PREDICTORS OF SALES MANAGER PERFORMANCE: AN EMPIRICAL STUDY

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This study examines and tests the relationship between a set of predictor variables and sales managers' performance. The variables utilized were based upon previous empirical studies dealing with sales and sales managers' performance. The data used was collected from full-time sales managers working for a large midwestern multi-line insurance company. The results provide some unique insights into characteristics of effective sales managers. The implications provide additional guidance for hiring and/or promoting sales managers, and for evaluating their performance.

INTRODUCTION

The task of selecting individuals who can successfully perform the role of sales manager has always been difficult. It is known that to be a successful salesperson is not sufficient. As a result, modern scholars in the selling arena continue to emphasize that the goal of organizations should be to find and keep sales managers who maximize sales force productivity. The purpose of this study is to examine predictors of insurance sales managers' performance.

LITERATURE REVIEW

In reviewing studies examining the effectiveness of sales managers, several things are apparent. One is the scarcity of empirical studies. There are abundant empirical studies of salespeople, but comparatively few studies that focus on the sales manager. Secondly, previous studies of sales managers use salespersons as the judges of the effectiveness of the sales manager. In contrast, this study examines the perceptions of managers in relationship to their performance.

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Additionally, previous studies examining the effectiveness of sales managers have focused on diverse variables. These variables included organizational factors (Tanner & Castleberry 1990), personality traits and job dimensions (Dubinsky & Ingram 1983; Tyagi 1985; Guest and Meric 1989); leadership characteristics (Tyagi 1985); leadership style (Buzotta & Lefton 1982; Butler & Reese 1991); and Leader-Member Exchange theory (Castleberry & Tanner 1986; Tanner & Castleberry 1990).

The study reported here combined the prominent variables used in the examination of successful salespeople (i.e., work motivation, role perceptions, personal factors, and sales experience), along with a leadership dimension. In this manner, the research reported here extends earlier work in the study of sales manager performance. The previous research on these variables follows along with a statement of the propositions tested in this study.

Leadership

"The overwhelming concern of organizations should be to find and keep managers who, through leadership, maximize sales force productivity," (Chonko, Enis & Tanner 1992). The literature is consistent in suggesting that leadership as a trait distinguishes effective sales managers from ineffective sales managers (Guest and Meric 1989). However, individual studies of sales managers have examined different aspects of leadership, and as a result, no clear concordant conclusion may be drawn with respect to leadership. Variances between studies in research methodology and the operationalization of leadership and performance variables limit any generalizations from previous work. Additionally, most of the studies were performed using salesperson responses.

Tyagi (1985) examined the importance of leadership characteristics in enhancing insurance salesperson motivation and work performance. The leadership behaviors he identified were:

- "trust and support (the extent to which the sales manager is aware of and responsive to the needs of the sales agent); goal emphasis and work facilitation (the leader's emphasis on high standards of performance and goal attainment);
- interaction facilitation (the leader's behavior that encourages close relationships within the group);
- psychological influence (the extent to which the sales agent feels that the manager is considerate of his/her ideas and opinions when designing jobs and evaluating performance);
- hierarchical influence (the degree to which the sales agent feels the manager is successful in getting upper management to recognize his/her problems and successes)."

The results of Tyagi's study of salespeople showed that hierarchical influence produced the greatest impact on the extrinsic motivation of the sales agent.

Leadership style is another construct that has been used as a predictor of sales manager performance. Studies by Buzotta & Lefton (1982) and Bulter & Reese (1991) focused on the Situational Leadership Model. Their results indicated that agents working for managers who preferred the high-task, low-relationship style performed better than did agents working for managers who preferred other styles.

Vertical exchange theory (alternately, Leader-Member exchange theory) has also been used to study performance of salespersons (Tanner & Castleberry 1990). These researchers examined the effect of the exchange relationship quality and managerial performance ratings. Their findings supported a positive relationship between the salespeople's perceptions of exchange relationship quality and the objective and subjective performance ratings of the sales agent.

Consistent findings have emerged across studies with salespeople and leadership behaviors. Leader trust and support have been identified as influencing work motivation and productivity (Tyagi 1985). Tyagi (1985) defines these behaviors "as the extent to which an individual has feelings of trust and confidence in a supervisor and to which the supervisor is aware of and responsive to the needs of subordinates." Childers, Dubinsky and Skinner (1990) also studied sales agents through a self-administered Leader Behavior Description Questionnaire (LBDQ) and found that when sales managers exhibited supportive, considerate and friendly communication, the salespersons' job satisfaction increased. Strutton, Toma and Pelton (1993) found, in querying salespeople from 1500 organizations, support for the idea that the cultivation of trust is based on satisfying the needs of specific salespeople. Castleberry & Tanner (1986) agree with the premise that sales managers need to consider the individual needs and motives of each of their salespeople. This consideration should then form the manager's leadership style and behavior toward that salesperson. These leadership dimensions from the above studies have been used to form the following propositions for this study:

P1: There is a positive relationship between the sales manager's performance and the sales agent's perceived leadership of the manager.

P2: A positive relationship exists between the performance of sales managers and their perceptions of the regional manager's leadership.

Work Motivation

In selling situations where insurance agents were studied, few examples exist where both intrinsic and extrinsic motivations were clearly represented (Baier & Dugan 1957; Greenberg & Mayer 1964; Oliver 1974; Tyagi 1985; Tyagi 1985; Tanner &

Castleberry 1990). Often, researchers assumed that compensation frameworks are the primary determinant of motivation (Oliver 1974). Indeed, salesperson motivation outlined by Walker, Churchill, and Ford (1977), and later reviewed by Chonko (1986), suggests that the primary way in which sales managers motivate salespeople is by manipulating the extrinsic rewards salespeople receive. Extrinsic rewards are externally generated rewards, which include monetary income, incentives, and promotion, and are not under the control of the salesperson (Tyagi 1985). Throughout the literature, there is agreement that a positive correlation exists between extrinsic rewards and performance for a salesperson (Baier and Dugan 1957; Greenberg and Mayer 1964; Oliver 1974).

Intrinsic rewards are psychological outcomes (Huizinga 1970) and are operationalized to include receiving a sense of accomplishment, enhancing one's self-fulfillment, and realizing personal growth from the job (Oliver 1974). For the insurance sales agent and manager, another intrinsic reward is his/her autonomy. In the study of insurance agents conducted by Oliver (1974), "agents more desirous of intrinsic rewards showed a slight tendency to be poorer performers." Oliver explains this negative correlation of intrinsic outcomes to sales performance by suggesting that higher order psychological needs may be overemphasized in the literature. A similar study of insurance agents by Dubinsky (1986) also found a negative relationship between a salesperson's work motivation and job performance. Dubinsky explained that perhaps the performance measure (prior year total earnings) was too narrow in scope.

Oliver (1974) found that life insurance agents place less value on pay as they become older. In support, Ingram (1980) found a move toward intrinsic values as the salesperson aged and was in the job longer (Berl, Williamson, and Powell 1984). On the other hand, Churchill, et al. (1985) found that older salespeople with longer tenure place a greater value on pay than did the younger salespeople. Additionally, "it was found that salespeople with commission-based compensation plans had significantly higher valences for increased personal growth than did their salary-based counterparts" (Ingram and Bellenger 1983; Dubinsky and Ingram 1984). Given the above conclusions from work with salespeople and the lack of studies that examine sales managers and their motivation, we will test both intrinsic and extrinsic motivation as positive predictors of the sales manager performance.

P3: There is a positive relationship between a sales manager's performance and the sales manager's perceived intrinsic rewards.

P4: There is a positive relationship between a sales manager's performance and the sales manager's perceived extrinsic rewards.

Role Perceptions

According to Churchill, Ford, Hartley and Walker (1985), "the first empirical study using role perceptions did not appear until 1978, and only four studies have used role perception as a predictor of sales performance." A few more studies have been conducted since 1985, but only one examined insurance sales agents (Dubinsky & Hartley 1986). Overall, researchers have obtained mixed results as to the relationship of role perception to sales performance (Donnelly and Ivancevich 1975; Teas, Wacker and Hughes 1979; Bagozzi 1978; Behrman and Perreault 1984; Dubinsky and Hartley 1986; Tanner & Castleberry 1990).

Role clarity can be defined as the state when the sales manager knows exactly what is expected of him/her and what the rewards will be if he/she performs to those expectations. Role ambiguity as defined by Behrman and Perreault (1984) is "the degree to which a salesperson (sales manager) is uncertain about others' expectations with respect to his/her job," and this state is expected to have a detrimental influence on performance (Bartkus, Peterson, and Bellenger 1989). Therefore, inaccurate role perceptions "may lead a salesperson to misjudge the linkages between the effort expended on the job, the level of performance achieved and the rewards attained" (Walker, Churchill and Ford 1977). This linkage was supported in an empirical study of 120 insurance salesman conducted by Dubinsky and Hartley (1986).

Additionally, Teas, Wacker and Hughes (1979) believe that role clarity can be attained if salespersons have input with respect to their performance standard and understand the effort needed to achieve that standard. Wotruba (1989) concurs in the fact that the establishment of specific goals relieves role ambiguity and this state can be found to correlate positively with sales performance. However, Castleberry's (1990) study failed to support the hypothesis that there is a negative relationship between role ambiguity and sales performance. The study of field sales managers conducted by Berkowitz (1978) revealed the ambiguity of field sales managers with regard to their sales and managerial roles. Regional managers perceived that developing salespeople was the primary role of the sales manager, while the sales manager placed more emphasis on personal selling and communication activities. Berkowitz also noted that this discrepancy in roles was seen in the perceptions the sales agents had of their sales manager's role. The result was a dissatisfaction of the sales manager's performance by either the regional manager and/or the salesperson. We hypothesize that role clarity has a positive relationship on performance.

P5: There is a positive relationship between a sales manager's performance and the sales manager's perceived role clarity.

If the sales manager believes his/her agents have role clarity, he/she will adopt a leadership style that encourages their independence and thus leads to better performance. This was substantiated by a study of the influence of leader behaviors that Tetrick conducted in 1989. His study demonstrated that controlling behaviors tend to reduce one's perception of role clarity. "...controlling behaviors may create ambiguity by generating conflict between what the individual thinks should be done what is expected by the leader." Thus, we hypothesize:

P6: There is a positive relationship between a sales manager's performance and his/her perception of the sales agents role clarity.

Furthermore, in another study by Berkowitz (1978), it was suggested that salespeople who are promoted to the position of sales manager often assume the approach and style of their former supervisor. Thus, it is also hypothesized that if a sales manager had role clarity as a sales agent, presumably due to the approach of his/her manager, he/she will continue to exhibit behaviors that clarify his/her role as a sales manager.

P7: There is a positive relationship between a sales manager's performance and his/her role clarity the time they were an agent.

Experience

A study conducted in 1954 by The Life Insurance Agency Management Association found experience to be a predictor of successful sales performance. Baier and Dugan (1957) concluded that the more experience the salesperson has selling, the more information he/she collects about different sales interactions. This information allows him/her to consider more contingencies that might happen within each sales situation. Leong, et al. (1989) supported the premise that experience builds the salesperson's knowledge base about customer traits, motives, and behaviors, which will result in the salesperson's ability to adapt. The model developed by Bartkus, Peterson, and Bellenger (1989) suggests that greater experience in the routine and complexities of a particular sales position is associated with higher performance. Thus, it is hypothesized that experience should also benefit the sales manáger and result in better performance.

P8: There is a positive relationship between a sales manager's performance and the manager's years of experience as a sales manager.

Personal Factors

In the 116 studies analyzed by Churchill, Ford, Hartley, and Walker (1985) personal factors accounted for 25% of all correlations and suggested that "enduring" personal characteristics such as personal traits do have some relationship to performance. Bagozzi (1978) agrees that "the outcome he/she experiences will be a function, in part, of the individual characteristics of the person." Berkowitz (1978) found that higher-educated sales managers may have a better understanding of the forecasting process, for example. He also found that younger sales managers were found to have higher levels of sales volume. Thus, personal factors will be evaluated as a predictor of sales management performance in this study as well. These personal factors will include demographic information, training they received and recognition awards.

P9: There is a positive relationship between a sales manager's performance and the manager's personal factors.

Human Factors in Four Dimensions

Another set of factors used in this study to predict the sales manager's performance is the result of a test instrument that profiles a manager's behavior. The test instrument's four dimensions of behavior are Dominance, Influence, Steadiness and Compliance. This D-I-S-C system is based upon the research of William Moulton Marston as published in his book, The Emotions of Normal People. His concept has been adopted by more than 50 human resource and management consulting firms which have developed similar systems based upon Marston's work. This instrument has been administered to hundreds of thousands of people and has been validated in numerous work settings with accuracy factors rarely less than 72%. In this study, the instrument was administered to the sales manager at the time of recruitment or promotion.

P10: A positive relationship exists between a sales manager's performance and the Dominance Human factor.

P11: A positive relationship exists between a sales manager's performance and the Steadiness Human factor.

P12: A positive relationship exists between a sales manager's performance and the Influence Human factor.

P13: A positive relationship exists between a sales manager's performance and the Compliance Human factor.

RESEARCH METHODOLOGY

Testing of the Propositions

The study propositions, as previously stated, were tested using the data collected from full-time sales managers working for a large midwestern multi-line insurance company. The model in Appendix A visually depicts the interaction of the multiple variables used in this study. This model defines the sales manager's performance as the combination of the influence of five sets of factors, namely Behavior, Role Perception, Experience, Personal Factors, Training, Motivation and Leadership.

Sample and Data Collection Procedure

The research design is descriptive, testing the relationship between a set of predictor variables and performance variables for sales managers. The chosen predictor variables were leadership, intrinsic and extrinsic motivation, role perception, human behavior factors, and personal factors.

Data were obtained via a questionnaire developed by the authors of this paper. The questionnaire was organized into two parts.

Part I dealt with basic psychographic information related to role perception, vertical relationships and motivation. This section of the questionnaire consisted of 33 statements using a Likert scale. The statements were developed to measure the District Manager's perception of his/her work in providing extrinsic and intrinsic rewards, role clarity and leadership. Extrinsic and intrinsic motivation were each measured with statements developed from the work of Tyagi (1985). Role clarity was measured with statements developed from the work of Hackman & Oldham (1976). The leadership dimensions were measured by blending modified instruments developed by Jones, James, Bruni, Hornick, & Sells (1977), and Graen & Schiemann (1978). The managers were asked to respond to questions regarding the leadership they received as sales agents and as sales managers. They were also asked questions that related to their own leadership style.

Part II dealt with background information, such as age, education, training, and performance achievements. This section combined dichotomous, multichotomous and open-ended questions to assess personal factors of the sales manager.

The survey instrument was pretested before it was mailed to sales managers. The marketing executive of the company alerted the sales managers and regional managers about the study and asked for their cooperation. The survey instrument was accompanied by a personalized letter addressed to the sales manager, requesting their personal support in the study. Telephone follow up was done and the survey instrument was faxed to those who misplaced the initial mailing. After four weeks, 137 responses were received out of 162 mailed, representing a 84.6 percent response rate.

The Human Factors instrument administered separately asks questions that evaluate individual values such as: What goals they are trying to reach? What rewards mean the most to them?; self-management (Are they likely to respond actively to a challenge? or Do they prefer working in a predictable environment? Are they patient or impatient?); interactions with people (Are they open to the ideas of others? Do they naturally trust others or are they highly cynical?); and preferred environments (How do they react to authority figures -- with a great deal of acceptance or mistrust?).

Data on the performance of sales managers were obtained from the company.

Dependent Variables

The performance of sales managers is a reflection of the productivity of their sales agents. Insurance companies differ in their measures of performance. For some, total premiums written is the sole determinant of performance, others measure profitability (a lower loss ratio), or policy retention, while others examine specific product lines that are perceived to be profitable, such as life policies written. This study received data covering a period of five years (1988-1992) for the following: (1) total premiums written, (2) total life premiums written, (3) overall loss ratio, (4) loss ratio for casualty, property lines, (5) Casualty retention rate, and (6) property retention rate. Those sales managers that did not have at least a three year track record were deleted, resulting in 120 usable responses.

The study's findings were narrowed to three dependent variables, namely profitability, production (total premium written) and retention.

The adjusted loss ratio was utilized to indicate profitability, that is, the lower the adjusted loss ratio, the higher the profitability. Total premiums written included all life, property and casualty insurance written and served as the production measure of performance. The third area of performance is retention and the dependent variable used was property retention.

Factor Analysis and Data Reduction

The sales manager's attitudinal data consisting of 33 variables and their "Human Factor" behavioral profiles consisting of 12 measures were factor analyzed using the SPSS package. Factor analysis was employed to reduce these variables into a set of independent factors. After 22 iterations of varimax rotation, fourteen factors emerged accounting for 72.1 percent of the variance. The summary of factor analysis results are presented in Table 1:

RESULTS

Data Analysis

Stepwise multiple regression was employed in testing the previously stated propositions and predicting the selected dependent variables. The results are summarized in Tables 2 through 4.

DISCUSSION

A review of the demographic variables utilized in the production and retention measures reveal that the longer tenured sales manager is the better performing manager, thus supporting proposition 8. This is evidenced by the positive impact the number of years the respondent was a manager and his/her age have

TABLE 1
Factor Analysis Results

		Cumulative Factor	Eigen value	Percent of Variance Per Item	Total Percent
F1	=	Steadiness (-Dominance)	6.44	14.33	14.3
F2	=	Regional Manager's leadership	5.31	11.8	26.1
F3	=	SM's Influence behavior	2.97	6.6	32.7
F4	=	SM's intrinsic motivation	2.58	5.7	38.4
F5	=	SM's leadership-trust & support	2.33	5.2	43.6
F6	=	Positive Leadership SM Received as an agent	2.02	4.5	48.1
F7	=	SM's Compliance behavior	1.73	3.8	51.9
F8	=	SM's leadership-development of subordinates	1.69	3.7	55.6
F9	=	Role clarity of sales agents	1.57	3.5	59.1
F10	=	SM's role clarity as an agent	1.38	3.1	62.2
F11	=	SM's extrinsic motivations	1.20	2.7	64.9
F12	=	Leadership-delegation	1.17	2.6	67.5
F13	=	SM's role clarity	1.03	2.3	69.8
F14	=	General supervision	1.02	2.3	72.1

SM = Sales Manager

TABLE 2
Summary Table of Stepwise Multiple Regression with Overall Loss Ratio (Profitability) as a Dependent Variable

Independent Variables	Proposition Tested	Hypothesized Relationship	NS Beta	Significance (p-value)
Management Training Level 1	P_9	+	10.91	.0000
% years SM received Level 1 recognition award	P_3	+/-	0.08	.0068
% years SM received Level 2 recognition award	P_3	+/-	0.12	.0078
Agent Training Level 1	P_9	+	-8.55	.0096
Perceived importance of recruitment/training	P_9	+	5.38	.0110
SM's Influence behaviors (Factor 3)	P_{12}	+	1.50	.0542
SM Training Level 1	P_9	+	4.33	.0590
SM's Steadiness (-Dominance) behaviors (Factor 1)	P_{11}	+	-0.11	.1288*

SM = Sales Manager
SA = Sales Agent
* not in regression equation
$R^2 = 41.07\%$
NS Beta = Non-standardized Beta
Note: It should be recognized that the lower the loss ratio (ratio of losses paid to premiums earned), the higher the profitability.

TABLE 3
Summary Table of Stepwise Multiple Regression with Total Premiums Written (Production) as a Dependent Variable

Independent Variables	Proposition Tested	Hypothesized Relationship	NS Beta	Significance (p-value)
SM Desire for Flexibility/independence	P_3	+/-	4959.75	.0031
# of years as SM	P_8	+	132.66	.0048
% of years SM received Level 3 recognition award as SM	P_3	+/-	34.12	.0056
SM's intrinsic motivation (Factor 4)	P_3	+/-	874.48	.0087
SM eceived Level 3 training as an agent	P_9	+	1757.41	.0101
Age	P_9	+	1141.62	.0128
Role clarity of SM's Agents' (Factor 9)	P_6	+	-745.38	.0252
SM received Level 1 training as an agent	P_9	+	-1688.71	.0324
SM's role clarity (Factor 13)	P_5	+	626.87	.0496
SM's Steadiness (-Dominance) behavior (Factor 1)	P_{11}	+	0.10	.0557
Education	P_9	+	-635.61	.0599
SM leadership-trust and support (Factor 5)	P_1	+	0.11	.1076
SM's extrinsic motivation (Factor 11)	P_4	+	0.11	.1110*
SM leadership-development of subordinates (Factor 8)	P_1	+	0.11	.1132*

SM = Sales Manager; SA = Sales Agent; *not in regression equation; $R^2 = 48.00\%$

TABLE 4
Summary Table of Stepwise Multiple Regression with Property Insurance Retention as a Dependent Variable

Independent Variables	Proposition Tested	Hypothesized Relationship	NS Beta	Significance (p-value)
% of years SM received Level 3 recognition award	P_3	+/-	.01	.0002
SM's intrinsic motivation (Factor 4)	P_3	+/-	.048	.0004
Regional Manager's leadership (Factor 2)	P_2	+	-.34	.0015
# of years SM received Level 3 recognition award as SA	P_3	+/-	0.11	.0022
Desire for team-building/coaching	P_1	+	-.65	.0034
SM received Level 3 training as an agent	P_9	+	-1.12	.0034
SM received Level 3 training as an agent	P_9	+	.76	.0038
# of years as SM	P_8	+	.04	.0088
SM received Level 1 training as an agent	P_9	+	.68	.0103
SM's role clarity as a SA (Factor 10)	P_7	+	.28	.0147
# of years SM received Level 3 recognition award as SA	P_9	+	-.12	.0260
SM's leadership-development of subordinates (Factor 8)	P_1	+	.19	.0750
SM's Influence behavior (Factor 3)	P_{12}	+	-.10	.1805*

SM = Sales Manager; SA = Sales Agent; *not in regression equation; $R^2 = 48.00\%$
Note: NS Beta = Non-Standardized Beta

on the regression model. For the retention measure, the significant variables are the number of years the individual was a sales manager and that the manager reached Level 3 training as a manager. No demographic variables showed up in the loss ratio measure to support proposition 8. Although, the strong negative impact of the Level 1 management training variable and the lower percentage of years receiving recognition awards, could lead one to deduce that this is a newer manager.

The difference between the three models may be the point in the agents' careers when they are promoted to manager. It appears that the production measure favors the longer term agent, as evidenced by the negative impact on the education variable (a college education is a very recent change in the hiring requirements of insurance salespeople); and the strong positive impact of the manager's completion of the highest level of the consecutive training classes when he/she was an agent. In fact, the model assigns a negative coefficient if the manager completed only the first Level of three Levels of possible training as a sales agent. While the retention measure is inconclusive, the profitability measure predicts that the agent promoted earlier in their career will be the more successful manager.

An analysis of production and retention performance variables support proposition 3 in that there is a positive relationship between performance and intrinsic motivation. The significant variables were the Sales Managers' perceived intrinsic motivation and the frequency of receipt of the Top Level recognition award. Thus, the better performing manager has a sense of accomplishment, sees the results of his/her work and is rewarded with recognition. On the other hand, the loss ratio performance variable does not tend to support this hypothesis. Intrinsic reward factors such as the percentage of years the sales manager received either Level 1 or Level 2 recognition awards increases the loss ratio. Additionally, the factors with the greatest impact on increasing the loss ratio are the sales management training at Level 1 and the perceived importance of training. Since training is viewed by the test company as an intrinsic motivator, one could conclude that this form of intrinsic motivation has a negative effect on the loss ratio.

There is no support for proposition 4 that there is a positive relationship between extrinsic motivation and performance as measured by each of the dependent variables. Extrinsic motivation was not in evidence in either the retention nor the loss ratio analysis. This is not surprising, since sales managers are more concerned with the volume of sales written than with retention or loss ratios and are compensated accordingly.

The balance between intrinsic and extrinsic motivators is also used to describe an individual with high "Steadiness" behaviors. Our research substantiated the fact that the individual with this "Human Factor" is the better performing sales manager as measured by the total premiums written. The steadiness factor was significant at .0557 and part of the regression equation for production. An aspect of the Steadiness dimension is a tendency for the manager to be possessive and develop strong attachments to their workers and their company. They seldom argue or openly criticize and most of the time they are even tempered, low key and unobtrusive. One would expect this communication style to produce a positive relationship with the sales agent. The better performing sales manager encourages his/her agents to improve their skills through training, helps to connect them to the company, and listens to their concerns in attaining their goals. Additionally, this communication style was utilized by the manager throughout his/her career. This supports proposition 1 that the manager's perception of their leadership of the sales agents will lead to a better performance as a sales manager.

A negative aspect of this "Steadiness" behavioral style is that the sales agents rarely bring their problems to this type of sales manager. One reason may be that the manager perceives he/she is already aware of the sales agents' problems and needs and acts accordingly. In fact, the sales agents have little input in setting their performance standards and lack clear goals as shown by the negative impact of their agents' role clarity (Factor 9). However, given the strong positive impact the sales manager's role clarity has on the production regression model, we could conclude support of proposition 5, while the negative impact of the role clarity of the agents would lead to a rejection of proposition 6.

Several factors help develop the profile of the better performing manager as judged by the retention variable. For this variable, the manager's leadership role in developing the sales agents (Factor 8) had a positive impact. This role includes setting goals and objectives for his/her agents, being aware of agents' problems and needs and in helping to connect them to the company. The development of this role could have resulted from the manager's own role clarity as a sales agent (Factor 10), which was a significant variable in the model. This supports proposition 7. However, the desire to coach and build a team has a negative impact in the model and is not a prime motivator for this manager in becoming a manager. Another significant variable in the retention model tells us that this manager does not view his/her superior as possessing leadership (Factor 2). Thus, although this manager perceives himself/herself as having effective leadership skills and a clear management role, he/she is not motivated to succeed through others, but rather wants authority and a challenge. The effective manager views his/her own management as unsupportive and may even respond to authority in a challenging manner. These behaviors are characteristic of the "Dominant" human factor. Managers possessing this factor perceive themselves as motivating their agents, but in a manner that may be demanding and insisting. In fact, although not a significant factor in the regression model, the "Influence" behavior Factor (Factor 3) had a negative impact in predicting performance. This lends support to the proposition that the manager's perceived positive leadership of his/her agents results in better performance (P1). Because a negative relationship appears to exist between the sales manager and his/her regional manager, we reject proposition 2.

Although none of the Human Factors positively impacted the better performing sales manager as judged by the loss ratio, the manager's "Influence" behaviors did have a negative impact (Factor 3). The primary motivation for a sales manager with "Influence" behaviors is recognition. As we have just shown, intrinsic motivation has a negative relationship on loss ratio. Although not a significant factor in the regression model, "Steadiness" behaviors had a slightly positive impact.

The prominent personal factor that was significant in all three performance measures was training. However, the results cannot support nor reject the proposition that there is a positive relationship between sales managers performance and training.

MANAGERIAL IMPLICATIONS

The implication of this study for management is that management must decide which determinant(s) of performance is most desirable and develop a career plan for its agents based on the desired outcome. The study results leave one to question the advisability of including determinants over which salespersons and managers have no control as measures of performance. Loss ratio is one such measure. The negative impact of training and experience on this measure, along with their positive impact on sales to and retention of clients, indicates that loss ratio should be dropped as a measure of performance. As an additional insight, many managers responded to a qualitative question on the survey which asked for suggestions to attract talent to management. A frequent response was to identify and promote potential managers earlier in the agents careers.

Clearly, for production and retention measures, intrinsic motivation is a predictor of sales manager performance. This variable was significant in both models. The implication for management is that it must evaluate the programs within the company that provide intrinsic motivation to sales managers. These may include award and recognition programs, upper management recognition of the efforts of sales managers, and communication of a better understanding of the sales managers' sense of accomplishment.

The personal factor found to have the greatest influence on the performance was training.

Although the significance of training was inconclusive, the implication to management is that the dollars invested in training do indeed provide a worthwhile return.

Another issue that should be addressed by upper management is the effect of behavioral styles. Each performance measure identified, either directly or indirectly, a definite behavioral style. Again, it is not the intention of the authors to promote one style as more beneficial than another. There are pros and cons to each style and management would find it difficult to agree on which style is most effective. Clearly, each is associated with better performers based on a particular performance measure. The implication is that a particular management style produces a set of results quite different from another management style. The importance of this factor is that upper management should not discount the testing of sales agents and managers for their behavioral styles. Additionally, training to help temper or change a particular behavior could be beneficial, especially in the area of role clarity and leadership. Managers often perceive themselves as having effective leadership behaviors, yet these behaviors may not result in the most desirable relationship with their sales agents. Roles that managers perceived to be clear may not be clear to the agents. This indicates that more face-to-face goal-setting with the agents should be done.

RESEARCH LIMITATIONS

The study is based on a single multi-line property and casualty insurance company in the Midwest, which may not be representative of the entire insurance industry or of other types of organizations. This company employs a captive sales force, whereas, other companies employ independent representatives who represent multiple companies. While the results may not be fully generalizable to other situations, we believe that they offer an opportunity for future studies and a better understanding of performance in multi-line insurance companies that employ a captive sales force.

SUGGESTIONS FOR FUTURE RESEARCH

The performance of a sales manager is probably dependent on several unaddressed factors that could be extended from this study. For example, the type of agents he/she has recruited or inherited, the market potential of the district, intensity of competition from local and national insurance writers, the level of service offered by competition, the effort and promotional budget of competitors, and pricing strategies. In addition to these important variables, the various states within the nation differ with respect to insurance law and legislation controlling the voluntary and residual auto insurance markets, which account for the major portion of Property & Casualty insurance. While it may be difficult to include all of these variables into a future study, we think the district (territory) potential which is highly correlated (R Square = .97) with the Buying Power Index (BPI), as well as some measure of competitive intensity, may be incorporated into a proposed study. A sales manager's performance is dependent on the area's potential and this factor alone may significantly improve the results of the current study.

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APPENDIX A
Factors Influencing Sales Manager Performance