FACTORS AFFECTING PROPENSITY TO LEAVE: A STUDY OF SAELSPEOPLE

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Salesperson turnover is an issue of practical importance for sales managers as exodus of salespeople can seriously impact a sales organization's performance. In this study, we examine the factors that influence a salesperson's propensity to leave his/her organization. Based on data collected from salespeople with a Fortune 500 company, we find that the propensity to leave is a function of three variables: the quality of salesperson-sales manager relationship, rewards and recognition, and role ambiguity. In an exploratory extension of the study, we also find that there are important gender and tenure differences. Managerial and research implications of the study are discussed.

INTRODUCTION

In spite of the current economic downturn, companies are having trouble staffing their positions with qualified individuals, including salespeople (Herman and Gioia-Herman 2001). As a result, employee retention is becoming a critical issue. In fact, a recent study found that the number one human resource issue today is how to slow the exodus of companies' best employees (Exclusive Hrfocus Survey 2000).

Even in the looser labor markets one would expect in economic downturns, where it is theoretically easier to recruit qualified salespeople, a firm must be concerned about the impact of any turnover on its operations. An employee's resignation could have a significant impact on several internal and external constituents of an organization. For example, a salesperson's resignation could have implications for the production supervisors with whom the seller worked to help forecast demand, with the credit and collections department of the firm, and with groups of prospects, customers, and strategic partners. A study by Casey and Warlin (2001) found that retaining employees has a strong, positive link with customer satisfaction, while Johnson, et al. (2001) found that a buyer's commitment to the salesperson directly affects the buyer's intentions to defect. Richardson (1999), who measured the economic impact of salesforce turnover on profits, found a fifteen percent decrease in the territories' annual profits, assuming salesperson replacement within forty days, and the minimum recovery period for profits to return to normal was eighteen months.

As a result of these and other issues, firms are interested in gaining insight into what factors are associated with the voluntary turnover of its sales force. One approach to gathering the needed information is to determine the correlates of salespeople's propensity to leave. Empirical research has demonstrated that the propensity to leave is strongly and positively correlated to actual turnover (Futrell and Parasuraman 1984). In this paper, we examine some of these correlates and their relative impact on propensity to leave. We empirically test the hypotheses developed in this paper with data gathered from a business-to-business firm.

FACTORS AFFECTING PROPENSITY-TO-LEAVE: AN OVERVIEW

The relationship that a salesperson enjoys with his/her manager is a significant factor in determining that salesperson's satisfaction with his/her job. LMX theory

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is a form of social exchange theory (Homans 1961) that describes the relationship between a manager and subordinate on the basis of the exchanges that take place (Castleberry and Tanner 1986). Not all relationships are the same, however, and a major early contribution of LMX theory to the sales literature was the recognition that individual sales managers do not have a single managerial style; that is, they do not treat all salespeople the same.

Salespeople have different levels of informal relationships with their managers (for a more complete discussion and meta analysis of this construct, see Castleberry and Tanner 1986; Gerstner and Day 1997). Some salespeople, called "cadres," have a high quality relationship with their manager that is manifested with the following characteristics: more latitude, support and attention from their manager; the seller engages in duties beyond the formal written contract; a high level of salesperson-sales manager trust; and a motivation on the part of the salesperson to assume greater responsibility within the group (cf, DelVecchio 1998; Flaherty and Pappas 2000). At the other extreme, some salespeople, often termed "hired hands," have an opposite, low quality, more formal, type of relationship with their sales manager. Some relationships grow in value to the salesperson and the sales manager, while other relationships degenerate to the point at which the salesperson leaves the organization. Thus, the first factor included in our study is the quality of manager-salesperson relationship (LMX).

In addition to the quality of exchanges, there are other factors that determine how a salesperson relates to not only his/her sales manager but also to the organization s/he works for. Based on a literature review, we identified three additional factors that could potentially affect this relationship. These factors were: a) role ambiguity, b) organizational rewards and recognition, and c) coworker and place factors. We discuss these factors briefly below.

Role ambiguity has often been included in studies on turnover (Brown and Peterson 1993). A salesperson experiences role ambiguity when that person (a) is not sure of the roles that comprise his/her job and (b) lacks information needed to successfully perform those functions (Singh 1993). King and King (1990) discuss role ambiguity in terms of whether the salesperson knows the objectives of his/her task, how to achieve those objectives, if his/her supervisor made those expectations clear, and the consequences of attaining those objectives. Singh and Rhoads (1991) show that role ambiguity leads to poor performance and lack of satisfaction. In this study, we examine if role ambiguity contributes to a salesperson's propensity to leave.

Prior research has also provided ample empirical evidence that compensation has a direct bearing on employee satisfaction. Employees may feel dissatisfied if their compensation is lower compared to what they expected, what others in similar position are getting, or what they used to make in the past (Crosby 1976). Rewards and recognition received by an employee could be an even more important factor influencing an employee's satisfaction than other factors such as supervision, co-workers, etc. (Heneman 1985). Rewards and recognition can affect retention rates through their impact on the perception of justice and affective responses such as job satisfaction and organizational commitment (Bartol 1999). In this study, we propose to examine the direct impact of rewards and recognition on a salesperson's propensity to leave.

Finally, while vertical relationships (as those that exist between a sales manager and salespeople) are important determinants of a salesperson's retention, there are other types of formal and informal relationships that a salesperson may have in an organizational setting that are of importance. Researchers have argued that horizontal relationships that an employee has with his/her colleagues and co-workers can also influence that person's commitment to an organization (Dalton 1959). Development of such relationships may be as much a result of personal friendships and non-job related associations as of organizational structure, rivalries, and division of labor (Landsberger 1961). Some of these relationships could be related to the place where a salesperson works. For example, if a salesperson has been in a place for a long time, s/he may develop a network of horizontal relationships that could have both social and professional significance to him/her. In this study, we assess the impact of such co-worker and place factors on a salesperson's propensity to leave.

To summarize, in this study, we examine the relative impact of four correlates on sales force propensity to leave: quality of salesperson-sales manager relationship, role ambiguity, rewards and recognition, and peer and place factors. We also examine, in an exploratory extension of the main study, if the effects of these factors are moderated by salespersons' tenure or gender.

HYPOTHESES

Quality of Salesperson-Sales Manager Relationship

For twenty years, the relationship between sales manager and salesperson has been an important topic of study (e.g., Buzotta and Lefton 1982). One particular approach that has received a reasonable amount of research attention is the Leader-Member Exchange (e.g., Lagace 1990) or Vertical Exchange model (e.g., Castleberry and Tanner 1986) because it offers a framework for role development (Ingram, LaForge and Leigh 2002). Given the importance of role accuracy to so many important sales outcomes (e.g., Churchill, Ford, Hartley and Walker 1985), the Leader-Member Exchange (LMX) framework is important because it broadens our understanding of why a manager would be motivated to influence role stress (for example), and how that influence would occur (Tanner, Ridnour and Castleberry 1997).

More importantly, as noted by Ingram, LaForge and Leigh (2002), LMX theory offers insight into the trust-building mechanism between salesperson and sales manager. Trust between sales manager and salesperson, a function of the LMX relationship, has been shown to influence a number of factors that also influence the quality of relationships between salesperson and customers (Ingram, et al., 2002; Strutton, Pelton and Lumpkin 1993). Further, as organizations face tremendous rates of change in today's environment, trust becomes more important as salespeople have been found to accept change more readily when they trust their sales managers (McNeilly and Lawson 1999).

In an early study of the quality of the salesperson/sales manager exchange relationship, the quality of relationship was shown to be negatively related to turnover (Tanner and Castleberry 1990). In that study, there were insufficient observations to determine whether the relationship was significant. A further difficulty was the discriminating power of the various forms of LMX measurement available at that time. Since that study, more sophisticated measures of LMX have been developed which will enable testing of the following hypothesis:

H_1: There is a negative relationship between propensity to leave and the quality of the relationship that a salesperson has with his/her manager.

Role Ambiguity

Most organizations have policies that are uniform for all salespeople. Compensation, basic training, product and pricing policies all specify how salespeople are to be treated. Even so, these policies are "sold" differently by different managers during the hiring process and, at least it has been hypothesized, they implement these policies differently.

The second correlate whose impact we examine on propensity to leave is role ambiguity. Role ambiguity refers to the extent to which the firm provides clear objectives for its salespeople, and information regarding the resources needed to achieve those objectives. This aspect of a salesperson's evaluation of the firm would include several related factors. For example, it probably begins in the recruiting phase, as the recruit is told what it takes to be successful in the job at that firm. During this pre-hire phase, often called anticipatory socialization, the salesperson develops a sense of what will be expected. Then after being hired, the salesperson seeks signals to see if pre-hire beliefs are accurate. When these are not consistent, propensity to leave can increase (e.g., Naumann, et al. 2000, Wotruba and Tyagi 1991). Also, the salesperson evaluates the extent to which salespeople in the firm are actually held accountable for achieving their objectives/ goals/ quotas. Of course, the salesperson would also have to ascertain whether the firm was providing the necessary resources (e.g., good managers) needed for him/her to achieve those goals. Finally, the salesperson also evaluates the extent to which s/he knows who to go to for clarification or with problems that arise.

It should be noted that the quality of the relationship that a salesperson has with his/her manager (discussed in the previous section and hypothesis H_1) and the extent to which the firm provides clear objectives for its salespeople and the resources needed to achieve those objectives (discussed in this section) have been empirically shown to be two different constructs (Wayne, Shore and Linden 1997). Thus, for example, it is plausible for a salesperson to have a strong, positive relationship with his/her manager, and still leave the organization for lack of clear objectives and/or lack of resources to achieve those objectives. From this discussion the following hypothesis is offered:

H_2: There is a negative relationship between a salesperson's propensity to leave and the extent to which the salesperson is not ambiguous about his/her role in the organization.

Rewards/Recognition

Prior studies have clearly demonstrated that pay is important to employees (e.g., Blau 1994). Of particular importance is the concept of relative pay, i.e., pay in comparison with what others get as well as pay compared to expected/desired pay levels (Steers and Porter 1979; Sweeney, McFarlin and Inderrieden 1990). In addition to pay, employees expect other forms of rewards and recognition (e.g., Ivancevich 2001). Those who feel that their efforts are recognized and rewarded fairly should have a lower propensity to leave the organization. Thus,

H_3: There is a negative relationship between propensity to leave and the level of rewards and recognition that the salesperson receives.

Coworker and Place Factors

Other factors, too, may create differentials in how salespeople view their role, the organization, and the job. It has been posited that horizontal relationships may be as important, if not more so, than vertical relationships (see, e.g., Tanner, Ridnour and Castleberry 1997), though that has not been tested in a sales arena. In addition to interacting with supervisors and managers, many salespeople also spend a significant amount of time interacting with peers and co-workers. Intuitively, one would expect that a salesperson would have a lower propensity to leave a sales organization if s/he had positive relationships with coworkers. Furthermore, given the importance of location issues (e.g., Challagalla, et al. 2000; Edelman 1996; May 1996; Igbaria and Guimaraes 1999), one could hypothesize that those who chose to work for a particular organization specifically because of the location would have a lower propensity to leave. Thus,

H_4: There is a negative relationship between propensity to leave and the desire of the salesperson to work with his/her coworkers.

METHODS

We collected the data for this study from a Fortune 500 company that was interested in learning more about the propensity to leave of its salespeople. While the company's turnover was neither excessively high nor out of line with other firms in the industry, the firm recognized the internal and external impact of turnover on the organization. Informal exit interviews and discussions among managers and salespeople suggested two recurring issues related to the turnover rate: more money, and better support/clearer objectives from management, in particular from salespeople with less than three years of tenure, the largest departing group. These desires are consistent with what others have speculated, since turnover is often more than just a "more money" issue (CF., Hannay and Northam 2000). Thus, this background provided an excellent opportunity to test the relationships discussed in our hypotheses above.

The survey used in this study was developed based on the relevant published literature along with strong input from the company's sales management. It was deemed absolutely necessary for the survey to be short and easy for salespeople to fill out. A total of 27 specific questions was asked about the job situation at the company, the relationship with the manager, hiring practices, etc. Open-ended questions were also posed so salespeople could list their perceptions as to why people leave the firm, three things they would like to see improved, and the top three reasons why they work for the firm. The final part of the instrument gathered demographic information.

In order to measure the quality of the salesperson-sales manager relationship, a modified version of LMX 6 (Schriesheim, et al. 1992) was utilized. The instrument was modified to meet company-specific needs and make it easier for the salesperson to fill out (e.g., was worded "My DM" instead of "My manager"). This type of modification is consistent with other studies and the suggestions of social science researchers (cf., Sahl 1999).

Four items were used to measure role ambiguity. These items captured both information regarding job expectation (e.g., "The objectives needed to be successful in my job were clearly explained to me during recruiting.") as well as availability of information regarding resources needed to achieve job objectives (e.g., "I know who to go to, if there are problems that I need to discuss.").

In order to measure the salesperson's perceptions regarding rewards and recognition, three items were utilized. These included such items as "I am fairly compensated for the work I do," and "The company recognizes me for doing a good job."

To measure the coworker and place factors, three questions were asked. These included, "I chose this company because of the people I would get to work with," "I chose this company because I was able to choose the location where I would get to live and work," and "I remain at this company because of the people."

Surveys were sent from the researchers to all 250 salespeople in the company who had less than three years tenure with the firm. Instruments were returned directly to the researchers with promises of confidentiality (i.e., it was promised that the firm would not have access to individual responses).

Sample

A total of 203 surveys were returned, giving a response rate of 81 percent. Most (72 percent) were male. Approximately one quarter of the respondents had been with the company for two to three years. About 22 percent had spent between one and two years with the company. Thirty-five percent of the respondents reported being with the company for less than a year. These percentages are consistent with the gender and tenure composition of the sample frame of 250 salespeople, providing evidence that the received sample is representative of the target population.

Measurement Analysis

Before testing the proposed hypotheses, analysis was conducted to determine the quality of the measures. First, in order to determine if the scale items loaded on their respective constructs, we ran an exploratory factor analysis using all 17 items (with Varimax rotation). Please note that additional information was collected using this survey instrument that is not being used or reported in this paper. The results of this analysis are reported in Table 1. The four factors are: quality of the salesperson-sales manager relationship (LMX), Role Ambiguity (RA), Rewards and Recognition (RR), and Coworker and Place Factors (CPF). The loading pattern of scale items was as expected and all factor loadings were statistically significant. In order to test unidimensionality of constructs, we ran separate factor analyses for each of the four constructs. In each case, we got a single factor solution, thereby indicating the unidimensionality of the constructs. The reliability of our scales was assessed using Cronbach's alpha. For three of the four constructs the alpha value was above 0.70. For "rewards and recognition" the alpha value was 0.64. Pearson correlations among the five constructs are reported in Table 2.

Hypotheses Testing

The dependent variable (propensity to leave an organization) was measured using a two-item scale: "I would leave [the company] for any higher paying job" and "I would leave [the company] for a position that provides clearer objectives, and more support." The use of two items to measure this construct is consistent with prior research (e.g., Naumann, et al. 2000). The correlation between these two items was statistically significant at 0.01 level.

TABLE 1
Factor Analysis of Scale Items

	LMX	**RA**	**RR**	**CPF**
LMX 1	0.836			
LMX 2	0.822			
LMX 3	0.78			
LMX 4	0.773			
LMX 5	0.764			
LMX 6	0.73			
LMX 7	0.673			
RA 1		0.721		
RA 2		0.67		
RA 3		0.661		
RA 4		0.539		
RR 1			0.867	
RR 2			0.828	
RR 3			0.54	
CPF 1				0.871
CPF 2				0.759
CPF 3				0.748

Rotation Method: Varimax with Kaiser Normalization.
All coefficients >= 0.4 are reported in the above table.

TABLE 2
Pearson Correlations

	DEP	LMX	RA	RR	CPF
DEP	1				
LMX	-.397**	1			
RA	-.417**	.470**	1		
RR	-.475**	.471**	.483**	1	
CPF	-.144*	.182**	$.112^{ns}$	$.134^{ns}$	1

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

We next created summary measures of each construct by averaging the values of scale items for each construct. This is consistent with prior studies (e.g., Castleberry and Tanner 1989).

In order to determine the relative impact of the correlates on propensity to leave, we ran a multiple regression. The results of this regression are reported in Table 3. All four coefficients have the expected directionality. Three of the four hypothesized relationships are statistically significant at $p<0.05$.

TABLE 3
Regression Results

	Standardized Coefficients	t	Sig.
(Constant)		15.8	0.000
LMX	**-0.155**	-2.2	0.032
RA	**-0.192**	-2.7	0.008
RR	**-0.302**	-4.2	0.000
CPF	-0.054	-0.9	0.378

Dependent Variable: Propensity to leave

Of the four factors examined in this study, three factors seem to influence a salesperson's propensity to leave: relationship with sales manager (LMX -- hypothesis 1), role ambiguity (RA -- hypothesis 2), and rewards and recognition (RR -- hypothesis 3). Whether a salesperson wants to continue in his/her job with a company seems to be a function of two sets of factors: a) those that are linked to achievement of sales-related goals (LMX and RA) and b) those that reward that achievement (RR). The impact of co-worker and place related factors (CPF -- hypothesis 4) was statistically insignificant.

Interestingly, the single most important factor that influenced a salesperson's propensity to leave is rewards and recognition. However, there are other factors that influence the decision as well. Our results indicate that a healthy relationship between a salesperson and his/her sales manager reduces the salesperson's propensity to leave. Similarly, to the extent that a salesperson is familiar with the goals and objectives of his/her job and has access to information regarding organizational resources to achieve them (i.e., role ambiguity is low), s/he is less likely to leave.

EXPLORATORY ANALYSIS

In order to expand our understanding of how LMX, RA, and RR affect salespeople's propensity to leave, we conducted additional analyses to test if there were any tenure-based or gender-based differences. In the absence of any strong theoretical underpinnings, and the post hoc examination of these effects, we kept this part of our analysis exploratory in approach.

Tenure and Propensity to Leave

"Does a person's tenure at a company influence why that person may leave the company?" Previously, it was found that if a sales manager was not involved in the selection of a salesperson, there was a negative relationship between tenure and satisfaction with the manager (Tanner, Castleberry and Ridnour 1993). The longer the salesperson and sales manager were together, the lower the salesperson's satisfaction with the manager. But this relationship disappeared if the manager selected (hired) the salesperson. What is unclear is the nature of relationship quality and tenure, particularly as it relates to turnover. Because relationships should take time to develop (and what may have been observed was the development of hired-hand relationships), we can examine the impact of tenure. One would expect tenure to moderate the quality of relationship and its influence on turnover. Early in a relationship, we would expect that the quality of the relationship would be less well known to the salesperson, and the benefits (or penalties) of a high (or low) quality relationship would not be well understood. Thus, the quality of the exchange relationship should not have the same influence on turnover early in one's tenure as it does later. Specifically, the quality of the exchange relationship should have a positive relationship with turnover intentions only for salespeople who have been with the company for some time.

Conversely, role ambiguity should be an issue only for the new-hire. After a year's time, a salesperson should know where resources are and what the objectives are. Thus, we expect that tenure will moderate the effect of role ambiguity as well, such that ambiguity influences turnover intentions in the early stages of a salesperson's stay at an organization.

To get some insights into this issue, we divided our sample into two groups: those who had been with the company for one year or less and those who had been there for more than a year. The two resulting groups were comparable in size. The regression results for these two groups are reported in Table 4a and 4b.

TABLES 4a AND 4b
Tenure and Propensity to Leave

TABLE 4a
Regression Results for Tenure <= 1 Year

	Standardized Coefficients	t	Sig.
(Constant)		11.048	0
LMX	-0.097	-1.035	0.303
RA	**-0.317**	**-3.229**	**0.002**
RR	**-0.277**	**-2.724**	**0.008**
CPF	-0.092	-1.127	0.263

TABLE 4b
Regression Results for Tenure > 1 Year

	Standardized Coefficients	t	Sig.
(Constant)		11.321	0.000
LMX	**-0.256**	**-2.395**	**0.019**
RA	-0.097	-0.930	0.355
RR	**-0.282**	**-2.745**	**0.007**
CPF	-0.053	-0.585	0.560

While reward and recognition continue to have a significant influence for both groups, there are some major differences based on tenure. For salespeople who have been with the company for less than a year, (the absence of) role ambiguity (RA) is of paramount importance. While RA has the largest significant impact for employees with short tenure, it has no impact on the propensity to leave for employees with longer tenure. This finding may suggest that as salespeople spend more and more time with an organization, they become more familiarized with the goals and objectives of their job and the resources available to achieve them. Those who find this transition difficult, probably leave the organization. Thus, sales managers could benefit by paying more attention to new employees' needs for objective clarity and access to information regarding organizational resources to achieve those objectives.

It is also interesting to note that the salesperson-sales manager relationship (LMX) does not gain significance until after the salespeople have been with an organization for more than a year. However, once this relationship becomes significant, it strongly diminishes salespersons' propensity to leave. In order to minimize salespeople's propensity to leave, managers could benefit by spending more time to develop a relationship with their new salespeople.

Gender and Propensity to Leave

"Does a person's gender influence why that person may leave the company?" In order to gain some insights into this issue, we divided our sample based on respondents' gender. Recall that a little over one-fourth (28 percent) of our respondents were females. We ran separate analyses for the two groups. The results are reported in Tables 5a and 5b.

TABLES 5a AND 5b
Gender and Propensity to Leave

TABLE 5a
Regression Results for Gender = Female

	Standardized Coefficients	t	Sig.
(Constant)		10.153	0.000
LMX	**-0.307**	**-2.613**	**0.012**
RA	**-0.381**	**-3.093**	**0.003**
RR	-0.093	-0.684	0.497
CPF	**-0.18**	**-1.744**	**0.087**

TABLE 5b
Regression Results for Gender = Male

	Standardized Coefficients	t	Sig.
(Constant)		12.182	0.000
LMX	-0.095	-1.051	0.295
RA	-0.15	-1.666	0.098
RR	**-0.325**	**-3.806**	**0.000**
CPF	-0.028	-0.366	0.715

The results of this analysis were very interesting. While the male respondents' propensity to leave was determined solely by rewards and recognition (with all other factors being insignificant), the female respondents' propensity was determined by every other factor *except* rewards and recognition. These findings have an important managerial implication-- male and female salespeople may leave an organization for very different reasons. While compensation, rewards, and recognition deficiencies seem to drive male salespeople's decision to leave, female salespeople may leave because of their relationship with their sales manager, role ambiguity, and co-worker and place factors (marginally significant).

Because of the significance of both gender and tenure on intentions to leave, the models were rerun with an interaction term. The interaction of gender and tenure was not significant, indicating that the effect of tenure on intention to leave is independent of respondent's gender.

LIMITATIONS

This study is the type of 'case study' called for to meet the Joint Agenda (Ingram, LaForge and Leigh 2002). However, the methodology does have limitations. For example, in a prior study of LMX, it was determined that even with an 80 percent response rate, there was significant non-response bias (Tanner and Castleberry 1990). Therefore, there is the possibility that, as in that previous study, there was significant non-response from overachieving hired-hands.

Post hoc analysis enabled the identification of differences between groups by tenure. These findings should be replicated by conducting longitudinal studies of the same salespeople, particularly in an effort to determine the causes of changes in LMX relationships and the influence of such relationships to not only tenure, but also performance and other important factors. The lack of such longitudinal data is a limitation of the findings from this study.

The study was conducted with the aid of the sponsoring organization. Because of their interests, we were limited to salespeople with less than three years experience. The findings can be generalized only to newer salespeople. Further, the firm is a business-to-business supplier that sells using a relationship-based strategy. The findings may not apply to companies that sell direct to consumers, companies that employ strategic partnerships or transactional approaches (Weitz, et al. 2001), or other sales strategies.

The scales used in this study were not exact replicas of those used in prior studies. However, the modifications were deemed necessary by sales management in order to ensure better response rates from the sales force.

Finally, it is important to note that propensity to leave an organization does not always result in turnover. Readers are cautioned against making conclusions about actual turnover behavior, since that construct was not measured in this study.

MANAGERIAL IMPLICATIONS

There are several key findings that require managerial attention; these can be summarized as the importance of early socialization. If we consider the combination of findings concerning younger versus older reps, we see that the first year is a critical time for setting objectives and building a strong relationship between salesperson and sales manager.

Consistent with Castleberry and Tanner (1989), this study found that LMX has a significant and negative relationship with propensity to leave an organization. Other factors that have a similar relationship are role ambiguity and rewards and recognition. This suggests that managers should strive to insure that salespeople are satisfied with these factors.

However, the analyses also revealed that these conclusions need to be modified somewhat, depending upon certain demographic characteristics. For example, role ambiguity is significantly important only for those with less than one year of tenure. In contrast, for those with longer tenure, it wasn't important. This seems to suggest that newer salespeople in the firm, particularly, are looking for help and assistance that more seasoned salespeople are not, perhaps due to their being further down the learning curve. The design and implementation of training programs for the newer sales reps, coaching sessions, and performance evaluation systems should take this into account, in order to meet the needs of the newer salespeople.

The study also found that the significance of the relationship with the manager (LMX) on propensity to leave holds only for those with longer tenure with the firm. While this finding doesn't absolve the manager from developing a strong relationship with newer employees, it certainly does suggest that relationship-building is critical for sales reps with more experience. See Castleberry and Tanner (1986) for more details on how to accomplish this.

Rewards and recognition was the only significant factor associated with propensity to leave for males in this study. In order to retain the best employees in this demographic group, it is important that the reward system be designed with individual needs in mind (see Gooley 2001; Dolmat-Connell 1999; Hannay and Northam 2000).

For females, rewards/recognition was the only factor that was *not* significantly associated with propensity to leave the firm. If future studies confirm this finding, it suggests important implications for managers. For example, it would be foolish for a sales manager to think that females will automatically react positively and enthusiastically to a reward/recognition system that the male salespeople are excited about. Instead, according to the current research, the manger should remember that it is even more important to female salespeople that they have a strong relationship with their sales manager, and make sure that objectives are clear and needed resources are readily available.

Companies are encouraged to conduct studies similar to the one described here. The results can be used as a baseline measure against which the effectiveness of future programs, designed to reduce the incidence of salespeople's propensity to leave, can be evaluated.

RESEARCH IMPLICATIONS

There are two broad sets of research implications from this research. The first set focuses on LMX theory and measurement. The second concerns the overarching research question of the relative importance of the sales manager/salesperson relationship. First, we consider the implications for LMX theory and measurement.

One observation that can be made is that the first year is when a strong relationship is built, or not built, between a sales manager and salesperson, as evidenced by the lack of importance of LMX in the first year but significant importance in predicting intentions to leave in years two and three. It is further likely that this relationship can be the product of salesperson-sales manager interaction that involves sharing objectives and resources, as was proposed in earlier LMX work (Castleberry and Tanner 1986). Future research must consider the process by which salesperson/sales manager relationships are built, specifically examining the relationship of socialization factors over time. Assuming that resources are limited, how do these get allocated across salespeople with whom the manager has different types of relationships, and how does that influence the growth or decay of those relationships?

The short version of the LMX scale (Schriesheim, et al. 1992) was designed to identify three dimensions of the leader-member exchange relationship: contribution, loyalty, and affect. In their work, they found that while the dimensions were distinct, there was high intercorrelation. Other research attempting to find a three-dimensional measurement tool has been unsuccessful, yielding two-dimensions (Tanner, Ridnour and Castleberry 1997) or in this instance, one dimension. It would be easy to simply call for further research, but we believe that what is required is further conceptualization of the definition of relationship. Perhaps behavioral and attitudinal sets of dimensions should be developed; the former would describe what the actors in the relationship do while the latter would describe how they feel, a model more akin to Tanner et al. (1997) than the Dienesch and Liden (1986) work that guided Schriesheim and colleagues. Or perhaps multi-dimensional approaches cloud what is a simple and elegant one-dimensional concept. The answer probably lies in how and why relationships form, rather than what the relationships are. In any event, more theoretical work explored through qualitative methods is required. This work is critical; as Ingram et al. (2002) note, this particular framework of sales management research is an important one to study in the near future because of its potential explanatory power.

An alternative approach would be to consider the form and frequency of salesperson-sales manager interaction. While previous research has explored the relationship of these concepts to turnover in a non-sales setting (Igbaria and Guimaraes 1999), the form of the relationship may be characterized effectively by communication patterns and needs to be studied in the sales profession.

Another important element to consider when studying LMX is the sales strategy (Ingram, LaForge and Leigh 2002). In this study, a relationship strategy is employed, similar to the functional relationship built on social exchange (e.g., Weitz, Castleberry and Tanner 2001). Since the firm employs a relationship strategy, it is reasonable to assume that they hire people for whom relationships are important; hence, this hiring criterion would tend to increase the importance of LMX to their salespeople and quite likely, sales managers as well. Further, it stands to reason that LMX may be less important when other types of strategies, such as transactional approach is used. Rewards and recognition might be more important when implementing those types of selling strategies. LMX may become even more important when strategic partnering is called for, as may access to resources and clarity of objectives.

The gender differences were surprising only because of their strength. While it is commonly held that women are more relationship-oriented than men, it is still surprising that LMX was not significant for men as a predictor of intentions to leave. This finding seems to contradict earlier findings of the importance of LMX in what were predominantly (if not nearly completely) male sales organizations (e.g., Castleberry and Tanner 1989).

In general, the findings support the notion that the sales manager/salesperson relationship is an important factor in how an organization is interpreted by the salesperson. There are, however, several specific implications of note.

Clearly, there is a need for more study with regard to rewards and recognition. The gender differences, for example, make rewards and recognition a potentially fruitful area for further research. This research could look at several factors. For example, to what extent does a salesperson's attitude towards money moderate turnover intentions and behavior? A non-sales study by Tang, Kim and Tang (2000) found that those employees with a high emphasis on money had high quitting behavior regardless of their job satisfaction. Such was not the case for those who placed lower relative emphasis on money.

Further, the findings could suggest that males and females interpret the organization differently. For men, recognition and rewards was the only significant predictor of turnover; for women, other factors, such as relationships with managers and co-workers were the significant predictors. Our original proposition was that the sales manager represents the organization to salespeople, much as the salesperson represents the organization to customers. What these findings suggest is that this proposition should be studied from the perspective of how, rather than if the sale manager represents the organization to salespeople.

SUMMARY

This research paper raises a number of interesting and important questions. To summarize, it seems that the first year is critical for a salesperson, both in terms of communicating clear objectives and providing adequate resources, and also building a strong relationship with the sales manager. These findings, however, raise questions concerning the process by which new salespeople are socialized into a sales organization, the impact of and interaction between selection strategies and sales strategies on the types of relationships established, and the relationship of these factors with turnover.

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