

Predictive Power of Personal Factors in Studying Students' Perception of Sales Profession in Ghana

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Abstract

The purpose of this study is investigate students' perceptions of personal selling as a career in the developing nations – Case of Ghana. Studies in United States highlighting the negative perception of sales profession by people are numerous, especially when it comes to issues of ethics and honesty (Futrell 2007). Lee et al (2007) argued that students generally try to avoid salespeople as best as they can; in the addition, the lack of information about the profession perpetrates the negative image in their minds. Logistic regression and Z test are used in this research. The results do confirm the results of preceding studies; personal factors play a significant role in predicting students' perception of sales profession as a career. Research output showed that Ghanaian students have a biased perception about sales as career; however, interestingly few dimensions showed significant effect.

1.0. Introduction

Most people view sales people as pushy, dishonest, aggressive and annoying. In fact, according to a study done by Gallup (as cited by Futrell 2007), it was found that insurance salespeople, advertising practitioners and used car salespeople ranked among the lowest in terms of ethics and honesty, with car salespeople placed at the lowest rung. The roots of this 'negative' attitude towards salespeople can perhaps be traced back to the Industrial Revolution, when factories developed tremendous manufacturing capabilities, leading to a huge surplus of inventories that posed problems to manufacturers (Lamb et al. 2007). As a consequence, salespeople were hired to sell as much of the products as possible as well as quickly as possible. To achieve their sales 'target' these salespeople had to adopt an extremely aggressive approach, which is often referred to as 'sales (as opposed to 'market') orientation in marketing theory (Bristow et al. 2006). It is this contradictory attitude towards the sales profession in general and the salesperson that motivated our current research. Specifically, what we are interested in finding out is whether students brought up and educated in vastly different cultures and education systems also harbor different feelings towards the salespersons and choosing the sales profession as a career. The following section provides a review of the relevant literature. In the next section, we develop the conceptual framework for our analysis, which is based on the Marketing Lens Model (MLM henceforth) (Bristow 1998, Bristow et al. 2006, Licatta et al. 1995). The penultimate section of this study describes the implications for the study. At a minimum, the findings can be used by sales managers, salespersons and marketing educators to make a conscious effort in eliminating the misguided notions that students have about the role of salespersons in our society. The concluding section acknowledges the limitations and provides suggestions for advancing the current line of research.

2.0. Literature Review

Salespeople have been traditionally considered to be money-hungry, aggressive, eager-to-sell, hardworking, ambitious people. Such stereotypes and preconceived notions of salespeople are further fuelled by statistics. A 1995 Gallup poll, for example, found that car sales were considered the least ethical occupation among 26 careers considered, with insurance salespeople voted 23rd (as quoted in Butler 1996).

And such perceptions are prevalent not just in the US but in other countries as well. In some cultures, as a matter of fact, evidence suggests that the profession of 'selling' is used as an insult or to designate a show off (Butler 1996). Research shows that students' negative opinion about salespeople is also engendered by the negative experience many of them have had with salespeople (Jolson 1972). As Dubinsky (1981) notes, most customers consider salespeople as lowly paid, monotonous, uneducated, high-pressure phony individuals who they would never want to meet again. Even for students who have actually not had any first-hand interaction with a salesperson tend to harbor and nurture such negative opinions. Such negative students' opinion of salespeople and the sales professions perhaps results from the low prestige status traditionally assigned to a sales job (Mason 1965, Ditz 1968). In other words, since salespeople come from diverse backgrounds and academic qualifications, as well the fact that the profession typically endows very little authority to the person, all these factors result in the sales profession as being considered as one of the lowliest of its kind among comparable professions, even within the same organization.

Finally, research suggests that recruiters fail to adequately articulate the qualifications for, demands, responsibilities and rewards of a sales profession in their recruitment efforts. Consequently, the ingrained negative perceptions in the students' mindset remain 'untouched' (Kurtz 1972, Dubinsky 1981). The repercussions of such a phenomenon are twofold: first, students shy away from applying for sales jobs and second, those who do accept sales jobs behave in a manner that conforms to such preconceived notions and hence, further perpetrates the negative perception towards sales (Lee et al. 2007).

2.1. Comparative Studies

The second category of studies in this field draws comparison between different sets of factors such as perceptions of male/female, business/non-business, enrolled/not-enrolled in selling course and student/salesperson. A series of studies conducted by the Sales Management journal (1962 a, b, c) concluded that the underlying attitudes of males towards sales was "...forceful, deceitful, holding positions with low status and prestige, with little security (Swenson et al. 1993, p-53). Paul et al. (1970) on the other hand, found that comparing students across different college majors, there were universal negative feelings about sales careers. Dubinsky (1980) compared students' perceptions of sales careers with other vocational needs to conclude that majority of the respondents harbor a positive feeling toward sales positions. In another study, Dubinsky (1981) compared salespeople's perception with students' perception of selling and found that students had misconceptions about sales positions when compared with that of sales people. Dubinsky et al. (1983) found preferential differences also exist among students in terms of seven sales jobs. In terms of comparison of the sexes, conflicting findings exist. While Cook et al. (1986) found that females are more reluctant than their male counterparts to accept sales positions, Muehling et al. (1988) found college women to be more favorably opinionated towards personal selling than males. Bristow et al. (2006) significant perceptual differences between students who had completed personal selling courses and those also had not. Harmon (1999) used a randomized block design to conclude that depending on whether students were provided a general or a specific description of the sales job, attitude towards the sales job varied between the sexes. Based on the above review, therefore, we frame the following hypotheses:

Based on these findings, therefore, we frame the following hypothesis:

H1: Are Knowledge, Experience, And Expectations Significant Factors in Shaping Ghanaian Students' Perception about Sales Career?

3.0. Research Methodology

The following steps are applied in developing the research methodology:

3.1. Research Model

The purpose of the study is to examine the predictive ability of personal factors in determining students' perception of sales profession as a career. The procedure requires the identification of two groups of students (dependent variable). The first group is made of students with negative perception about sales profession ($Y = 0$). The second group is made of students with positive perception about sales profession ($Y = 1$). The independent variables are the personal trait of students (i.e. knowledge, experience and expectations) that are used to classify students into one of the two groups based on their perception.

Binary Logistic Regression Model (BLRM) is used to test the research problem. Logistic regression is superior to linear regression model where normality assumptions of the independent variables are not met. It is simpler to read and to interpret because its values are bound to range between zero and one (Tsun-Siou, Yin-Hua & Rong-Tze 2003). The use of the logistic regression model in this study is to evaluate the predictive power of the Independent variables (personal trait) in classifying students into two groups (dependent variable). The dependent variable is non-metric measure and it is used to identify the two-student groups. The independent variables are students' personal trait, which is subdivided into three major areas, which are knowledge, experience and expectations; they are captured in 21 statements.

$$Y (0 - 1) = A + B_1X_1 + B_2X_2 + B_3X_3 + \dots + B_nX_n$$

3.2 Reliability of the Model

In testing the reliability of the model two measures are used which are the following:

1. Coefficient of Determination: is similar to that of the ordinary least squares (OLS) regression:

$$R^2_{\text{Logit}} = 1 - (2LL_0 / 2LL_1)^{1/2}$$

$-2LL_0$ is the log-likelihood (represents unexplained variations) of the model without independent variables. $-2LL_1$ is the log-likelihood of the research model based on the independent variables that remained in the model and exhibited significant power in explaining the two stock groups. N is the sample size. In general, the interpretation of R^2_{logit} is similar to coefficient of determination R^2 in the multiple regressions. It has a value that ranges between 0 and 1. When R^2_{logit} approaches 0, the model is poor. R^2_{logit} approaches 1, the model is a perfect predictor.

2. Hit Ratio: A Z (student) test is performed to test the significance of hit ratio (percentage of correctly classifying the cases). The following formula is applied:

$$Z \text{ test} = [P - 0.5] / [0.5 (1 - 0.5) / N]^{1/2}$$

Where P = hit ratio = proportion correctly classified results, N = sample size.

The "Z-test" tests the significance of the hit ratio. The hit ratio measures the percentage of times the model accurately classifies the cases into the two stock groups i.e. if the model completely explains the dependent variable, the overall hit ratio would be 100%.

Both measures are tested using a level of significance of 5%.

3.3. Cross Validity of the Model

Testing the cross validity of the model is done by applying it in different countries or different time periods.

3.4 Data Collection

The data was collected from a sample of 91 students taken at random from Ghanaian universities through a questionnaire. The instrument used a mix of statements and Likert scale rankings of attributes and was made of three parts. In the first part, students were asked to make three statements about their perception of sales profession (Weeks et al. 1987) and also to evaluate thought as being either "positive," or "negative" by checking the appropriate cell. In the second part, students were asked to provide statements about answers in the form of agreement or disagreement to express their attitude (expectations) towards the sales profession. A Likert scale was used so that the respondent can select a numerical score ranging from 1 to 5 for each statement to indicate the degree of agreement or otherwise, where 1, 2, 3, 4, and 5 denote "Strongly Disagree", "Disagree", "Neither Agree nor Disagree (Neutral)", "Agree", and "Strongly Agree", respectively. In the third part, students were asked to provide demographic information like age, gender and education.

4.0. Data Analysis

Testing the predictive power of students' personal trait is done using a level of significance of 5% in a two stages. In stage 1, the twenty-one statements are included in the model using "Forward Stepwise Likelihood Ratio" method.

This procedure allows only those statements that exhibit significant predictive power to enter into the model. In stage 2, the predictive power of all statements is tested (i.e. all statements remain the model – enter method). The summary output of step (Table 1) showed the following overall hit ratio results:

Table 1 - Predictive Power of Personal Trait

| | Predicted - 0 | Predicted - 1 | Correctly classified % - Hit Ratio |
|-----------------------|---------------|---------------|------------------------------------|
| Step 01 | | | |
| Observed - 0 | 7 | 26 | 21.2 |
| Observed - 1 | 7 | 51 | 87.9 |
| Overall Hit Ratio | | | 63.7 |
| Step 02 | | | |
| Observed - 0 | 16 | 17 | 48.5 |
| Observed - 1 | 13 | 45 | 77.6 |
| Overall Hit Ratio | | | 67.0 |
| All Statements | | | |
| Observed - 0 | 22 | 11 | 66.7 |
| Observed - 1 | 6 | 52 | 89.7 |
| Overall Hit Ratio | | | 81.3 |

In stage 1, the model correctly classified students’ perception 67%. At the level of 5% level, two statements only showed significant predictive power and entered the model; they are 1- “Inappropriate Career” entered the model in the first step, which means it had the highest significant power; followed by 2- “Job Requires Much Traveling” entered in the second step and had the second highest predictive power. In stage 2, all variables were included in the model and correctly classified students’ perception 81.3%.

4.1. Testing Reliability

Testing the reliability of the model is done by using two measures, which are 1- Coefficient of determination (R^2) value, which represents the proportion of total variation that is explained by the independent variables (statements). Table (2) shows the significance of the two stages - process.

Table 2- Coefficient of Determination - Nagelkerke R^2

| | Statement | R^2 |
|----------------|-----------------------------|--------|
| Stage 1 | | |
| Step 1 | Inappropriate Career | 10.3 % |
| Step 2 | Job Requires Much Traveling | 15.8% |
| Stage 2 | | |
| | All Statements | 45.2% |

Table (2) shows the coefficient of determination of the two-stage model; stage1, “Inappropriate Career” statement had the highest significance, as it entered the model in step 1 and explained 10.3% of the total variations; “Job Requires Much Traveling” entered second in the model and increased the explained variations to 15.8%. In stage 2, all statements kept in the model and explained 45.2% of the total variations.

2- Testing the significance of the overall hit ratio is done by using Z distribution. Z critical value at a level of significance of 5% is = 1.65, N = 91. The following are the output results (Table 3) when statements entered the model.

Table 3- Significance of Hit ratio

| | Statement | Hit Ratio % | Z value | CV | Result |
|----------------|-----------------------------|-------------|---------|------|-------------|
| Stage 1 | | | | | |
| Step 1 | Inappropriate Career | 63.7 | 2.61 | 1.65 | Significant |
| Step 2 | Job Requires Much Traveling | 67.0 | 3.24 | 1.65 | Significant |
| Stage 2 | | | | | |
| | All Statements | 81.3 | 5.97 | 1.65 | Significant |

Table (3) shows that the three-step are significant at a level of significance of 5% tests.

5.0. Conclusions, Limitations, and Recommendations

Results showed significant evidence that Ghanaian students' perception of the sales job and sales people is not neutral, which is consistent with the findings of other studies. However, their perception is driven by ideas and concepts that are different from what have been documented. Gender, major, and class were not significant. In the same direction of other research, our analysis supports the hypothesized relationships pertaining to cultural and sociological differences. From this perspective, the current study not only vindicates and strengthens existing research in this field but also provides substantial contribution to the literature, because Ghana is a Sub-Saharan African country where culture and social values are different and play a major role in individual's life.

Until recently, Ghanaians in general did not perceived personal selling as a profession. A reliance on a sales profession for one's income was typically frowned upon. For a typical small enterprise, sales people were usually friends and family members and often considered to be underemployed at best, with very low incomes. The hiring of such freelance labor is often done in a bid to avoid paying relatively higher salaries and provides benefits to employees. However, with the increase in globalization, trade liberalization and privatization, competition for buyers has heightened and firms have had to find ways to differentiate and promote the sale of their products in order to increase revenues or sustain their profit margins. This has enhanced the awareness of the sales profession and inadvertently increased the demand for sales professionals. Thus, the 21st century business environment presents need for sales professionals much different than what has historically or traditionally existed in Ghana. While this paper contributes to the broader understanding of personal selling in Ghana, there are some limitations with noting about this study. 1- Data is a primary type, which is taken from a survey, which is subject to sample collection and related errors. 2- Sample size: cost and time were the primary factor for using sample of 156 observations. 3- The external validity of the model was not tested and need to be addressed. Accordingly, it is recommended to use this model in studying students' perception in other countries.

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