



## **STRATEGIC SALES FORCE COMPENSATION AND PERFORMANCE OF SELECTED BREWERIES IN NIGERIA**

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### **ABSTRACT**

*The main purpose of this study is to determine the influence of sales force compensation on the performance of selected Breweries in Nigeria. The study made use of a sample of 220 sales reps of the selected Breweries. Cross-sectional research design was adopted, and the statistical method employed comprises of correlation as well as regression analysis using SPSS version (21). The findings show that there is significant positive relationship between sales force compensation and sales performance of breweries in Nigeria. It was also found that Sales force compensation through profit sharing and cash bonuses showed a significant positive relationship with performance. The study therefore concludes that to attract good salespeople, Breweries must have an appealing compensation plan. The study recommended that organizations leaders should voluntarily integrate different sales force compensation plan in the organization to ensure effective marketing performance.*

**KEYWORDS:** Sales Force, Compensation, Profit Sharing, Marketing Performance,

### **INTRODUCTION**

Designing compensation plans for sales force is vital for enhancing employees' performance and ensuring long term profitability of the Brewery industries in Nigeria. Compensation plays relatively more important role for sustaining sales force motivation. Previous researches have shown that the salary given to employees of sales organizations forms the largest component of selling budget for such organizations. The management is therefore always concerned about the cost of compensation plans and the returns on such expenditures (Brown& Armstrong, 2005). Again, the type and amount of compensation



given by the company determines not only the quality of salespeople who can be hired, it also creates motivation among them to achieve company's targets.

To attract good salespeople, company must have an appealing compensation plan that prospective salespersons will find irresistible. Ideally, sales representative reward system should begin such a way that what they want to do for personal interest and gain is integrated into the company's interest too. Most companies focus on financial motivation, but public recognition, sales contests and simple personal recognition for a job well done may be highly effective in encouraging greater sales effort.

The connection between Sales force compensation and performance is undoubtedly increasing in academic research and argument among scholars and experts; especially with the unprecedented roles, paybacks and expertise sales force accrues. More worrisome is the increasing sales force switch from firm to firm. Though sales force provides the firm with gains of selling, closing sales, interactive contact and ambassador of the company, it also creates an avenue for building long term customer relationship (Amue & Igwe, 2014). Firms have now seen sales force compensation as a new strategic window for competitive advantage in fast response organizations (Belmont and Dickson, 2009). Many salespeople now move horizontally or vertically in the industry for quest of better and higher compensation.

Compensating one's sales force presents challenges, because rewards must be extremely competitive in nature and should provide adequate incentives to motivate employees to do their best (Amue & Igwe, 2014). The difficulty of designing a compensation plan that will not only stop salespeople from moving either horizontally or vertically within the industry but also provide the desired motivation required by salespeople for enhance performance calls for further studies into the strategic approaches that balances the cost of compensation with the associated performance benefits. This study therefore seeks to interrogate the relationship between strategic sales force compensation and the marketing performance of Breweries in Nigeria.



### **Objective of the Study**

The general objective of the study is to determine the influence of sales force compensation on Marketing Performance. The specific objectives of the study are to:

- Examine the influence of profit sharing on marketing performance.
- Determine the effect of cash bonus on marketing performance.
- Access the effect of commission on marketing performance.

### **Research Hypotheses**

**Ho<sub>1</sub>** Profit sharing does not have significant influence on marketing performance of Breweries in Nigeria.

**Ho<sub>2</sub>** Cash bonus does not have significant effect on the marketing performance of Breweries in Nigeria.

**Ho<sub>3</sub>** Commission does not have significant effect on the marketing performance of Breweries in Nigeria.

## **2 REVIEW OF RELATED LITERATURE**

### **Compensation as a Concept**

Compensation is made up of several elements such as, a fixed amount, a variable amount, expenses, and fringe benefits that are sometimes optimally combined to adequately motivate sales representatives in the organization. The fixed amount, usually salary, gives the sales person some stable income. The variable amount, which might be commissions or bonuses on Marketing Performance, rewards the salesperson for greater effort and success. Expense allowances which is meant to repay salespeople for job related expenses and let them undertake needed and desirable selling efforts. Fringe benefits provide job security and satisfaction (Kotler and Armstrong, 2006; Perreault and Mc McCarthy, 2006).

Management must always determine or decide what mix of these compensation elements makes the most sense for each sales job in their respective organizations . It has been proven in the literature that different combinations of fixed and variable compensation give rise to four basic types of compensation plans: straight salary, straight commission, salary plus bonus and salary plus commission. A study of sales force compensation plans showed



that 70% of all companies surveyed use a combination of base salary and incentives. The average plan consisted of about 60 % salary and 40% incentive pay (Galea, 2004).

A good reward system bridges the gap between organizational objectives and individual expectations and aspirations. To be effective, organizational rewards systems should provide four things: a sufficient level of rewards to fulfill basic needs, equity with the external labour market, equity within the organization and treatment of each member of the organization in terms of his or her individual needs (Milkovich and Newman, 2005). Pay systems are usually designed to attract, retain and motivate employees in proactive and strategically conscious organization that wants to succeed at all times. The overriding objective of any pay or reward system is fairness or equity. Equity can be assessed on at least three dimensions; Internal Equity, External Equity and Individual Equity (Cascio, 2006). Increasing payroll cost and compensation in the global market place have caused managers to search for ways to increase productivity by linking compensation to employees' performance (Brown and Armstrong, 2005).

DelVecchio and Wagner (2011) analyzed the impact of variable pay on salesperson intrinsic motivation on the basis of sample of 280 industrial salespeople in southeastern region of the United States. They found out that pay plans with higher variable proportions could lead to higher levels of intrinsic motivation for the younger salespeople. For older salespeople, motivation was not spurred on higher proportions of incentive pay plans. The analysis of Shab, and Mick(2011)on 178 salespeople in manufacturing firms of Nigeria revealed that salary compensation, commission incentive, bonus payment and fringe benefits were major factors that influenced salespersons motivations.

### **Compensation system design**

Although compensation means something different to different people, organizations and groups, but it is important to everyone. For individuals, compensation is not only the return of benefits, but it also reflects on individuals' capabilities or achievements stated goals and objectives (Ali, 2009). Organizations view compensation as a cost or expenditure, as well as an important tool to obtain competitive advantages. Within groups, compensation not only influences wealth distribution, but also symbolizes social equity and justice (Shab& Mick,



2011). Rewards include a performance-based reward, work related reward (bonuses and commissions), year-end reward, full attendance reward, proposal reward and merit reward (Shaband Mick, 2011). In the modern environment, non-management factors, such as employees' values and their awareness of equity should also be considered. In this way, the compensation strategy of the organizations can attract, keep and stimulate talent, while also meeting their own demand for market competition and the accomplishment of strategic goals.

A performance-based pay design is a flexible compensation system that considers equity and individuals' different demands, and provides proper incentive for work done. Although this design increases the cost of enterprises, the benefits are significantly more than the overall cost. When employees' needs are considered and their learning motivation is enhanced, they work harder and are more loyal to their companies. Thus, employer and employee cohesion is strengthened.

### **Reward System**

Rewards in organizations come in two different types. It can either be in a form of incentive reward system or personal growth reward system. The former is the kind of reward that comes from within the individual; a feeling of being proud over something, and feeling content and happy by something that you have done.

Furthermore, extrinsic rewards can be monetary or non-monetary. The monetary reward is usually a variable compensation, separate from the salary. It is received in appreciation for extraordinary performance or as an encouragement and it can either be individually based or group based. The conditions to obtain this reward should be set in advance and the performance needs to be measurable (Jaghult, 2005). For a reward system to be ideally motivational, the reward should satisfy a number of criteria; have value, be large enough to have impact, be understandable, be timely, the effect should be durable and finally the rewards should be cost efficient (Merchant, 2007). Every organization's reward system should focus on these major areas; compensation, benefits, recognition and appreciation (Svensson, 2015). Benefits such as car loans, medical covers, club membership, ample office space, parking slots and company cars are ways of rewarding employees. Recognition and appreciation are another integral component of a winning strategic reward system. Recognition is to acknowledge someone before his or her peers for a desired behaviour or



for an accomplishments achieved. It could be for an action taken or having a positive attitude while appreciation on the other hand center's on showing gratitude to an employee for his or her actions. Such rewards help employees to gauge their performance and know whether they are doing good or bad (Svensson, 2015).

A reward system integrates employees' natural self-interests with the organization's objectives and provides three types of management control benefits: informational, motivational and personnel related. Firstly, rewards should catch the employee's attention and at the same time it works as a reminder for the person in charge of what results should be completed in different working areas. This is a good way to emphasize and convince the employees of which performance areas that are important and create goal congruence within the organization and signals how the employees should direct their efforts. Organizations give rewards for many different reasons e.g. to improve recruitment and retention by offering a compensation package that is competitive in the market (Merchant, 2007).

### **Profit Sharing**

Profit sharing is an incentive compensation plan that results in the distribution of a predetermined percentage of the company's profits to employees. Wiscombe, (2017) and Okolo, et al., (2015) found that profit sharing plan is used to integrate the employee's interests with those of the company. It is the payment to eligible employees of sums in the form of cash or shares related to the profits of the company during a specified period of time. Wiscombe, (2017) opines that the essence of profit sharing is to give employees a share in the company profits as recognition of their outstanding effort. Management decides on what percentage of the company's profit should be shared by employees. To act as a motivator, profit sharing may be closely tied to productivity (Okolo, et al., 2015). The profit to be shared may come annually and if well administered, profit sharing acts as an incentive and helps to instill the spirit of common purpose. A profit sharing plan is designed to pay out incentives when the company is able to afford it and it may come in the form of current distribution plan, deferred plan and combined plan.



### **Cash Bonus**

Cash bonus is an extra amount of money or extra monetary motivation given to someone for doing something good over and above the amount that is normally paid for that level of achievement. It is usually based on performance measured on a time period of one year or less (Okolo, et al., 2015). By recognizing the employee's contributions to the organization, it becomes easier for the organization to encourage excellent performance. Cash bonus pay has been widely used in organizations to motivate employees' performance (Peterson & Luthans, 2006). This implies that giving bonus to employee can reduce employee turnover. Recognition is the demonstration of appreciation for a level of performance, an achievement or a contribution to an objective which motivate employee to increase their performance level.

### **Commission**

Commission is usually paid to sales personnel which are aligned with the organizations' strategy and core competencies, thus, besides sales volume, the commission is determined by customers' satisfaction and sales team outcomes such as meeting revenue or profit goals (Peterson & Luthans, 2006). It is often suggested that when a manager is devising a compensation plan, he should always remember that different people react to different pay structures in different ways.

### **Reinforcement and Expectancy Theories**

Reinforcement theory states that a positive response or behavior that is followed by a reward is more likely to recur in the future (Thorndike's Law of Effect). The implication for compensation management is that when high employee performance is followed by a monetary reward, the possibility of a repeated high performance in the future is more likely. By the same token, if high performance by employees is not followed by a reward, a repetition of such behavior in the future will be less likely.

The theory emphasizes the importance of reward in inducing positive behavior among employees in the organizations by focusing on what they experienced. Unlike the reinforcement theory, expectancy theory by Vroom, (1964) focuses on the link between rewards and behaviors (instrumentality/perceptions) and emphasizes expected rather than experienced rewards (i.e., incentives). Vroom's theory assumes that motivation is a function



of two other factors: expectancy- the perceived link between effort and performance, and valence which is the expected value of outcomes (e.g., rewards). Compensation systems therefore differs according to their impact on these motivational components. Generally, pay systems differ significantly in their impact on instrumentality, i.e, the perceived link between behaviors and pay often seen as "line of sight" in the literature of reward system. Valence of pay outcomes is supposed to remain the same under different pay systems. This study is therefore anchored on these theories since the assumptions are consistent with the variables used in this study.

### **Empirical Review**

Amue and Igwe (2014) examined ways of developing sales force compensation mechanisms for sustainable competitiveness in the financial markets. Data were drawn from one hundred and twenty sales managers and three hundred and eighty salespersons, making a total of five hundred respondents, selected from money deposit banks in Nigeria. The results of the study show a strong influence of compensation mechanisms on sales force performance and also, that amongst the measures of compensation mechanisms, that salary plus commission and bonus, impacts significantly on sales performance. Based on the findings, the study concludes that sales force compensation mechanisms enhances sales, build salesperson long enduring relationships with employers and provide adequate and sustainable competitiveness. They recommended that money deposit banks in Nigeria should develop good sales force compensation mechanisms that will enhance sustainable competitive strategy in the market place.

Danladiand Alihu (2013) carried out a research on the "impact of reward and recognition programs on employee motivation and satisfaction". Research design used was exploratory. A sample of 80 employees of Unilever companies was used and data collection instrument used was a questionnaire. Pearson's correlation was used to analyze the data in order to determine the degree of relationship between reward and satisfaction and motivation. Major findings of the study indicated a positive significant relationship between rewards and work satisfaction as well as motivation. Factors affecting satisfaction were identified; payment 86%, promotion 74%, work conditions 61%, personal 37%. Analysis showed support for a positive relationship between reward and employee satisfaction. The





researchers recommended that further studies should be done on 'impact of reward and recognition on motivation and satisfaction for diverse groups of people' example gender, race and disability.

Peterson and Luthans(2006) undertook a study on reward systems within the health and geriatric care sector. The problem of the study was how reward systems designed in health and geriatric care are and whether the current reward systems affect the care quality. The thesis aimed to know how these systems are designed and what their effects on quality of health and geriatric care are. The study used a qualitative research methodology and interviewed a sample of six leaders in both private and public organizations. Two of the leaders worked in geriatric care and four in health care. The study theoretical framework was based on scientific literature about motivation and reward systems. Also literature specifically about wage conditions in the health care sector and the public sector was used. Findings showed that salary is an important aspect in the reward system; however other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. The results of the study further showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organization structures with old traditions. This must be reconsidered to be able to work with well-designed reward systems that are similar to a large extent with those in the private health care organizations. The researcher recommended that further studies should be undertaken to compare reward systems and investigate its impact on an organization in relation to those that does not.

Shaband Mick (2011) carried out an online study on salary plus commission incentives reward and performance using 1913 full-time employees and asked people to rank other 14 potential performance incentives in order of preference. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award paints, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work; being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine out of ten respondents representing (89%)



listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results of the investigation showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact that cash bonuses are nearly everyone's preferred reward. While cash bonuses were found to be the most preferred reward for three out of four, and among the top three rewards for nine out of ten, those who only receive a cash bonus are just slightly more satisfied than those who do not get any reward at all. Furthermore, offering exclusively only cash bonuses seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability.

### 3. METHODS OF STUDY

Cross-sectional research design was adopted for the study. The population of this study comprises 490 sales reps of the selected Breweries quoted on the Nigeria Stock exchange (NSE), located in Benin and Lagos. They include: Champion Breweries Plc. Guinness Nig. Plc. International Breweries Plc. Jos International Breweries Plc. and Nigerian Breweries Plc.

**Table 1: Population and sample size of Sales Representative of selected Breweries**

S/N	Breweries	No of Employees	Sample to each Brewery
1	Champion Breweries Plc.	98	$(98/490) \times 245 = 49$
2	Guinness Nig. Plc.	108	$(108/490) \times 245 = 54$
3	International Breweries Plc.	83	$(83/490) \times 245 = 41$
4	Jos International Breweries Plc.	94	$(94/490) \times 245 = 47$
5	Nigerian Breweries Plc.	107	$(107/490) \times 245 = 54$
Total		490	245

**Source: Stock Exchange fact book (2018)**

The instrument used for gathering data was the adjusted five-point Likert type scale questionnaire. The response ranged from 1-5; strongly disagree, disagree, undecided, agree and strongly agree.

Descriptive statistics (simple percentage, frequency distribution, mean and standard deviation), correlation and multiple regression were methods used for analysis. The study used SPSS version 21 for data analysis.



#### 4. RESULTS

Two hundred and forty-five (245) sets of questionnaire were administered, however two hundred and twenty sets of questionnaire (220) was returned, implying that 89.8% sets of questionnaire were returned and used for the study.

**Table 2: Demographic Profile of Respondents**

Option	Frequency	% age
<b>Sex</b>		
Male	138	61.9
Female	82	36.8
Total	220	100.0
<b>Age</b>		
15-20 years	62	28.1
21-30 years	52	23.6
31-40 years	76	34.7
41 years and above	30	13.6
Total	220	100.0
<b>Marital Status</b>		
Married	123	55.2
Single	97	43.5
Total	220	100.0
<b>Educational Qualification</b>		
WAEC/GCE/NECO	32	14.3
OND/NCE	33	14.8
HND/B.Sc.	82	36.8
MBA	15	6.7
Others	58	26.0
Total	220	100.0

**Source: Field Survey(2019)**

From the result of demographic profile of respondents in Table 2, the respondents are made up of 138 male representing 61.9% of the total respondents while 82 of the respondents are female representing 36.8% of total participants. The age distribution of respondents shows that 62 respondents representing 28.1% are between the ages of 15 and 20 years, 52



respondents representing 23.6% are within the ages of 21 and 30 years, 76 respondents representing 34.2% are in the ages of 31-40 years and 30 respondents representing 13.6% are in the age bracket of 41 years and above. The distributions of respondents according to marital status show that 123 respondent representing 55.2% are married while 97 respondents representing 43.5 % are single.

The educational qualification of respondents showed that 32 respondents representing 14.3% have WAEC, 33 respondents representing 14.8% had OND, 82 respondents representing 36.8 had HND/BSC, 58 respondents representing 26.0% had others and 15 respondents representing 6.7 % had MBA qualifications. On the whole, the respondents have the maturity, educational qualification and the experience required to provide relevant information for this study.

**Table 3: Correlations among the Variables of Sales force compensation and Marketing Performance**

Variables		1	2	3	4
Profit Sharing	Pearson Correlation	1			
	Sig. (2-tailed)	.000			
	N	220			
Cash Bonus	Pearson Correlation	.747**	1		
	Sig. (2-tailed)	.000			
	N	220	220		
Commission	Pearson Correlation	.297**	.706**	.845**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	220	220	220	220
Marketing Performance	Pearson Correlation	.725**	.833**	.671**	.531**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	220	220	220	220



Variables	1	2	3	4
Profit Sharing	1			
Pearson Correlation				
Sig. (2-tailed)	.000			
N	220			
Cash Bonus	.747**	1		
Pearson Correlation				
Sig. (2-tailed)	.000			
N	220	220		
Commission	.297**	.706**	.845**	1
Pearson Correlation				
Sig. (2-tailed)	.000	.000	.000	
N	220	220	220	220
Marketing Performance	.725**	.833**	.671**	.531**
Pearson Correlation				
Sig. (2-tailed)	.000	.000	.000	.000
N	220	220	220	220

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

Table 3, reveals that the results of the correlation analysis involving all the indicators of Sales force compensation and Marketing Performance showed an overwhelming positive correlation and also a positive correlation among the variables. Hence, there is a positive correlation coefficient value between Sales force compensation and Marketing Performance.

**Research objective 1:** To examine the influence of Profit Sharing on Marketing Performance in Breweries in Nigeria



**Table 4: Profit Sharing and Marketing Performance**

S/N	Questionnaire Items	SD		D		U		A		SA	
		No	%	No	%	No	%	No	%	No	%
1	Profit Sharing can improve my morale in the work place	3	1.5	10	5	12	5.9	90	44.6	87	43.1
2	Profit Sharing is a key indicator for achieving growth in our organizational profits	6	3	10	5	-	-	96	47.5	90	44.6
3	Profit Sharing systems can motivation me and increase my performance.	2	1	8	4	-	-	97	48	95	47
4	Effective and efficient Profit Sharing has reduced the rate of sales force turnover	2	1	7	3.5	1	.5	102	50.5	90	44.6

Source: Analysis of Field Survey, 2019.

The descriptive pattern of response for the “sales force compensation through Profit Sharing” sub-scale indicated that on the first questionnaire item, 87(43.1%) of the respondents strongly agreed to the construct, 90(44.6%) agreed; while 3(1.5%) strongly disagreed and 10(5%) disagreed. 12(5.9) were undecided. On the second item, 90(44.6%) respondent strongly agreed, 96(47.5%) agreed; 6(3%) respondents strongly disagreed and 10(5%) disagreed.

On the third item on the profit sharing sub-scale, 95(47%) respondents agreed to the construct, 97(48%) strongly agreed, while 2(1%) of the total sample respondents strongly disagreed and another 8(4%) disagreed completely. On the fourth construct in the sub-scale, 90(44.6%) agreed to the construct, 102(50.2%) others strongly agreed, 1(.5%) respondent was undecided, while a mere 2(1%) respondents strongly disagreed and 7(3.5%) disagreed respectively.



**Table 5: Regression Analysis of Profit Sharing on Marketing Performance**

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.653	.935		12.459	.000
	Profit Sharing	.320	.058	.351	5.537	.000

Dependent Variable: Marketing Performance

Source: Analysis of Field Survey, 2019

Table 5 shows the contribution of each facets of Profit Sharing on Marketing Performance. However, the construct of Profit Sharing are significant in determining Marketing Performance. Table 5 shows the regression analysis result for Profit Sharing exhibited a positive influence on Marketing Performance giving the Beta value ( $\beta = .351$ ,  $p < 0.05$ ).

**Table 6 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.351 <sup>a</sup>	.123	.119	1.439

Predictors: (constant), Profit Sharing

Table 6 shows that .119 (11.9%) variations in Marketing Performance are accounted for by changes in Profit Sharing.

**Research objective 2:** To determine the effect of Cash Bonus on Marketing Performance of Breweries in Nigeria

**Table 7: Cash Bonus and Marketing Performance**

S/N	Questionnaire Items	SD		D		U		A		SA	
		No	%	No	%	No	%	No	%	No	%
1	Cash bonuses motivate me to perform better	4	2	7	3.5	6	3	95	47	90	44.6
2	Giving bonus to sales force can reduce sales force turnover	5	2.5	12	5.9	6	3	83	41.1	96	47.5
3	I am motivated to perform when paid bonus	2	1	6	3	1	.5	103	51	90	44.6
4	Bonus can motivate me to serve customers better therefore making more sales	-	-	8	4	8	4	94	46.5	92	45.5



**Source: Analysis of Field Survey(2019).**

The descriptive pattern of response on the construct “Cash bonus” indicated that in the first questionnaire item, 90(44.6%) of the respondents strongly agreed, 95(47%) agreed; 6(3%) were undecided, 4(2%), strongly disagreed and 7(3.5%) disagreed. On the second item, 96(47.5%) respondents strongly agreed, 83(41.1%) were in agreement; 6(3%) respondents were undecided, while 5(2.5%) strongly disagreed and 12(5.9%) disagreed. On the third item on the cash bonus sub-scale, 90(48%) of the sample respondents strongly agreed, 103(47%) agreed, 1(.5%) were undecided, while, a mere 2(1%) strongly disagreed, and 6(3%) disagreed respectively. On the fourth construct in the sub-scale, 92(50.2%) strongly agreed, 94(42.1%) agreed to the item, 8(4%) were undecided while same number of respondents (8) disagreed.

**Table 8 Regression Analysis for effect of Cash Bonus on Marketing Performance**

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.708	.632		24.874	.000
	Cash bonus	.065	.036	.119	1.775	.001

Dependent Variable: Marketing Performance

Source: Analysis of Field Survey, 2019

Table 8 shows that the regression analysis result for Cash Bonus exhibited a positive effect on Marketing Performance giving the Beta value ( $\beta = .119, p < 0.05$ ).

**Table 9 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.619 <sup>a</sup>	.383	.367	1.961





Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.708	.632		24.874	.000
	Cash bonus	.065	.036	.119	1.775	.001

Predictors: (constant), Cash Bonus.

Table 9 shows that .367 (36.7%) variations in Marketing Performance is accounted for by changes in Cash Bonus.

**Research objective3:** To determine the effect of Commission on Marketing Performance of Breweries in Nigeria

**Table 10: Commission and Marketing Performance**

S/N	Questionnaire Items	SD		D		U		A		SA	
		No	%	No	%	No	%	No	%	No	%
1	Commission encourages my performance	11	5.4	16	7.9	10	5	82	40.6	83	41.1
2	Commission motivates me to perform effectively.	2	1	17	8.4	6	3	99	49	78	38.6
3	Commission encourages my commitment to the organization	8	4	18	8.9	11	5.4	90	44.6	75	37.1
4	Commission influences my performance.	14	6.9	14	6.9	10	5	104	51.5	60	29.7

Source: Analysis of Field Survey 2019.

The descriptive pattern of response for the Commission sub-scale indicated that on the first questionnaire item, 83(41.1%) of the respondents strongly agreed, 82(45%) agreed; 10(5%) were undecided, while 11(5.4%) strongly disagreed and 16(7.9%) disagreed. On the second item, 78(38.6%) strongly agreed, 99(49%) agreed; 6(3%) were undecided 2(1%) respondents strongly disagreed and 17(3%) disagreed.



On the third item on the sub-scale, 75(37.1%) respondents strongly agreed, 90(44.6%) agreed, 11(5.4%) were undecided, while 8(4%) of the total sample respondents strongly disagreed and another 18(8.9%) disagreed respectively. On the fourth construct in the sub-scale, 60(47%) strongly agreed to the construct, 104(46%) agreed, 10(3%) were undecided, 14(6.9%) apiece strongly disagreed as well as disagreed respectively.

**Table 11: Regression Analysis of effect of Commission on Marketing Performance**

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.265	.411		.646	.520
	Commission	.985	.025	.977	39.173	.000

Dependent Variable: Marketing Performance

Source: Analysis of Field Survey, 2019

Table 11 shows that the regression analysis result for Commission exhibited a positive effect on Marketing Performance, giving the Beta value ( $\beta = .977$ ,  $p < 0.05$ )

**Table 12: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.660 <sup>a</sup>	.436	.419	1.682

Predictors: (constant), Commission.

The result shows that Commission to the sales rep by organizations could foster positive Marketing Performance. With Adjusted-square of .419 meaning that 41.9% variation in Marketing Performance is accounted for by changes in Commission as shown in table 12.



**Table 13: Marketing Performance**

S/N	Questionnaire Items	SD		D		U		A		SA	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	Increase in repeat purchase have resulted to sales growth in the past 3 years in my organization	8	4	10	5	10	5	78	38.6	96	47.5
2	Sales force performance has led to increase in market share of my organization for the past 3 years.	2	1	6	3	5	2.5	92	45.5	97	48
3	There is increase in sales volume of my organization.	5	2.5	6	3	7	3.5	97	48	87	43.1
4	Generally, there is increase in marketing performance in my organization over the past 3 years	7	3.5	4	2	4	2	102	50.5	85	42.1

Source: Analysis of Field Survey, 2019.

The descriptive pattern of response for the Marketing Performance sub-scale indicated that on the first questionnaire item, 96(47.5%) of the respondents strongly agreed, 78(38.6%) agreed; 10(5%) were undecided, while 8(%) strongly disagreed and 10(5%) disagreed. On the second item, 97(48%) strongly agreed, 92(45.5%) agreed; 5(2.5%) were undecided while a mere 2(1%) respondents strongly disagreed and 6(3%) other respondents disagreed. On the third item on the sub-scale, 87(43.1%) respondents strongly agreed, 97(48%) agreed, 7(3.5%) were undecided, while 5(2.5%) of the total sample respondents strongly disagreed and another 6 (3%) disagreed respectively. On the fourth construct in the sub-scale, 85(42.1%) strongly agreed, 102(50.5%) agreed, 4(2%) were undecided, 7(3.5%) strongly agreed, and 4(2%) respondents disagreed.

#### 4.4 Test of Hypotheses

**Hypothesis one (Ho<sub>1</sub>):** Profit Sharing does not have significant influence on Marketing Performance of Breweries in Nigeria.



Table 5 shows the contribution of each facets of Profit Sharing on Marketing Performance. However, the construct of Profit Sharing are significant in determining Marketing Performance. The table 5 shows the regression analysis result for Profit Sharing exhibited a positive relationship with Marketing Performance.

Also as indicated in the table 5, since the p-value calculated is less than the critical level of significance ( $.001 < 0.05$ ), we reject the null hypothesis, implying that there is significant positive relationship between Profit Sharing and Marketing Performance.

**Hypothesis two (Ho<sub>2</sub>):** *Cash Bonus does not have significant effect on Marketing Performance of Breweries in Nigeria.*

Table 8 shows that the regression analysis result for Cash Bonus exhibited a positive effect on Marketing Performance as indicated in table 8, since the p- value calculated is less than the critical level of significance ( $.001 < 0.05$ ), we reject the null hypothesis, thus implying that cash bonus has a significant positive effect on Marketing performance of Breweries in Nigeria.

**Hypothesis Three Ho<sub>3</sub>:** *Commission does not have significant effect on Marketing Performance of Breweries in Nigeria.*

Table 11 shows that the regression analysis result for Commission exhibited a positive relationship with Marketing Performance.

Table 11 revealed that the p-value calculated is less than the critical level of significance ( $.000 < 0.05$ ) we reject the null hypothesis, thus implying that Commission has a significant positive effect on Marketing Performance of Breweries in Nigeria.

### **Discussion of Results**

The table 5 shows that the regression analysis result for Profit Sharing exhibited a positive influence on Marketing Performance giving the Beta value ( $\beta = .351, p < 0.05$ ). Also as indicated in the table 5, since the p-value calculated is less than the critical level of significance ( $.001 < 0.05$ ), we reject the null hypothesis, thus implying that Profit Sharing significantly influence Marketing Performance of Breweries in Nigeria.

This is in consonance with Okolo, et al., (2015) and (Nwachukwu, 2009) who opines that profit sharing plan is used to integrate the employee's interests with those of the company and it motivate employees to perform more effectively. Implying that sales force motivation through profit sharing is a veritable tool for marketing performance.



Table 8 shows that the regression analysis result for Cash Bonus exhibited a positive effect with Marketing Performance giving the Beta value ( $\beta = .119$ ,  $p < 0.05$ ). Also as indicated in the table 8, since the p-value calculated is less than the critical level of significance ( $.001 < 0.05$ ), we reject the null hypothesis, thus implying that Cash Bonus significantly affect Marketing Performance of Breweries in Nigeria.

The finding is in alignment with Finkle, (2011) who observed that Cash bonus is a reward that organizations use to reward employees for exemplary performance when they have performed higher or exceed their set targets which makes them eligible to perform more and achieve their objectives.

Table 11 shows that the regression analysis result for Commission exhibited a positive effect on Marketing Performance, giving the Beta value ( $\beta = .977$ ,  $p < 0.05$ ).

Table 11 revealed that the p-value calculated is less than the critical level of significance ( $.000 < 0.05$ ) we therefore reject the null hypothesis thus implying that Commission significantly influence or affect Marketing Performance of Breweries in Nigeria. This finding is in accord with Merchant, (2007) who is on the opinion that Commission giving to employees also works to attract and retain key talented persons that work towards organizational goals and objectives, and added that People sometimes need an incentive to perform tasks well and work hard.

## **CONCLUSION**

The study therefore concludes that the enforcement of Sales force compensation plans avails the organizations with the opportunity to motivate employees to perform better and also to keep the employees loyal to the organisation. Also, sales force motivation through profit sharing is a veritable tool for marketing performance.

Again, cash bonus has the potential to stimulate exemplary performance when properly designed and implemented in an organization. Organizations that use cash bonus to reward employees will stimulate exemplary performance that will make them to performed higher or exceed their set targets and consequently achieve the organisations' objectives.



Furthermore, commission given to employees also works to attract and retain key talented persons that work towards organizational goals and objectives. This is because people sometimes need an incentive to work hard and perform tasks well.

## RECOMMENDATIONS

1. Organizations leaders should voluntarily integrate different sales force compensation plan in the organization to ensure effective marketing performance.
2. Firms should adopt Cash Bonus strategy as a way of motivating sales force so as to spur them to increase their sales volume and meet their target always.

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