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*PROCEEDINGS*

*Twenty-seventh Annual Meeting*

Volume XXVII • Number 1

1986

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TRANSPORTATION RESEARCH FORUM

***PROCEEDINGS—***

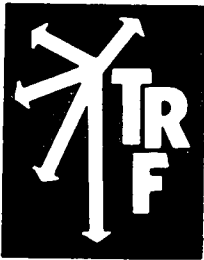
***Twenty-seventh Annual Meeting***

September 22-24, 1986  
Seattle, Washington

Volume XXVII • Number 1

1986

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**TRANSPORTATION RESEARCH FORUM**  
In conjunction with



**CANADIAN TRANSPORTATION  
RESEARCH FORUM**

# Selection Strategies for Motor Carrier Sales Personnel

By Jerry R. Foster and Alicia Thompson\*

## ABSTRACT

The success of selection strategies for motor carrier salespeople is examined by comparing selection criteria used by sales managers with managers' evaluations of salespeople's performance. A mail survey of motor carrier firms revealed that thirty percent of current salespeople were rated as average or below average performers by their managers. Criteria used to select these sales representatives are unsophisticated and antiquated. A discussion of more appropriate selection strategies is presented.

## I. INTRODUCTION

Deregulation has brought a myriad of effects on motor carrier firms. As well-established carriers declared bankruptcy and closed their doors, hundreds of new trucking companies began operations. In the first half of 1982, carriers were reporting minuscule profits while 61,000 new grants for operating rights were approved in the previous two years (Kloss, 1983). Efforts to strengthen the market position of carrier firms have been directed toward accelerated advertising and marketing programs. The crucial question often centers around the efficient allocation of scarce company resources to the marketing effort. In their pursuit of marketing economies, truck lines have often ignored shipper demands by continuing to use inadequate salespeople. In an attempt to assist sales managers in improving their sales forces, research was conducted to compare the selection techniques of motor carrier sales managers with the performance levels of the employed sales people. It is hoped that the identification of the success of currently used selection techniques will assist managers in improving the efficiency of their sales forces.

## II. BACKGROUND

Historically, motor carrier firms have operated under a "selling" concept rather than a "marketing" concept. This means that motor carrier firms have traditionally focused on their own service offerings rather than on their clients' needs. Their objectives centered around selling services rather than on satisfying customer needs. The difficult function in trucking companies has been included in the traffic department, and the people in that department have been assigned the duty of soliciting traffic rather than identifying and solving customers' problems. Salespeople were trained in product knowledge and selling techniques, and the most important skill of the salesperson was considered to be persuasiveness.

A selling orientation still prevails in the trucking industry (Farrell, 1984).

This view should not continue in today's competitive environment. In trucking, as in many industries, personal selling is the most crucial element in the marketing program. Direct selling in the motor carrier industry is a vital and necessary custom. Personal selling is crucial because of the necessity to build a relationship between buyer and seller. This relationship helps the seller to build a promotional program around the benefits of an unseen product. Service firms like motor carriers already have a significant investment in their sales forces, so they are increasingly looking for ways to maximize their return on this investment. One problem with increasing the return of sales force investments is developing the effectiveness of these sales forces. Past research in sales performance has done little to help the sales manager select more successful salespeople. Most studies have not found a consistent relationship between sales performance and any other variable. In a recent comprehensive review of the sales performance literature, Churchill and his colleagues (1985) discovered that the 1653 reported associations with sales performance found in 75 years of research explained collectively less than half of the variance in performance. It is understandable that the sales manager's selection task is a difficult one.

This difficulty is especially evident in the motor carrier industry because of recent changes which place complex demands on salespeople. Completely new conditions in the industry have demanded different behavior from selling organizations. In the past, "marketing" by carriers consisted mainly of giveaways of pens, calendars, note pads, and entertainment. The traffic manager for a large chemical manufacturer described the pre-deregulation motor carrier salesperson this way:

There are very few freight solicitors who come into our offices who are equipped to do very much for us. They are all nice fellows, and all friends of ours, but it's an absolute fact that we don't look to them for help on our shipping problems (Hopper, 1950, p. 3).

Now the fiercely competitive market has forced carriers to be more sophisticated in selling efforts. Today's motor carrier salesperson faces a different kind of market which is placing new demands and challenges on both salesperson and sales manager. The market environment requires a well-trained, knowledgeable "account manager" whose main concern is the distribution environment rather than the performance of transportation tasks. The carrier salesperson must be a distribution professional who sees his or her role as supporting the marketing



function of the shipper through the integration of customers' marketing and physical distribution needs instead of providing terminals and trucks. The account manager and shipper must work closely together to design services for the shipper's specific needs. This close interaction between a shipper and the carrier salesperson places critical emphasis on the sales organizations of carriers. In a 1976 study conducted by the American Trucking Associations, shippers expressed a disparaging view of carrier sales representatives (Saleh et al.). The study reported that motor carrier salespeople on the whole were perceived as being poorly trained, having inadequate knowledge of the industry and their own company, and being disinterested and incapable of solving the traffic manager's problems. In the years since deregulation, improvements have been attempted, but apparently little progress has been made. In a 1984 study of motor carrier marketing practices, the following comments from shippers were reported:

Generally speaking, carrier personnel of all modes have little time, knowledge, or inclination to help us improve our marketing/distribution.

Most contacts are with carrier sales force personnel . . . who are totally inadequate (Farrell, 1984, p. 46).

The direct impact of the selling function on carrier

profitability and the selection responsibility of the sales manager lead to the research reported here. It was designed to identify selection criteria of motor carrier sales managers and to compare those criteria with the performance levels of the salespeople working for that sales manager.

### III. METHODOLOGY

The design employed in this research was a mail survey. A sample of 25 motor carrier firms in the Denver area was chosen from the yellow page listings. Respondents, who were sales managers, were initially contacted by phone to gain their cooperation for the study. In the mail questionnaire, they were asked a series of questions about the criteria they used for the selection of salespeople. Then, as part of a separate mailing, they were asked to rate each of their salespeople on the following criteria:

Sales volume	Knowledge of selling skills
Profitability of sale	Customer relations skills
Number of calls made	Time management skills
Knowledge of company	
Number of orders generated	

Of the total sample, 17 usable responses were obtained, resulting in a response rate of 68 percent.

Table 1  
CHARACTERISTICS OF COMPANIES IN  
SAMPLE

(All figures in percent)

<u>Characteristic</u>	<u>Measurement Characteristic</u>	<u>ATA* Study N = 704</u>	<u>Present Study N = 17</u>
Geographic scope of operations	National	NA	65
	Regional	NA	35
	Total =		100
Revenues	More than \$100 million	6	46
	25 million to 100 million	11	24
	5 million to 25 million	12	24
	Less than 5 million	50	6
Total =		100	
Number of Employees	More than 16,000	NA	18
	4,000 to 16,000	NA	35
	500 to 3,999	NA	16
	50 to 499	NA	29
Total =		100	

x = 333; significant at  $p < .0001$

NA Not available.

\*Source: American Trucking Associations, 1982 Financial Analysis of the Motor Carrier Industry.

Table 2  
RESPONDENT'S AGE  
(All figures in percent)

	ATA Study* N = 1095	Present Study N = 141
Less than 30 years	16.3	18.0
30 - 49	55.4	58.0
Over 50 years	28.3	24.0
Total =	100.0	100.0

\*Source: American Trucking Associations, A Comprehensive Profile of the Motor Carrier Salesman.

$\chi^2 = .953$ , not significant

#### IV. RESULTS

While the sampling procedure was not random, this sample represents 51 percent of the population of motor carrier firms that employ outside salespeople working in the Denver area. Moreover, eleven sample firms operate in all 48 states ("national") and six operate in less than 48 states ("regional"). When size is measured by operating revenues for 1983, the sample firms were almost equally distributed in categories ranging from \$3 million to \$1 billion. When size was measured by number of employees, again the sample firms were distributed equally in categories between 50 and 16,000 employees. Table 1 summarizes the characteristics of the sample firms. The representativeness of this sample of firms was assessed by comparing the Table 1 revenue distribution with that of a national study of motor carrier firms. An examination of this table indicates that the sample more heavily repre-

sents large motor carriers. It may be assumed, therefore, that findings of this study will more accurately represent sales managers employed by large motor carriers. Since large firms often have more extensive selection and training programs, it is possible that the reported selection criteria may be more sophisticated than those of an "average sized" carrier.

The performance of one hundred and thirty-one salespeople was evaluated by sales managers for the study. The demographics of these salespeople are presented in Tables 2-5. Characteristics of this sample, when compared with a national profile of motor carrier salespeople, indicated a high degree of uniformity. However, this sample is significantly more educated than those of the 1975 study. This may represent a conscious change in selection standards as a result of deregulation.

Table 6 reports the performance evaluations given by sales managers for each salesperson. The numerical evaluations represent ratings from 1 to 100

Table 3  
RESPONDENT'S LEVEL OF EDUCATION  
(All figures in percent)

	ATA Study* N = 1095	Present Study N = 131
Less than High School graduate	3.3	2.0
High School graduate or some college	70.1	57.0
College graduate or beyond	26.8	41.0
Total =	100.0	100.0

\*Source: American Trucking Association, A Comprehensive Profile of the Motor Carrier Salesman.

$\chi^2 = 10.45$ , significant at  $p < .01$

Table 4  
 NUMBER OF YEARS RESPONDENT HAS  
 WORKED AS A SALESPERSON FOR PRE-  
 SENT COMPANY  
 (All figures in percent)

	ATA Study* N = 1095	Present Study N = 131
Less than 5 years	52.9	82.0
5 to 15 years	27.3	10.0
More than 15 years	<u>9.7</u>	<u>9.0</u>
Total =	100.0	100.0

\*Source: American Trucking Associations, A Comprehensive Profile of the Motor Carrier Salesman.

$\chi^2 = .98$ , not significant

points on the standard A through F educational evaluation scale. These evaluations showed a wide diversity of achievements. Thirty percent of the sample of salespeople were evaluated as average or below average (79 points or below) while 35 percent scored outstanding (90 points or above). Almost as many salespeople scored very low as scored very high. It seems that sales managers were not entirely happy with the salespeople working for them at the time of this study. With the competitive pressures stemming from deregulation, one would expect a distribution that would be skewed toward high performance rather than being "normally" distributed. In fact, many firms are instituting new sales training programs to correct this deficiency. One would expect a significant change in the future. With better training, it would be anticipated that fewer "poor" salespeople would remain employed by trucking firms.

Table 7 contains the selection criteria reportedly used by the sales managers for selecting these salespeople. A total of 82 data points were collected from the 17 sales managers. For convenience and clarity, the criteria have been grouped according to the categories of Knowledge, Communication skills, Work habits, and Personal characteristics. An examination of the table suggests that the sales managers in this study relied primarily on personal characteristics, such as aggressiveness, enthusiasm, and personal appearance, for selection. Fifty-two percent of the reported criteria were in this category. Second in importance was work habits, such as goal setting, working hard, and self discipline. Knowledge was third in priority with such factors as knowledge of industry, of customer needs, and of the product. Last of the four categories was Communication skills, such as effective listening, asking questions, and directing conversation toward business.

Table 5  
 NUMBER OF YEARS RESPONDENT HAS  
 WORKED AS A MOTOR FREIGHT  
 SALESMAN  
 (All figures in percent)

	ATA Study* N = 1095	Present Study N = 131
Less than 5 years	40.0	45.0
5 to 15 years	32.9	32.0
More than 15 years	<u>26.8</u>	<u>23.0</u>
Total =	100.0	100.0

\*Source: American Trucking Associations, A Comprehensive Profile of the Motor Carrier Salesman.

$\chi^2 = .05$ , not significant

Table 6  
PERCEIVED SALES PERFORMANCE OF  
SAMPLE  
Ratings by Sales Managers

Number of Points (1 - 100)	Percent of Sample
0 - 69	10
70 - 79	18
80 - 89	37
90 - 100	35

Churchill *et al.* (1985) conducted a study to ascertain the effectiveness of these criteria as reported in the sales research literature. The 1985 article reported that personal characteristics, while representing almost 25 percent of all reported correlations, accounted for less than 2 percent of the variation in sales performance. Aptitude, overlapping substantially with the work habits category in this study, accounted for approximately the same amount of variation in performance as personal characteristics. Their study also revealed that the most significant average correlation was between performance and role perceptions.

Role factors are defined as the salesperson's perceptions of the expectations, demands and pressures exacted on him or her by superiors, customers and family. Given that selling situation are dynamic, it would be expected that the role a salesperson must play also should be dynamic. It is interesting that, in this study, no sales manager mentioned role factors. This may help to explain why personal characteristics, alone, explains so little of the variation in sales performance.

## V. CONCLUSIONS

The selection and training of salespeople represent significant expenditures, especially for service firms. A business may invest as much as \$50,000 in training before a salesperson becomes a revenue-producing member of the firm (Churchill *et al.*, 1981). Thus, the effectiveness and efficiency of the selection process becomes crucial to maximizing the benefits of these expenditures. Intuitively, the objective of the selection process would be to select and hire high performers. The data in this study indicate that sales managers in motor carrier firms are utilizing selection criteria which are not producing satisfactory results. Almost one-third of the salespeople were evaluated as average or below average performers. Thus, the selection criteria being used are not distinguishing high and low performers. It follows that, according to this data, personal characteristics, knowledge, communication skills, and work habits do not correlate highly with performance.

If the selection criteria currently in use do not produce satisfactory salespeople, then what factors should be used if performance is to be raised? The following discussion will summarize recent research findings relative to sales performance and suggest how motor carrier sales managers might improve their selection strategies.

First, it seems intuitively correct that sales performance is determined by multiple factors. For decades, researchers have sought the definitive set of those factors which would apply across all situations, all products, and all industries. A definitive set has not been found. Researchers now believe that many different elements are operating to produce successful sales performance.

The fact that no single determinant can explain a very large proportion of the variation in sales performance has . . . obvious implications . . . Theoretical models which hypothesize multiple determinants . . . of sales performance are probably on the right track (Churchill *et al.*, 1985, p. 116-7).

Therefore, motor carrier sales managers must first realize that more than one criterion should be used in selection.

Second, the relevant factors are probably industry specific. This may be one reason why the prediction of performance is inconsistent across studies. For example, the conditions in the motor carrier industry are unique because of the present turmoil in the marketplace. The success of a salesperson in another industry is not necessarily proof of success with motor carrier services. Moreover, pre-deregulation experience with motor carriers is not necessarily a harbinger of success either because industry conditions changed considerably after 1980. Motor carrier sales managers and researchers must identify those conditions unique to this industry and select salespeople who fit the "motor carrier mold."

It appears that one criterion particularly relevant to the motor carrier industry has been overlooked in the past by motor carrier sales managers; the ability of the salesperson to adapt to different customers. For years, astute management has recognized that one tremendous asset of direct selling is the salesperson's opportunity to "read" the prospect and to implement the selling strategy that the salesperson feels would be most effective in that particular selling situation. Several researchers have hypothesized that the correlation between any specific factor and sales performance would depend upon the selling situation (Weitz, 1979; Gwinner, 1968). For example, a salesperson would find that aggressiveness would be a successful tactic in some selling situations and with some customers and not so successful in others.

Perhaps the successful salesperson is one who recognizes different customer styles and



adapts his or her communication style appropriately to interact with the customer (Williams and Spiro, 1985, p. 440).

Motor carrier salespeople today are expected to be knowledgeable, well-trained account managers who work closely with customers in integrating their

Table 7  
SELECTION CRITERIA USED BY MOTOR  
CARRIERS SALES MANAGERS

<u>Criteria</u>	<u>Times Cited</u>	<u>Percent of Total</u>
<b>PERSONAL CHARACTERISTICS</b>		
Persistence, tenacity	6	
Professional appearance	5	
Enthusiasm	5	
General personality	3	
Ambition	3	
Self confidence	2	
Interest in others	2	
Energy	1	
Aggressiveness	1	
Diplomacy	1	
Trustworthiness	1	
Charisma	1	
Willingness to learn	1	
Continuous self-improvement	<u>1</u>	43
		52%
<b>WORK HABITS</b>		
Work hard	3	
Self discipline	2	
Good work habits	2	
Time management skills	2	
Ability to self-start	2	
Goal setting	1	
Flexibility	1	
Organized	1	
Immediacy in confronting problems	<u>1</u>	15
		18%
<b>KNOWLEDGE</b>		
Of product	4	
Of industry	2	
Of customer needs	2	
Of company and industry	2	
Of selling skills	2	
Sales experience	<u>2</u>	14
		17%
<b>COMMUNICATION SKILLS</b>		
General communication skills	3	
Listening	2	
Directing conversation toward business	1	
Interpersonal skills	1	
Rapport with customer	1	
Ability to explain problems to customers	<u>1</u>	9
		11%

firm's services with the distribution system of the customer. The success of this close interaction relies heavily on the ability of the salesperson to adapt to the needs of the customer.

However, recent evidence supports the contention that salespeople in the motor carrier industry do not appreciably vary their selling strategies when faced with vastly different selling situations (Thompson, 1985). Apparently motor carrier salespeople develop a unique selling style and adhere to that style regardless of the type of customer encountered. This is a hazardous and predictably ineffectual situation. Sales managers must take responsibility to better equip their salespeople to meet the demands of today's transportation environment.

Sales managers should begin testing sales applicants for their adaptability; their ability to read and master different kinds of selling situations. Role playing is one such technique. It has been used traditionally as a training tool, where sales trainees attempt to sell a product to a hypothetical prospect. Role playing has not seen widespread use as a selection technique. In one exceptional case, applicants are divided into groups and asked to analyze a "real" problem. Each group is watched carefully for a leader to emerge, for a person who motivates the group, for one who effectively synthesizes the problem and organizes responses. One retail store chain in Colorado asks recruits to respond to numerous "What would you do if . . ." selling situations rather than using standard interviewing practices.

Sales managers in the motor carrier industry should amend their selection practices to reflect the tenor of the times. Salespeople must be selected who are able to accommodate the specific needs of customers. Salespeople are needed who have the ability to work closely with clients, and to show prospects how his or her company can meet their specific needs. This approach requires that sales representatives understand that their role may well differ by shipper. Some shippers are highly sophisticated while others are novices. The sales presentation should be made accordingly. Selecting recruits on the basis of tests of adaptability will foster such an approach.

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## ENDNOTE

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