The Personality of Turnover

Contributed by, Michael M. Pearson
Assistant Professor, Department of Marketing
Bowling Green State University
Bowling Green, Ohio

Examines Buyer-Vendor relationships in a supermarket chain and suggests positive and negative aspects of these relationships.

Stock turnover is a basic measure of business performance. It is easily understood and is easily calculated. It is kept in one form or another by all levels of the channel of distribution and is employed by all industries. It gives at least one uniform measure of performance between retailer and wholesaler and between wholesaler and manufacturer. Therefore, comparisons between industries, different methods of distribution, and even different individual firms are possible using turnover.

There is probably no industry where turnover is more important than in the food industry. Because of the highly competitive nature of this industry, distributors have been forced to accept lower margins than those enjoyed by many other industries. It is, therefore, necessary for distributors of food products to place great emphasis on turnover in order to generate a satisfactory return.

THE PERSONALITY OF TURNOVER

People, of course, have personalities. Their personalities are complex systems. These systems are combinations of several personality traits or characteristics. Given a specific situation, certain personality traits will predominate. In an unpressured situation, for example, a man might show poise, wisdom, and a sense of humor. The same man, facing a pressured situation, might show fright, panic, and disorganization. All these characteristics are present in the man's personality. Given the specific situation, some characteristics will show themselves and others will not.

Turnover also can be thought of as a complex system. Given a situation of high turnover, the partners in a transactional act display certain traits or characteristics. Given a situation of low turnover, other characteristics are displayed. The personality of turnover is, therefore, made up of several personality traits displayed by transactional partners in a channel of distribution.

This article attempts to answer several questions. What is the personality of high turnover situations? What is the personality of low turnover situations? How do these situations differ? Is there a relationship between turnover and any personality traits? What is the nature of this relationship?

REVIEW OF RESEARCH DESIGN

This article is based upon a study of fifty-five buyer-vendor relationships. The buyers were employed by a regional supermarket chain. The chain was set up both physically and organizationally to take full advantage of centralized buying. All purchasing was carried out through the buyers in the central office rather than through the managers of the individual member stores within the chain. All goods purchased were sent through a central warehouse, therefore, distributed the products to its member stores.

The research design was very simple. First, buyer-vendor relationships were measured as to the personality characteristics possessed by each. Second, the turnover level for each buyer-vendor relationship was determined. Third, personality traits and turnover levels were compared to determine what, if any, relationship existed between personality and turnover.

Determining the Personality of the Buyer-Vendor Relationship

The personality of the relationship was determined using an attitude scale questionnaire. Each member of the relationship (the actual participants in the transactional act) was asked to rate his perception of the presence of each personality trait in the relationship. The buyer, for example, was asked to rate his relationship with a specific supplier as to how accurately it was described by a certain personality trait (Table 1). "How well does fairness describe your relationship with the supplier?" If fairness was considered a perfectly accurate description, a rank of ten would be given. If fairness was considered an extremely inaccurate description, a rank of one would be given. Ranks from two to nine would show more moderate responses.

The buyer was asked to rate the accuracy of each of the thirty personality characteristics as it applied to his relationship with a specific supplier. This supplier was then asked to rate his relationship with the buyer as to the accuracy of each of these descriptive adjectives. The responses were then combined to achieve a cumulative rating for the buyer-vendor relationship (Figure 1).
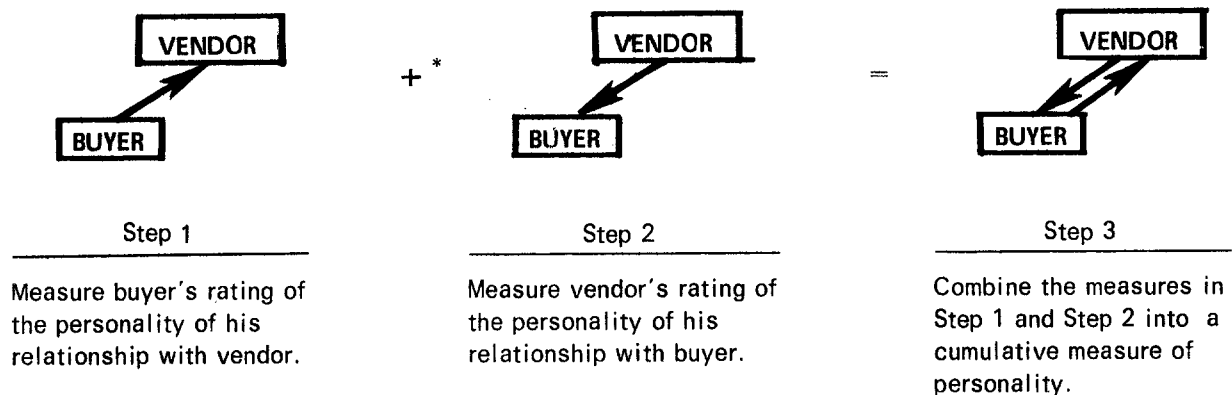
TABLE 1

Personality Traits of Buyer-Vendor Relationships

Assistance	Free Flowing Communications
Bickering	Friction
Bitterness	Inconsistency
Broken Promises	Mutual Confidence
A Coalition of Interests	Patience
Companionship	Resentment
Condemnation of Others	Respectfulness
Coordination	Sarcasm
Crossness	Snobbishness
Deceitfulness	Support
Disputes	Tactfulness
Dissension	Teamwork
Emotional Outbursts	Trust
Fairness	Unity
Faith in People	Unreasonable Demands

Source: Study questionnaire

FIGURE 1

**Summary of Steps in Arriving at Cumulative
Measure of Personality of Buyer-Vendor Relationship**

Step 1	Step 2	Step 3
Measure buyer's rating of the personality of his relationship with vendor.	Measure vendor's rating of the personality of his relationship with buyer.	Combine the measures in Step 1 and Step 2 into a cumulative measure of personality.

*Combining the responses is shown above as a process of addition only to conceptualize the combining process. Because the personality data was obtained through the use of an ordinal scale, the resulting data is, of cours, ordinal. The combining of the responses was therefore accomplished through a process of ranking responses and combining the ranks rather than the raw data.

Determining the Turnover Level for the Buyer-Vendor Relationship

It should again be noted that the reason turnover is being used as the measure of performance as opposed to some other measure is because of its universal acceptance. No assumption has been made that turnover is the best measure of buyer-vendor performance. In fact, no assumption has been made that this is even a good measure. The reason turnover has been used is simply because of its general acceptance, comparability, and simplicity.

For the purposes of this study, the turnover records of the retail chain were used. These were used for several reasons. First, the retailer possessed a very

good management information system. Records were, therefore, both readily available and accurately kept for relationships with suppliers. Second, using the retailer as a data base, the researcher was able to study several different types of buyer-vendor relationships. It was felt that the results of the study would be of more general interest using this approach as opposed to using just one specific type of channel relationship as the base for the study. The study, however, makes no attempt to divide vendors into any type of subgroup by product line, ownership type, size, length of relationship, etc. It is certainly conceded that these might have an effect on the relationship but they were simply not studied in this project.

Third, using the retailer's records allowed the study to be more geographically concentrated than if vendor records were used. Especially in the case of direct salesmen from manufacturers there would be a problem of both travel time and expense to get the same quality of data from the vendor.

Fourth, by using just one set of data (the retailer's) as opposed to several sets (the vendors'), the problem of comparing slightly different calculations of turnover was eliminated.

Combining Personality Characteristics and Turnover

The personality characteristics of the buyer-vendor relationships and the measures of turnover for the buyer-vendor relationships were compared using the process of correlation. Kendall correlation coefficients were used in this study as opposed to the more normal Pearson correlation coefficients. These were used because of the ordinal nature of the personality ratings.

Correlations point out whether any relationship does exist between turnover and personality traits and also the direction of the relationship.

The correlations were run with significance set at the .10 level.

RESULTS OF THE STUDY

Of the thirty original personality characteristics used in this study (Table 1), seventeen were shown to have a significant relationship with turnover. Five personality traits were positively correlated with turnover at this level and twelve were negatively correlated.

The Positive Personality of Turnover

The five characteristics that are positively correlated with turnover are:

Fairness
Free-Flowing Communications
Mutual Confidence
Support
Trust

These make up the positive personality of turnover. In a buyer-vendor relationship characterized by a high degree of these factors, it would be expected that a high level of turnover would be present. If a low level of these factors were present, than a low level of turnover would probably also be present. Turnover and fairness,

free-flowing communications, trust, support, and mutual confidence tend to vary together.

This positive correlation shows no cause-effect relationship. It cannot be said that high levels of these personality characteristics cause high turnover or that high levels of turnover cause high levels of these personality characteristics to exist. All that is said is that these factors tend to vary together.

A cause-effect relationship, however, does not need to be shown to state that these traits do make up the positive personality of turnover. These five positively correlated factors do characterize turnover. They help make up its personality. When turnover is high, these tend to be high. When turnover is low, these tend to be low. Just like with personality in people, these factors help explain the personality of turnover.

The Negative Personality of Turnover

Twelve factors were shown to have a significant negative correlation with turnover.

Bickering
Bitterness
Condemnation of Others
Crossness
Deceitfulness
Dissension
Emotional Outbursts
Inconsistency
Resentment
Sarcasm
Snobbishness
Unreasonable Demands

In situations where turnover is high, these factors tend to be low. When these factors tend to rate high, turnover tends to rate low. They tend to move in opposite directions with each other.

Again, no cause-effect relationship is implied. The relationship is simply noted. A relationship does exist between these factors and turnover. The relationship shows that when one is high the other tends to be low. This relationship contributes to the personality. But, instead of being a positive contribution, this is a negative contribution.
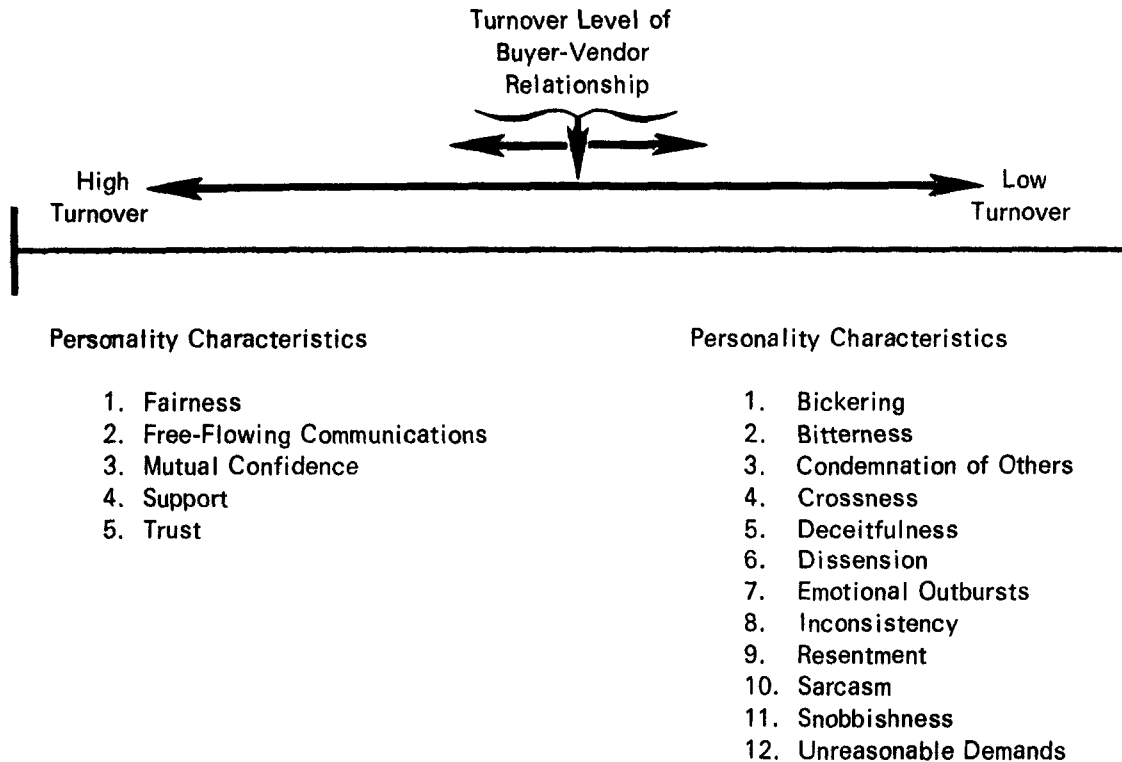
THE TOTAL PERSONALITY

These seventeen traits combine to form the total personality of turnover. They are related in a system such as the one shown in Figure 2.

As turnover moves up the continuum from a low turnover level to a high level, its personality changes. Certain personality traits predominate. The buyer-vendor relationship becomes more characterized by fairness, free-flowing communications, mutual confidence, support, and trust. As turnover moves down the continuum toward a lower turnover level, these five factors become less and less predominant. Other personality traits began to show themselves. These traits, bickering, bitterness, condemnation of others, crossness, deceitfulness, dissension, emotional outbursts, inconsistency, resentment, sarcasm, snobbishness, and unreasonable de-

FIGURE 2

The Personality System of Turnover

Turnover Level of
Buyer-Vendor
Relationship

High
Turnover

Low
Turnover

Personality Characteristics

1. Fairness
2. Free-Flowing Communications
3. Mutual Confidence
4. Support
5. Trust

Personality Characteristics

1. Bickering
2. Bitterness
3. Condemnation of Others
4. Crossness
5. Deceitfulness
6. Dissension
7. Emotional Outbursts
8. Inconsistency
9. Resentment
10. Sarcasm
11. Snobbishness
12. Unreasonable Demands

mands, become characteristic of buyer-vendor relationships in a low turnover situation.

CONCLUSIONS

mmmIt is difficult to keep from projecting these results beyond their applicability. It cannot be concluded from this that by working to increase the positive traits and decrease the negative traits in a buyer-vendor relationship that this would cause an increase in the level of turnover. While a rise in turnover level might accompany this, the correlation analysis does not state a cause-effect relationship.

What can be concluded is that turnover does have a personality. More correctly, the buyer-vendor relationship does have a personality. Different ratits of the person. ality predominate at different levels of turnover. By understanding the personality of turnover and the relationship between personality traits and turnover, the distributor can formulate strategies for both buying and selling that will best coordinate themselves with the positive traits (fairness, free-flowing communication, mutual confidence, support, and trust) and disassociate themselves from the negative traits (bickering, bitterness, condemnation of others, crossness, deceitfulness, dissension, emotional outburst, inconsistency, resentment, sarcasm, snobbishness, and unreasonable demands).