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Sales Leadership in New Car Dealerships in Thiruvananthapuram District

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Abstract: A passenger car dealership business stands on the revenue generated through the sales of new vehicle and its associated services. But, the sales revenue is the primary source which make or break a dealership business. As such great importance is given to sales management and huge funds are pumped in for recruiting, training and retaining sales force in order to make it a performing sales team. And the day to day sales activities and numbers are the sole responsibility of the Sales Manager who is the head of the sales team as a whole. It is a universal knowledge that the leadership quality of the sale manager have the most profound impact on the success of the sales team. This study attempts to identify the sales leadership style as it is practiced mostly today in dealerships as well as to find out the most desired leadership style from the viewpoint of the sales executives and frontline sales managers.

Keywords: car dealership, sales leadership, leadership style, sales management, sales team

INTRODUCTION

Sales Manager is at the core of a performing sales team. Each and every sales manager has his unique style of leading his sales team towards the achievement of the organisational goals. A sales manager will be adapting any one of the leadership styles in the literature of leadership. The style adapted can be broadly categorised into Autocratic, Democratic, Laissez Faire, Transactional or Transformational which are the basic styles of leadership in the literature. Each style has its own merits and demerits, and it is up to the person adapting it to use his discretion in choosing the leadership style as warranted by the situation in which he is operating. There is no universal knowledge or theory to suggest which leadership to be used in a given situation and which leadership style is not to be employed in another one situation. Even though, such a frame work cannot be developed as each and every situation in which a leader operates is as unique

as every human being is, this study aims to understand the leadership style used primarily by a sales manager in the context of a new car dealerships in Thiruvananthapuram district as well as to find which leadership style is most preferred by the frontline sales managers (front line sales managers include Team Leaders and Assistant Sales Managers) and executives in their sales managers. By understanding the leadership style mostly preferred by the sales force, or how they want to be managed, it becomes easy for the sales managers to manage the sales force more effectively.

PROBLEM STATEMENT

According to Andris A. Zoltners *et al.*, among the sales executives who departed their organisation, 32% had to quit primarily because of their interrelation with their manager, 27% made their exit essentially because of poor pay and 21% left mainly because of the lack of growth opportunities.

OBJECTIVES

- (i) To find the most preferred leadership style of sales managers from the viewpoint of executives and frontline managers.
- (ii) To find the most practiced leadership style by sales managers in new car dealerships from the viewpoint of executives and frontline sales managers.
- (iii) 3.To find the differences in the perceived and preferred for leadership style between executives and frontline managers.

METHODOLOGY

This research is a quantitative research which is descriptive in analysing the leadership style as it is practiced currently and is also explorative as it tries to find the desired/preferred leadership style. A structured questionnaire was employed to collect data which was administered to 58 sales executives and 30 frontline managers in Thiruvananthapuram district. The period of study was January and February 2017. A simple random sampling technique had been used to collect data from the target population. Same set of questionnaires were employed to gather the data from both executives and frontline managers. Gathered data had been tabulated and Mean and Standard Deviation had been calculated. Levene's test for Equality of Variances had been used to verify whether there is any significant difference between the opinions of executives and frontline managers with respect to their view in perceived and desired leadership styles, when equal variances are assumed.

GROUP STATISTICS

From the Table 1, it can be inferred that Transactional leadership is the predominantly adapted leadership by sales managers in new car dealers. Both the executives and frontline managers gave a high mean of 17.81 and 20.47 respectively for Transactional leadership. Executives perceive their managers exhibit the characteristics of Autocratic leaders followed by Laissez Faire, Transformational and lastly Democratic. Frontline managers perceive their sales managers as displaying the characteristics of Democratic, Autocratic, Transformational and lastly the characteristics of Laissez Faire leadership.

Table 1
Leadership Style as It is Perceived by Executives and Frontline Managers

<i>Leadership Style</i>	<i>Designation</i>	<i>Mean</i>	<i>Standard Deviation</i>
Autocratic	Executives	16.66	2.62
	Frontline Managers	15.13	2.03
Democratic	Executives	11.12	2.81
	Frontline Managers	16.07	2.94
Laissez Faire	Executives	16.43	2.69
	Frontline Managers	11.88	2.49
Transactional	Executives	17.81	2.31
	Frontline Managers	20.47	1.53
Transformational	Executives	11.53	3.31
	Frontline Managers	15.00	2.68

Table 2
Independent Samples Test for Perceived Leadership Style

<i>Leadership Style</i>	<i>Executives</i>		<i>Frontline Managers</i>		<i>T Value</i>	<i>P Value</i>
	<i>Mean</i>	<i>S.D.</i>	<i>Mean</i>	<i>S.D.</i>		
Autocratic	16.66	2.63	15.13	2.03	2.772	.007
Democratic	11.12	2.81	16.07	2.94	-7.709	.000
Laissez Faire	16.43	2.69	11.88	2.49	-7.911	.000
Transactional	17.81	2.31	20.47	1.53	-5.676	.000
Transformational	11.53	3.31	15.00	2.68	-4.947	.000

There is significant difference in the opinion between executives and frontline managers in perceiving their sales managers leadership style. This goes to mean that sales managers manage the executives and frontline managers differently, or it can be inferred that sales managers employ different leadership style towards executives and frontline managers in the course of day to day sales management activities. It can also be inferred that sales managers interact more and more with frontline managers from their high Mean

Table 3
Leadership style Preferred by Executives and Frontline Managers

<i>Leadership Style</i>	<i>Designation</i>	<i>Mean</i>	<i>Standard Deviation</i>
Autocratic	Executives	11.53	3.31
	Frontline Managers	15.00	2.68
Democratic	Executives	17.98	2.81
	Frontline Managers	18.87	1.38
Laissez Faire	Executives	12.67	2.03
	Frontline Managers	17.67	2.25
Transactional	Executives	15.59	1.76
	Frontline Managers	16.20	2.52
Transformational	Executives	16.64	1.60
	Frontline Managers	16.40	2.16

score in all leadership except the Autocratic and Laissez Faire. Also sales managers are more autocratic in dealing with the executives than their dealing with the frontline managers as well as not reaching out to the executives in day to day sales management activities.

Table shows that both the executives and frontline managers expect their sales managers to be primarily Democratic. Executives desire their sales managers to be more Transformational, than Managerial/ Transactional, followed by Laissez Faire and Autocratic in that order. Frontline managers expect their sales manager to be Transformational, Transactional, Autocratic and Laissez Faire in that order. It can also be inferred that executives expect an active involvement of sales managers from the low mean in their preference for Laissez Faire leadership style. It can also be inferred that both the executives and frontline managers expect their sales manager to involve more in sales tasks but, they want him to interfere in different ways. While executives want him to interfere in normal sales tasks, frontline managers want him to take collective decisions and to give more direction.

Table 4
Independent Samples Test for Preferred Leadership Style

<i>Leadership Style</i>	<i>Executives</i>		<i>Frontline Managers</i>		<i>T Value</i>	<i>P Value</i>
	<i>Mean</i>	<i>S.D.</i>	<i>Mean</i>	<i>S.D.</i>		
Autocratic	11.53	3.31	15.00	2.68	4.947	.000
Democratic	17.99	2.81	18.87	1.38	-1.620	.109
Laissez Faire	12.67	2.03	17.67	2.24	-10.545	.000
Transactional	15.59	1.76	16.20	2.52	-1.332	.186
Transformational	16.64	1.60	16.40	2.16	-4.947	.560

There is significant difference between executives and frontline managers with respect to their expectation of Autocratic and Laissez Faire. In all other styles both the groups opinion do not reflect significant differences. From the mean score of frontline managers for Laissez Faire style, it can be inferred that frontline managers expect more autonomy than the executives. Both the executives and the frontline managers also expect the sales manager to involve them in the decision making process. Even though the difference is small in the mean score for Transformational style between the two groups, the greater mean score of executives suggest that they expect more transformational leadership from their sales managers than the frontline managers.

Table 5
Difference between the Perceived Style and Preferred Style of Executives

<i>Leadership Style</i>	<i>Executives</i>	
	<i>Perceived Mean Score</i>	<i>Preferred Mean Score</i>
Autocratic	16.66	11.53
Democratic	11.12	17.99
Laissez Faire	16.43	12.67
Transactional	17.81	15.59
Transformational	11.53	16.64

From the above table it can be clearly inferred that there is a lot of difference in the mean score of perceived and preferred leadership style of executives. Executives perceive their sales managers as more autocratic in nature, but expect them to take inputs and suggestions from them before arriving at decisions concerning their works. On the contrary, they perceive their sales managers as less democratic, but expect them to delegate more tasks and guide and engage them more in sales related activities. A high mean score for Laissez Faire style goes to mean that the sales managers are not properly involved in their executives sales efforts, but they expect their sales manager to interfere in their jobs and share his functional expertise with the executives. A high mean score for transactional leadership goes to mean that the executives are being micro managed and are driven by rewards and punishments. Even though the executives have an aversion towards being micro managed, they still feel it as a necessary activity to drive their performance. Lastly, executives feel that they are not getting a personalised care from their sales manager, and they expect the sales manager to consider them individually and inspire them with their influential behaviour. The table below sums up the perception and preference of the executives. The perceived and preferred leadership characteristics which together constitute various leadership styles are given in the table below in the order of their significance as per the opinion of executives.

Table 6
Perceived and Preferred Characteristics of Sales Manager by Executives

<i>Perception</i>	<i>Preference</i>
Sets standards of performance	Get the teams suggestions before deciding
Manages by rewards and punishments	Maintain less control
Micro management	Guidance
Concerned with process over ideas	Give more ego rewards
Avoids change and keep the things same	Demonstrative
Most often control the team strongly	Promote team cooperation
Motivates us through coercion	Provide a vision and mission
Focuses on streamlined work process	Give more authority & responsibility
Independently sets policies	High personal values
Maintains order & discipline	Encourage personal growth
Authority or power is seldom with the staff	Clarified tasks
Occasionally exerts little or no control	Emphasis on company hierarchy
Little or no direction	Corrective action when deviating from norms
Abstains from leading	Fair minded
Infrequently let staff determine the goals	Rewards and punishments
Empower by giving functional knowledge	Give framework to decide
Mentors the team members individually	Give more job satisfaction
Inspires to reach new heights	Give motivation when requested
Embody high professional values	Non-interference
Emphasizes on intrinsic motivation	Give a sense of responsibility
Maintains less control on the team	Take independent decisions
Seldom guides through suggestions	Give directions
Team decisions are taken collectively	Drive
Openly shares information	Strong willed and commanding manager
Motivation through participation	Motivate always with monetary rewards

Table 7
Difference between the Perceived Style and Preferred Style of Frontline Managers

<i>Leadership Style</i>	<i>Frontline Managers</i>	
	<i>Perceived Mean Score</i>	<i>Preferred Mean Score</i>
Autocratic	15.13	15.00
Democratic	16.07	18.87
Laissez Faire	11.88	17.67
Transactional	20.47	16.20
Transformational	15.00	16.40

As far as the frontline managers are concerned, they don't question the authority of the sales manager in driving the sales force, and they would like to maintain the status quo in this regard. The frontline managers perceive that they are heard by the sales manager before taking crucial decisions, still they expect the sales manager to engage them more. The frontline managers perceive that sales managers interference in their job is more. They expect more autonomy and freedom in their job related matters. Frontline managers perceive that micro management and management with rewards and punishment is the primary style of the sales managers in dealing with them, and feel that this type of micro management as a necessary action to drive the sales force towards targets, they prefer the sales manager to be a little more relationship oriented. Frontline managers perceive that they are individually being considered and motivated, but they expect more in this regard from the sales manager. It is to be noted that the frontline managers gave a high mean score for all the leadership styles where, executives prefer their sales manager to be more democratic, transformational and transactional. By giving a high mean score for Laissez Faire, the frontline managers expect the sales manager to give them some degree of autonomy and discretion to decide. The perceived and preferred leadership characteristics which together constitute various leadership styles are given in the table below in the order of their significance as per the opinion of frontline managers.

Table 8
Perceived and Preferred Characteristics of Sales Manager by Frontline Managers

<i>Perception</i>	<i>Preference</i>
Sets standards of performance	Get the teams suggestions before deciding
Manages by rewards and punishments	Maintain less control
Micro management	Guidance
Concerned with process over ideas	Give more ego rewards
Avoids change and keep the things same	Demonstrative
Maintains less control on the team	Give the framework to decide
Guides through suggestions	Give more job satisfaction
Team decisions are taken collectively	Give motivation when requested
Openly shares information	Non- interference
Motivation through participation	Give a sense of responsibility
Try to maintain strong control occasionally	Promote team cooperation
Motivation through coercion	Give a vision and mission

contd. table 8

<i>Perception</i>	<i>Preference</i>
Focuses on streamlined work process	Give more authority & responsibility
Frequently sets policies independently	High personal values
Try to maintain order & discipline	Encourage personal growth
Empower by giving functional knowledge	Clarified tasks
Mentors the team members individually	Emphasis on hierarchy
Inspires to reach new heights	Corrective action when deviating from norms
Embody high professional values	Fair minded
Emphasizes on intrinsic motivation	Manage with rewards and punishments
Infrequently authority is with the staff	Independent decision maker
Seldom exerts little or no control	Give directions
Provides little or no direction	Drive
Abstains from leading	Strong willed and commanding
Staff determines the goals	Monetary motivation

FINDINGS

- (i) As far as the desired leadership style both executives and frontline managers opine that their sales manager has to be primarily Democratic.
- (ii) Transactional style of leadership is the mostly practiced leadership in new car dealers according to both executives and frontline managers.
- (iii) There is significant difference in the preferred style of leadership between the executives and frontline managers.
- (iv) There is significant difference in the perception of executives and frontline managers in their sales managers leadership style.
- (v) From the desire of the sales force to work with a democratic leader, it becomes clear that both the executives and frontline managers are willing to work with a sales manager who respect them as individuals by coaching and involving them in decision making.
- (vi) Sales Managers attitude towards executives and frontline managers differ and they employ different styles of leadership in managing these two groups.
- (vii) Executives expect the sales managers to take an active role instead of adapting a Laissez Faire style.
- (viii) Frontline managers expect more autonomy than executives with the sales team.
- (ix) Frontline managers as well as executives expect the sales manager to take their suggestions in sales and marketing decisions.
- (x) Executives expect the sales managers to reach out more to them and give more inputs to them for their professional and personal growth.
- (xi) Frontline managers expect the sales managers to play an active role than expected by the executives.

RECOMMENDATIONS

From the findings above it is understood that needs and expectations of various groups in a sales team differ from each other and a sales manager being the at core of such a sales team should be able to cater to the teams different needs and expectations. For example, executives expect more and more involvement from their sales managers where frontline managers expect more autonomy in their work. A sales manager has to necessarily be learnt or trained in employing alternative leadership styles depending on the given situation. At times he has to be Autocratic, and at other times he has to exhibit the characteristics of other leadership styles also.

CONCLUSION

The study concludes that there cannot be a single style of leadership style in managing a sales team. A single style cannot be employed in every situation effectively. For instance, in this study, it can be found that frontline managers expect the sales manager to practice almost all leadership styles, and it can be assumed that their expectation is dependent on the situation or the task at hand. On the other hand, executives prefer their sales manager primarily exhibit the characteristics of Democratic, Transformational and Transactional leadership, relegating the Autocratic and Laissez Faire leadership styles to the last in the list. Thus, it becomes imperative for the sales manager to cultivate the characteristics of all the leadership styles in him, and use it effectively as the situation warrants. Such a leader can be termed as a “Full Option” leader going by the term used to describe a fully loaded passenger car. A Full Option leader will have every leadership characteristics in his arsenal and he will be aware of how to use them scrupulously.

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