

REDUCING SALES EMPLOYEE TURNOVER IN RETAILING THROUGH INCREASED KNOWLEDGE OF SALESMANSHIP

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ABSTRACT

Although the literature points to the vital importance of sales employees to customers' perceptions and patronage of stores, training for this employee sect is minimal. The purpose of this paper is to discuss the relationship between job satisfaction, turnover and performance regarding retail sales associates. The author suggests that based on previous research findings, there is a need for extensive training in salesmanship as well as personal image, body language and etiquette for retail sales associates. Such training would enhance job performance resulting in greater job satisfaction and subsequently lower turnover rates for retailers.

INTRODUCTION

According to Judd and Varzandeh [10] "retailing is a people-oriented business." Not only does retailing deal directly with consumers, it also employs a lot of people. In fact, employee compensation accounts for more than half of the retailer's costs [10] In their study, Judd and Varzandeh [10] found that retail profitability resulted from a multitude of employee factors including training. Specifically, findings showed that "improved employee training programs could to a certain extent positively affect their "bottom line"..."[10, p. 152].

Hence, the purpose of this paper is to elaborate on the relationship between job satisfaction, turnover, and job performance and identify areas of sales employee training that will enhance their effectiveness in the organization.

The importance of this topic area is apparent. According to Teas [17, p. 3] "...the customer's perception of the retail salesperson is an important dimension of store image, patronage, and competitive positioning." In current economic times when retail sales are soft, sales employee effectiveness can make a profound difference in the profitability of an establishment.

TURNOVER, JOB SATISFACTION, AND JOB PERFORMANCE

According to Darmon [5, p. 46], "Sales managers and researchers seem to agree that salesforce turnover often reaches substantial rates, and is dysfunctional and costly to sales

organizations." Retailing businesses are noted for generally high turnover rates in management and in sales which, in turn, affects the firm's profitability margins [3].

Turnover in a firm's sales force has generally been defined as leaving the organization either intentionally or voluntarily. According to Darmon [5], this phenomenon has been divided into four parts: 1) voluntary leaving; 2) dismissals; 3) promotions; and 4) uncontrollable leaving.

Studies that have looked at the issue of turnover have focused on executive turnover and retention rather than other employee sectors [3, 18]. Woodard and Cassill looked at reasons why executives remained in retail management and found that a positive work environment, security, as well as commitment to the job varied with the demographic characteristics of employees. Specifically, younger and older employees considered a positive work environment important while those employed for under five years or over ten years found security important. Commitment varied with individual's marital status. Those that were single were more committed to the job than marrieds.

Good [7] investigated managerial level differences in the turnover process and found that job satisfaction played a key role in managerial turnover. Furthermore, findings indicated that differences in weight of selected job criteria such as role ambiguity were responsible for turnover for levels of management tested.

Role ambiguity also plays a major role in job satisfaction and turnover as was found in the Cummings, Jackson, & Ostrom [4] study. They examined product manager's job satisfaction using selected organization behavior variables and found that role ambiguity was inversely related to job satisfaction. Results showed that "the lack of clarity in the position or predictability leads to reduced job satisfaction...[4, p. 153]."

The relationship between job satisfaction and turnover is obvious. According to Mobley [13] and Lucas, Babakus & Ingram [12], satisfaction with job content is negatively related to turnover. In other words, an individual that understands and is satisfied with their job is less likely to leave.

Job satisfaction also plays a major role in job performance as pointed to by Lucas, Babakus, & Ingram [12]. Although studies that have looked to this variable are few, most researchers agree that job performance moderates job satisfaction and, hence, employee turnover [8, 12, 6].

EMPLOYEE TRAINING

Employee training is one of the most important components of retail success but many times the least observed. Good [7] suggested that more training should be incorporated to enhance job satisfaction and reduce turnover among entry level managers. Bush, Bush, Ortinau & Hair [2] developed a model to assess retail salesperson performance that included skill level as a determinant of this phenomenon. These authors contend that with an understanding of this determinant as well as others affecting job performance, sales managers can modify their training policies with greater results. Accordingly, skill level, that may be acquired in training, among other determinants, affects job performance and subsequently effectiveness. Given the above discussion, effective job performance would lead to job satisfaction and less likelihood of turnover.

According to Lewison and DeLozier [11], retailers accumulate high costs in training and recruitment due to high turnover rates. This may explain why adequate training programs are so infrequent among retailers. However, as previous research shows, training may contribute to the curtailment of high turnover rates experienced in this field. Since sales associates are responsible for much of customers' store perceptions and patronage, training should be most involved at this level.

Much of the training (if any) conducted with sales associates involves informing them of store policies, approaching customers, writing up sales, taking returns, and handling complaints. However, the greatest potential comes from training sales associates to develop their salesmanship. When employees are given the proper tools to do their job, such as selling, they can accomplish much more for the company and themselves, resulting in greater job satisfaction and less likelihood of voluntary termination.

Given that many sales associates are part-time and perhaps do not have a background in retail sales, the greatest contribution an employer can make to his company and to his employees is to train them in salesmanship [9]. However, given the multitude of topics in personal selling, what areas should be covered? The topics that would benefit sales associates include cross selling, overcoming objections, stimulating action to buy, body language, etiquette, and dress. Most of the topics given seem logical to address in sales training; however, the addition of body language, etiquette, and dress are also logical and necessary.

Body language is a strong communicator in any situation but particularly in sales. An individual's body language can communicate whether they are interested in buying a product or not. When there is a conflict between an individual's verbal message and nonverbal message (body language), the nonverbal message will be taken as truth. In sales, a customer

may communicate verbally that they are just looking or are not interested in buying; however, they will continually work with the product, walk to it, read the instructions and so on, suggesting otherwise. To be effective in sales, individuals must be sensitive to the customer's body language. Furthermore, the salesperson must be sensitive to their own body language regarding distance from the customer, gestures, eye contact and posture. These issues should be covered in sales training sessions with the objective of raising levels of awareness among sales associates.

Another topic area that should be addressed in employee training is etiquette. Etiquette is ethics for everyday living. An understanding of those issues pertaining to etiquette among employees will contribute to a positive work environment, and better relations with customers. Furthermore, according to Sokolosky [16, p. 16] , "Understanding how to act correctly in any given situation gives ... a secure sense of professionalism." There are large volumes devoted to etiquette; however, employees would benefit most from simple issues such as introductions, greetings, and aptitudes of good conversation. When a sales associate approaches a customer, they should give a greeting that welcomes the customer to the store rather than runs them away. Furthermore, introductions are important when the customer returns to the store or goes into another department and is introduced to another sales person. Good conversational skills are important because customers often converse with sales associates about different, perhaps family oriented, topics when examining or purchasing products. Good conversational skills will contribute to creating rapport between customer, salesperson and retail establishment.

Dress is another issue that should be given serious consideration in employee training. Rather than pointing to the employee handbook or avoiding the issue altogether, employers should emphasize the importance of presenting a consistent image to the customer of what the store stands for through dress. Most company policies on dress are vague resulting in an "anything goes" look. Dress policies should be revised to be specific yet give employees the opportunity to individualize their look. Furthermore, educating sales employees on dress, particularly in apparel retailing, will assist them in coordinating ensembles for customers resulting in multiple and crossed sales. In training, the following topics could be addressed: men's and women's dress, accessorizing clothing maintenance and coordination. Again, the topic of dress is vast yet highlighting these areas will present a professional employee image and help customers in their selections.

IMPLEMENTATION

To approach training in etiquette, dress and body language, as well as personal selling,

retailers can accomplish this in one of several ways. In a small or moderate sized business, the employer may recommend books for their employees to read that are available to purchase from a store or on loan at the local library. Or employers may purchase books on selected topics and make them available through the Personnel Office. Such recommended books would include Letitia Baldrige's Guide to Executive Manners [1], Signals: How to Use Body Language for Power Success and Love [14], and Power Dressing [15].

Another way to help employees learn is through training seminars with certified professionals on each of the topic areas. If time and expense is limited, then invite a speaker to a store meeting to talk about these areas. Employees are often more receptive to the message when an outsider presents the information than when management discusses it.

In larger businesses and corporations, videos could be produced using store employees. Additionally, training manuals with information on etiquette, body language and dress could be produced and given to new employees.

As pointed out by Judd and Varzandeh [10, p. 151], "the proper handling of people can either mean success or failure" for retailers. Training sales associates not only on personal selling, but also body language, etiquette, and dress will contribute to their success on the job. When employees have the tools to do their job, greater job satisfaction will likely occur, resulting in lower turnover rates and higher profitability margins for retailers.

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