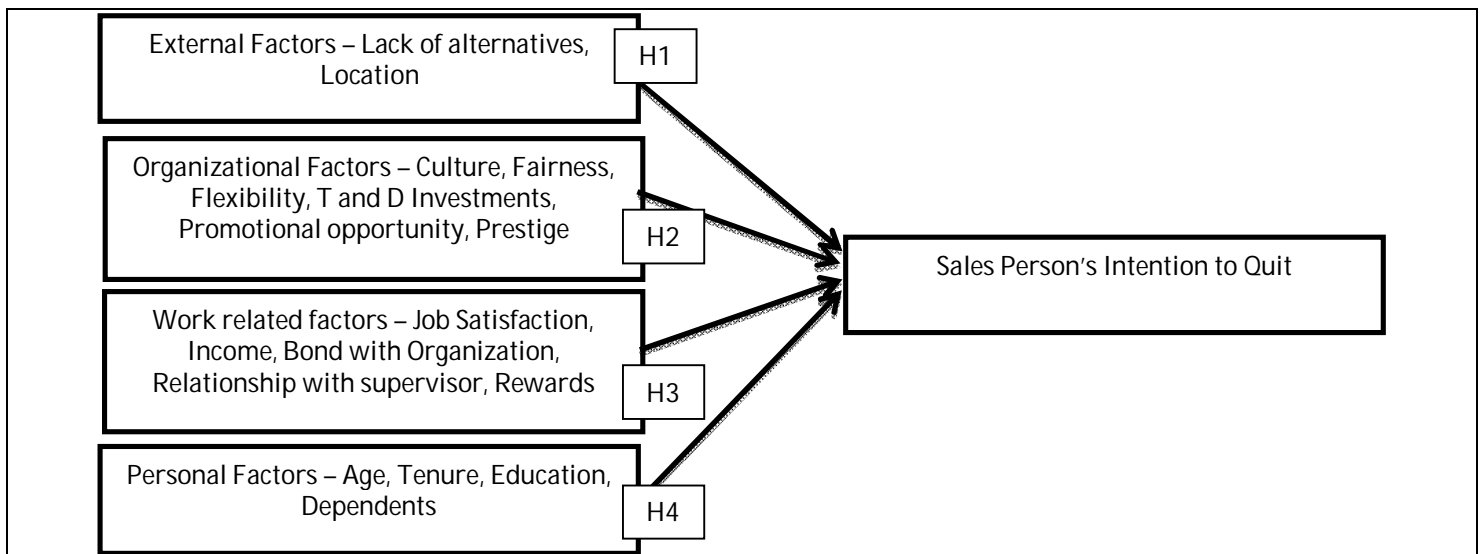


Figure 1

Hypotheses

- H1 - External Factors of the organization has an impact on the Intention to quit.
- H2 - Organizational Factors have an impact on the Intention to quit.
- H3 - Work related Factors of the organization has an impact on the Intention to quit.
- H4 - Personal Factors of the Sales Person has an impact on the Intention to quit.

3. Methodology

The research was done for the identification of the effect of various factors on the sales force turnover in the FMCG industry in Sri Lanka as mentioned in above hypotheses. Therefore, only the primary data was used for the study. The study was confined to the large and medium scale FMCG companies operating in Sri Lanka and lists of those companies were obtained from the Nielsen Report who was analyzing the performance of them in relation to the availability of their products for their annual published rankings.

The target population of the study was the entire sales force of all FMCG companies operated within Sri Lanka. The research objective was to find how 17 different questions under 4 different factors (external, organizational, work related and personal) affect their decision on stay or quit the company. Therefore the sample unit in the study was each FMCG Sales Representative. There was no proper information available about the total population of Sales Representatives working in the FMCG industry in Sri Lanka. An estimate was given by industry experts and 2 Consumer research companies (Nielsen and LMRB) that it could be in the region of 15,000. Therefore according to the table of determining sample size for a known population, a sample of 412 sales representatives were selected from well-known large and medium scale 4 FMCG companies involved in Confectionery, Stationery, Personal Care and Electric Bulbs based on convenient sampling method. The questionnaire was prepared based on the literature (primarily based on the work done by Cotton and Tuttle, 1986 and Hausknecht et al. 2008) first in English and that was translated into Sinhala. Then the translated copy of Sinhala was again translated to English by another party to check the accuracy.

There were some nominal data to be collected from the participants with regard to their age, years of experience, service with the current company, civil status and education level. However, other 17 questions were answered by the respondent on a 7 level Likert Scale to collect ordinal data. Developed in 1932 by Rensis Likert to measure attitudes, the typical Likert scale is a 5- or 7-point ordinal scale used by respondents to rate the degree to which they agree or disagree with a statement. In an ordinal scale, responses can be rated or ranked, but the distance between responses is not measurable. Thus, the differences between "strongly agree," "agree," and "not agree" on a frequency response Likert scale are not necessarily equal. In other words, one cannot assume that the difference between responses is equidistant even though the numbers assigned to those responses are. A Likert scale, on the other hand, is composed of a series of four or more Likert-type items that are combined into a single composite score/variable during the data analysis process. Combined, the items are used to provide a quantitative measure of a character or personality trait. Typically the researcher is only interested in the composite score that represents the character/personality trait. In the survey, we will be more interested in following this approach.

The 412 questionnaires were handed over to the respective Sales Managers of the identified 4 companies to cover the total number of sales representatives working in those companies on permanent basis. Forms were handed over to the sales reps at their monthly conferences and collected on the same day by the respective Sales Managers. Total number of 344 filled survey forms was returned and when analyzed, there were only 264 properly completed survey forms. Therefore the final analyses were done with the responses of 264 sales representatives.

4. Summary of Data

The entire sample was males. None of the selected companies had female sales representatives. Even the other members of the sales force i.e. Sales Executives, Area Sales Managers were males.

	Frequency	Percentage	Cumulative Percentage
Less than 20 years	6	2.3%	2.3%
> 20 years < 25 years	73	27.7%	29.9%
> 25 years < 30 years	92	34.8%	64.8%
> 30 years < 35 years	59	22.3%	87.1%
> 35 years	34	12.9%	100.0%
Total	264	100.0%	

Table 1: Age Analysis

	Frequency	Percentage
Single	136	51.5%
Married no children	28	10.6%
Married with children	100	37.9%
Total	264	100.0%

Table 2: Civil Status

	Frequency	Percentage
GCE OL	37	14.0%
GCE AL	218	82.6%
Diploma	7	2.7%
University Graduate	2	.8%
Total	264	100.0%

Table 3: Education level

	Frequency	Percentage	Cumulative Percentage
less than one year	42	15.9%	15.9%
> 1 year < 3 years	47	17.8%	33.7%
> 3 years < 5 years	50	18.9%	52.7%
> 5 years < 10 years	80	30.3%	83.0%
> 10 years	45	17.0%	100.0%
Total	264	100.0%	

Table 4: Total experience as a Sales Representative

	Frequency	Percentage	Cumulative Percentage
Less than 1 year	78	29.5%	29.5%
> 1 year < 3 years	68	25.8%	55.3%
> 3 years < 5 years	47	17.8%	73.1%
> 5 years < 10 years	52	19.7%	92.8%
> 10 years	19	7.2%	100.0%
Total	264	100.0%	

Table 5: Service with the current company as a Sales Representative

When analyzing above information of the selected sample, it is evident that majority of the Sales Representatives, 87.1% are below the age of 35 years. Little more than half of them, 51.5% are still single. It means that more than half of this sample does not have the responsibility of maintaining their own family. Very large majority of 82.6% of them have got through their Advance Level exams. People with higher education are only 3.5% while the university graduates are less than 1%. There are 47.3% of them with more than 5 years' experience as sales representatives while 17% have worked more than 10 years at the same level. It is evident that they change the job from one company to another since the number is much less when you look at their experience with the current company. There are only 26.9% who have more than 5 years tenure with the current company while more than 10 years is only 7.2%. We should not forget that this sample is quite capable of providing a valuable feedback to the questionnaire since 66.2% them have more than 3 years of experience as Sales Representatives.

4.1. Analysis of 17 Variables under 4 Factors

We have already divided all 17 factors selected through previous researches into 4 main categories namely External, Organizational, Work related and Personal factors. Statements were worded in a way to obtain higher marks for a positive relationship towards staying with the organization. In the Likert scale, 1 (one) was representing 'Strongly Disagree' and 7 was representing 'Strongly Agree'. Therefore the low marks on the statement that I will not leave the organization because there are no outside opportunities mean having outside opportunities is not important for me to leave my company. The other statement was related to the closeness of the working territory to home. The mean, standard deviation and the correlation factor on the answers given by the sample on the External Factors are as follows.

Item Statistics			
	Mean	Std. Deviation	N
No outside Opportunity	2.12	1.456	264
Close to home	3.90	2.154	264
Average Mean	3.01		

Table 6

Correlations			
		Close to home	No outside Opportunity
Close to home	Pearson Correlation	1	.024
	Sig. (2-tailed)		.692
	N	264	264
No outside Opportunity	Pearson Correlation	.024	1
	Sig. (2-tailed)	.692	
	N	264	264

Table 7

The above chart shows that the average mean value is low and there is no significant correlation between the 2 tested factors. The same information on Organizational Factors is explained below.

Item Statistics			
	Mean	Std. Deviation	N
Promo opportunities	6.22	.981	264
Company Prestige	5.79	1.574	264
Company Culture	5.44	1.656	264
Fairness of company	5.85	1.321	264
Flexibility of company	4.94	1.842	264
Training and Developments	5.03	1.748	264
Average Mean	5.54		

Table 8

Correlations							
		Company Prestige	Fairness of company	Flexibility of company	Promo ops not leaving	Training and Developments	Company Culture
Company Prestige	Pearson Correlation	1	-.002	.169**	.057	.002	.190**
	Sig. (2- tailed)		.973	.006	.358	.970	.002
	N	264	264	264	264	264	264
Fairness of company	Pearson Correlation	-.002	1	.272**	.225**	.130*	.129*
	Sig. (2- tailed)	.973		.000	.000	.034	.037
	N	264	264	264	264	264	264
Flexibility of company	Pearson Correlation	.169**	.272**	1	.068	.090	.099
	Sig. (2- tailed)	.006	.000		.271	.143	.108
	N	264	264	264	264	264	264
Promo opportunities	Pearson Correlation	.057	.225**	.068	1	.063	.081
	Sig. (2- tailed)	.358	.000	.271		.311	.188
	N	264	264	264	264	264	264
Training and Developments	Pearson Correlation	.002	.130*	.090	.063	1	.235**
	Sig. (2- tailed)	.970	.034	.143	.311		.000
	N	264	264	264	264	264	264
Company Culture	Pearson Correlation	.190**	.129*	.099	.081	.235**	1
	Sig. (2- tailed)	.002	.037	.108	.188	.000	
	N	264	264	264	264	264	264

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 9

The findings show that the average mean of the 6 variables is high. Also it shows that there is a 0.01 level significant positive correlation between Company Prestige with Flexibility of the company, Company Prestige with Culture of the company, Fairness of the company with Flexibility of the company, Fairness of the Company with Promotional Options within the company and Training & Development with Culture of the company. Also it shows that there is a 0.05 level significant positive correlation between Fairness of the company with Training & Development and Fairness of the company with Company Culture.

Now let's take a look at the Work Related Factors.

Item Statistics			
	Mean	Std. Deviation	N
Job Satisfaction	5.69	1.438	264
Income	5.53	1.688	264
Supervisor Relationship	4.48	2.201	264
Bond with Company	5.05	1.829	264
Rewards and recognitions	5.64	1.594	264
Average Mean	5.28		

Table 10

Correlations						
		Job Satisfaction	Income	Supervisor Relationship	Bond with Company	Rewards and recognitions
Job Satisfaction	Pearson Correlation	1	.119	.055	.118	-.048
	Sig. (2-tailed)		.053	.375	.055	.439
	N	264	264	264	264	264
Income	Pearson Correlation	.119	1	.139*	.018	.151*
	Sig. (2-tailed)	.053		.024	.771	.014
	N	264	264	264	264	264
Supervisor Relationship	Pearson Correlation	.055	.139*	1	.086	.171**
	Sig. (2-tailed)	.375	.024		.162	.005
	N	264	264	264	264	264
Bond with Company	Pearson Correlation	.118	.018	.086	1	.039
	Sig. (2-tailed)	.055	.771	.162		.523
	N	264	264	264	264	264
Rewards and recognitions	Pearson Correlation	-.048	.151*	.171**	.039	1
	Sig. (2-tailed)	.439	.014	.005	.523	
	N	264	264	264	264	264

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Table 11

The findings show that the average mean of the 5 variables is high. Also it shows that there is a 0.01 level significant positive correlation between Supervisor Relationship with Rewards and Recognition. Also it shows that there is a 0.05 level significant positive correlation between Income with Supervisor Relationship and Income with Rewards and Recognition. The last category is Personal factors.

Item Statistics			
	Mean	Std. Deviation	N
Long service	3.20	1.986	264
High age not leaving	3.29	1.950	264
High Edu easy to leave	4.48	1.944	264
Family dependents	5.44	1.527	264
Average Mean	4.10		

Table 12

Correlations					
		Long service	High age not leaving	High Edu easy to leave	Family dependents
Long service	Pearson Correlation	1	-.045	.038	.171**
	Sig. (2-tailed)		.469	.536	.005
	N	264	264	264	264
High age not leaving	Pearson Correlation	-.045	1	-.022	-.052
	Sig. (2-tailed)	.469		.723	.404
	N	264	264	264	264
High Edu easy to leave	Pearson Correlation	.038	-.022	1	.093
	Sig. (2-tailed)	.536	.723		.131
	N	264	264	264	264
Family dependents	Pearson Correlation	.171**	-.052	.093	1
	Sig. (2-tailed)	.005	.404	.131	
	N	264	264	264	264

** Correlation is significant at the 0.01 level (2-tailed).

Table 13

The findings show that the average mean of the 4 variables is at the middle level. Also it shows that there is a 0.01 level significant positive correlation between Long service with the company and Family dependence on the Sales Person. The following table shows the mean averages of all 17 items in descending order as marked by the sample and the respective clusters they belong to.

Item Statistics			
	Mean	Std. Deviation	Factor
Promo opportunities	6.22	0.981	Organizational
Fairness of company	5.85	1.321	Organizational
Company Prestige	5.79	1.574	Organizational
Job Satisfaction	5.69	1.438	Work Related
Rewards and recognitions	5.64	1.594	Work Related
Income	5.53	1.688	Work Related
Family dependents	5.44	1.527	Personal
Company Culture	5.44	1.656	Organizational
Bond with Company	5.05	1.829	Work Related
Training and Developments	5.03	1.748	Organizational
Flexibility of company	4.94	1.842	Organizational
High Education easy to leave	4.48	1.944	Personal
Supervisor Relationship	4.48	2.201	Work Related
Close to home	3.90	2.154	External
High age not leaving	3.29	1.950	Personal
Long service	3.20	1.986	Personal
No outside Opportunity	2.12	1.456	External
Average Mean	4.83		

Table 14

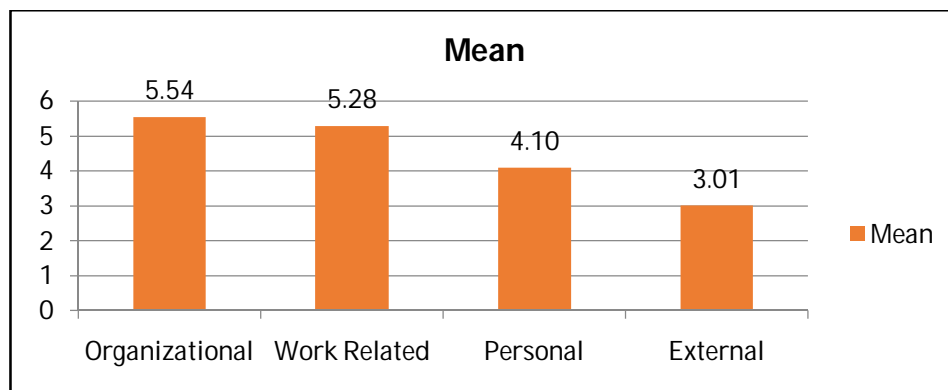


Figure 2

5. Conclusion

The results of the survey reveal that the Organizational Factors followed by the Work Related Factors are the most influential variables for a sales representative in the FMCG industry in Sri Lanka to stay or quit from the organization.

All Organizational factors tested had a high effect on the decision based on the mean averages. The mean of each variable was more than the mean average of all variables taken together. Also Pearson's correlation matrix revealed that there is a significant relationship between many variables within the 6 factors tested under that category. Altogether 5 significant relationships were noticed. Out of the 5 Work Related factors, 4 variables were having a high influence on the decision of the sales people except the Relationship with Supervisor. It had a mean average below the group average and the answer was closer to 'neither agree nor disagree'. The Pearson's correlation matrix found 2 significant relationships within the variables.

On average, the Personal Factors related to the sample had neither positive nor negative effect on the decision to stay or quit the organization. Only somewhat effective variable was the 'Dependents of the sales person'. It was having some effect to the decision when many in the family depended on the sales person. Also Pearson's correlation found one significant relationship within the variables. The last one, External Factors were proven to be not having any influence to the decision of the sales person based on the survey. Both variables tested under the above were rejected as disagree or somewhat disagree when the respondent was asked about their effect.

Based on the above results, Hypothesis 1 (External Factors of the organization has an impact on the Intention to quit) was rejected while Hypothesis 2 (Organizational Factors have an impact on the Intention to quit) and 3 (Work related Factors of the organization has an impact on the Intention to quit) were proven to be true. Hypothesis 4 (Personal Factors of the Sales Person has an impact on the Intention to quit) was not fully rejected but identified as less influential to the decision of the Sales Representative to stay or quit from the job.

6. Limitations of the Study

The survey was conducted with a limited sample of only 4 semi segments of the FMCG Industry in Sri Lanka and the sample was only male sales representatives. Although the inquiries made by the researcher revealed that the number of female sales representatives are very minimal, it was found that a few are working primarily in Personal Care industry. Therefore it will be prudent if the survey can be widespread to many categories under the industry and also include some female respondents. The other limitation was that all the respondents were Company Sales Representatives while the market has fairly large number of Distributor Sales Representatives doing the same job function but employed under the Distributor. It was found many large scale FMCG companies including Unilever, Nestle and Coca Cola operated with a majority of Distributor Sales Representatives. Since the research problem is faced by the entire industry, it would be better if they are also included in future surveys.

7. References

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