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SALESPEOPLE MOTIVATION AS KEY FACTOR IN ACHIEVING SALES MANAGEMENT GOALS IN HOTEL INDUSTRY

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Abstract: Sales management activities such as monitoring, directing, evaluation and rewarding represents useful ways for increasing the salesperson job satisfaction and organizational commitment.

Motivating the sales effort usually include three dimensions: intensity, persistence and choice.

By inspiring salespeople on greater job commitment, sales managers keep managerial tools to stimulate latent sales efforts and performance.

Rewarding system based on »straight« salary result in unmotivated sales personnel who, in that case, connect their work engagement solely with realization of working hours not with realization of sales volume.

Segmentation of sales force, grouping the salespersons according to their motivation needs and offering them diverse rewarding systems per each group, presents innovative approach to challenges of motivation the salespeople.

Key words: sales management, hotel, motivation.

Sažetak: MOTIVACIJA PRODAVAČA KAO KLJUČNI FAKTOR OSTVARIVANJA CILJEVA MENADŽMENTA PRODAJE U HOTELIJERSTVU. Aktivnosti prodajnog menadžmenta kao što su monitoring, vođenje, evaluacija i nagrađivanje predstavljaju korisne načine za povećanje zadovoljstva prodavaca svojim radnim mjestom i njihovu privrženost organizaciji.

Motivacija prodajnih napora obično obuhvata tri dimenzije: intenzivnost, istrajnost i izbor.

Inspirisanjem prodavaca ka većoj privrženosti svom poslu i radnom mjestu, prodajni menadžeri drže ključne instrumente za stimulisanje latentnih prodajnih napora i performansi.

Sistem nagrađivanje zasnovan na »čistoj« plati za rezultat ima nemotivisano prodajno osoblje koje, u tom slučaju, svoj radni angažman isključivo veže za realizaciju radnog vremena a ne ostvarenje obima prodaje.

Segmentacija prodajne strukture, grupisanjem prodavaca prema njihovim motivacionim potrebama sa ponudom različitih nagradnih sistema za svaku pojedinu grupu, predstavlja inovativan pristup izazovima motivacije prodajnog osoblja.

Ključne riječi: menadžment prodaje, hotel, motivacija.

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INTRODUCTION

The aim of this article is to present theoretical background and practical experiences based on research results in motivating salespeople in hotel industry. The motivation and motivating techniques are constituent part in manner of performance sales management activities, specially in hotel business. Salespeople motivation is key factor in achieving sales management goals in hotel industry.

The contents of this article is consists of two parts, introduction and conclusion. Introduction presents aim, subject and contents of the article. First part discusses theoretical background of motivation as subject of managing sales process. Second part presents the research results about motivation of salespeople in hotel industry in Montenegro and possible managerial implications. Conclusion points on importance of motivation in sales management in hospitality industry regarding to sales volume realization.

1. MOTIVATION AS KEY FACTOR OF SALES MANAGEMENT PROCESS

1.1. Sales management – subject

Subject of managing or management could be easily determined as conscious and controlled changing existing situation in direction to achieve certain aim or goals (Adizes, 1989).

A. H. Harman noticed that sales department, as main force in survival of companies through realization revenues, is much more successfull if leadership effective mentor, train and advise every single salesperson. Sales manager lead the sales department providing data about salespersons results after beginning determination necessary data based on the salespersons perception about sale efficiency (Harman, et al., 2002).

Traditional sales management duties are being dramatically changed by buyer behavior dynamism, sales automatization, salesperson empowerment, and shifts to new marketing channels (Anderson, 1996).

Considering these trends together with emphasize on the different relations which appears in sales process, becoming obviously that the complexity of interaction between salesman and buyer has been escalated. Therefore, salepersons are faced with challenges more than ever to understand completely their role and activities in specific marketing context (Wilson, et al., 2002).

1.2. Managing the sales process through motivation

Motivation process in managment sales force, as M.Krafft think, usually is explained through cycle: The level of salesperson motivation influence on their effort or

behavior, what lead to the certain level of attainment the one or more dimensions of job results. Salesperson efforts are compensated by one or more awards (for example, fee, recognition). Compensation lead to the motivation, which influence on behavior again, and so long.

Usually, sales managers, should design such control system which direct this motivation process toward increasing mutual welfare for company (profit) and salesman (benefit). Two opposite philosophies of sales management to attain it are behavior-based and result-based control. Result-oriented control system is characteristic less by monitoring and management direction, but more by objective measuring the results. Behavior-based management represent contrary philosophy, with considerable monitoring, high levels of management direction, and subjective and complex methods of evaluation and compesating the salespersons (Krafft, 1999).

Motivating the sales effort, according to W.Stanton and R.Spiro, usually include three dimensions: intensity, persistence and choice. Intensity is related to the volume of submitted effort of salesperson per certain task; persistence indicate how long the salesperson will submit further sales effort; choice is based on salesperson choice of specific activities in order to achieve business results.

The problem of plateaued salespeople (salespeople who get on certain level of skillness, without any further shifts) will present furthermore challenge to sales managers in future. It is important, that sales managers recognize the causes of plateaued salespeople and work with those salesperons in order to exceed those problems. Segmentation of sales force, grouping the salespersons according to their motivation needs and offering them diverse rewarding systems per each group, presents inovative approach to challenges of motivation the salespeople (Stanton, Spiro, 1995).

C.M.Futrell highlights the fact that sales managers use different methods and techniques to motivate their sales personel. The most of managers use, till certai n level, seven groups of motivating forces influencing the stimulating, intensity, direction and persistence in behavior of salespeople.

Motivating forces are grouped into following motivation mix:

- | | |
|------------------------------|---------------------------------------|
| 1. Sales culture | - assigning the attractive tasks/jobs |
| - ceremonies | - recognitions |
| - stories | 5. Sales training |
| - symbols | - initial |
| - language | - continual |
| 2. Basic rewarding system | - sales meetings |
| - salory | 6. Directing |
| - commission | - style |
| - additional benefits | - personel contacts |
| 3. Special financial rewards | 7. Performance evaluation |
| - idemnities | - method |
| - competitions | - performance |
| - journeys | - activities |
| 4. Non-financial rewards | - publicity |
| - promotion opportunities | |

C. M. Futrell suggests the following motivating »TECHNIQUES«:

1. **T**each teamwork-stimulating the teamwork. Sales manager should try to create powerful sales teams.
2. **E**mpower-giving the necessary authorities to salespersons to execute their duties.
3. **C**ommunicate-communicating the ideas and goals to sales personnel.
4. **H**ear-carefully listening the salespeople, discussing their short-term and long-term goals.
5. **N**otice-managers need to recognize and reward exceptional accomplishments.
6. **I**nitiate integrity-keeping promises, unchanging the plans during the year, setting the right examples.
7. **Q**uery-awareness about continual motivating process and changes in sales force.
8. **U**nify-good sales manager will unify the sales team, realising cooperative relations between each member of sales team.
9. **E**xalt-giving the inspiration through recognition the success of salespersons, respecting their opinions.
10. **S**et standards-setting high standards and convincing the salespersons that they are working in a remarkable company.

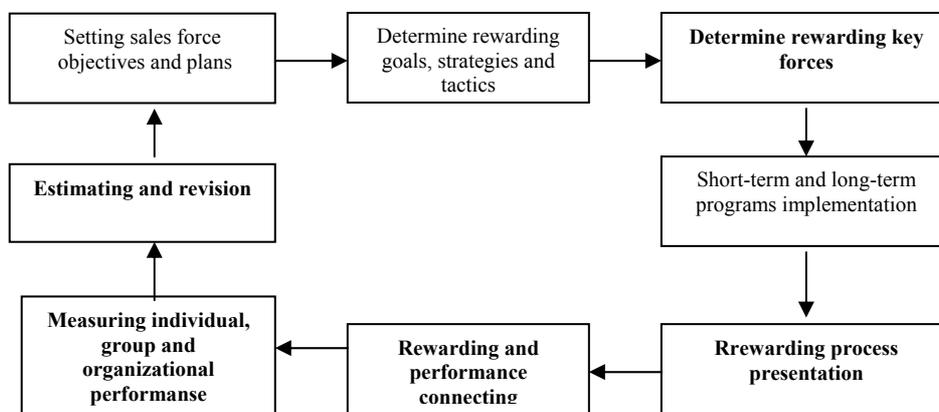
Individuals are differently motivated, therefore, sales managers could not motivate all members of sales force suddenly. They should give their best for most of them.

Rewarding performance the sales activities, in any sales organization, is possible at one of the three basic mutually related ways:

1. Direct financial rewarding, such as merited raising salesperson pay, indemnities, commissions, competitions, retirement programs, insurance and the other forms of financial rewards.
2. Advancement in careers, such as significant clients/accounts, larger sales territory and advancement in organizational structure; and opportunities for personal professional development, such as training and vocational education.
3. Non-financial rewarding, such as recognition, little presents, recommendations, trophies, and membership in special groups (»million dollar club« and etc.).

Main steps in formal rewarding process are presented by figure 1.

Figure 1: Formal rewarding process



Source: Futrell, M.C., (2002): *Fundamentals of Selling, Customers for Life*, McGraw-Hill/Irwin, New York

Manager should consider sales force total contribution to the company goals, when establishing rewarding system (Futrell, 2002).

Based on the research of business satisfaction and level of company loyalty, E.Babakus, suggests that salesperson job satisfaction has important consequences related to salesperons fluctuation which are expressed through a few noticable facts.

First, higher level of satisfactory lead to the sense that workplace meet expectations and to higher level of company loyalty. Higher level of salesperson job satisfaction and organizational loyalty are connected with lower level of tendency to leave. It is clear that managers are interested in fluctuation need to fokus on salesperson job satisfaction because in long term period workplace is connected toward organizationla loyalty attitude.

Second, sales management capabilities to increase salesperson job satisfaction seem to relate with reducing conflict and ambiguity sales role and increasing salesperson perception of organizational support which is expressed through training, rewarding system, leadership and other management activities. Those variables seems to stronger influence on salesperson job satisfaction than internal motivation and salesperson performanse and hihhlighting the influence of organization on the noticed satisfaction. According to organization's direct contact with salesperson, sales management skill in creation feeling of support for salesperson, will lead to higher levele salesperson job satisfaction. This manager role of »coaching« rather than »commanding« is very consistent with more emphasize on building of internal and external relationship in manyu sales organizations.

Third, role of training suggests the fact that it has great portion in potential value of understanding (and influence) saleperson job satisfaction. Sales organizations provide extensive training which started with initiative orientation toward sales job

through diverse aspects of sale, clients relationship, product knowledge and company's business. Salesmen in organization in general estimating training courses which are offered by company as important in helping them to better do their jobs.

Fourth, it hasn't been found significant positive relationship between training and performance. That could indicate the fact that other factors play more important role in salesperson performance, although it isn't consistent with contemporary management thought and practice.

Fifth, role of rewarding in model of job satisfaction is directed to fulfilling job expectations and perceived organizational support (POS). It hasn't been found correlation between rewarding and intrinsic motivation. Rewarding play important role in model of job satisfaction.

Sixth, perceived organizational support consider the way of salesperson's considering their relationship with organization in terms of recognizing individual achievement and other feedback, satisfying personal needs, considering personal views, and offering help when it needed. POS (perceived organizational support) is positive related with salesperson job satisfaction, conflict role, intrinsic motivation and meeting expectation. It might be noticed that POS together with training and rewarding, indicate key role of organizational variables in model of salesperson job satisfaction (Babakus, et al.1996).

A.I.El-Ansary think that next three set of activities provide specificum of ideas in order to make stronger sales team in company in terms of salesperson motivation:

A) Activities toward external sales staff (salespersons)

- positioning more importance on the most critical functions of salesperson's job such as generation larger sales volume through penetration toward new buyers and developing new businesses, and identification the ways in which those resources could be useful in realisation those sale objectives.
- expectations that salespersons give more priority in their jobs to collecting and delivering information about changing market opportunities, clients requests and procedures, and competitive strategies in order to identify and use competitive advantage in sales strategies.
- involving salespersons in sales planning, specially in making decisions about assigning sales territories. Using product specialization based on type of clients is stated as effective foundation for accurately assigning to each salesperson.
- emphasizing on conception of teamwork through connecting internal human resources as support to external salespersons, rather than assigning individual buyers to internal personnel. Both groups need to see their roles as complementary in process of delivering excellent service to clients.
- modification the process of evaluation external sales personnel with emphasize on forces such as capability of teamwork, sales profitability, selling product assortment, and well credit management.

- B) Activities toward internal sales personnel (logistic, accounting and etc.)
- emphasizing sales support to external sales efforts, which should be provided by internal sales personnel. It means, that they need to be involved in planning process through developing sales plans, they should be asked for advice about strategies, and they need to be involved in sales rewarding system through adequate share.
 - expectation from internal personnel to contribute certain external salespersons objectives such as penetration toward clients, sales volume growth, identification the new prospects, collecting competition informations, as well as advising clients and solving clients complaints.
 - beyond usual standards for personnel evaluation, adding forces which are related to teamwork, capability for collecting information about competition and market changes, success in solving client's problem and increasing the sales volume and profitability. Service clients personnel should be evaluated on the base of their contribution to assisting telemarketing and external sales in prospects identification.
- C) Activities which caused errors in operations
- assigning client service to personnel by account: team should be responsible for client, not only for client service.
 - positioning more stress to report function for internal and external personnel: reports could be necessary but shouldn't highlighted at the expence on client service and generating sales.
 - over-highlighting billing function for internal sales personnel: this reducing effect of other functions such as reaction on client requests, satisfying need for consultation and penetration toward buyers.
 - non-involving sales teams in process of sales planning : failure in involving internal and external sales personnel in making decisions about sales objectives, strategies and assigning sales territories could reduce loyalty of sales team members to successful executing of the decisions. Low-performance sales organizations typically use top management planning type.
 - focusing sales reward solely on individual performance: this reducing awarenes about sales team, through providing reward for individual not to team effort. In low-performance sales organizations client service personnel receive a few or no reward stimulus (El-Ansary, et al., 1993).

Research results about effects of salesperson burnout on sales management indicate to the certain facts important for salespeople motivation.

S.G.Low, notice that managers could neutralize the effects of negative influence on salesperson and encourage improvement of performance and the other job outcomes. For example, efforts for determine the level of salesperson burnout and the other negative antecedents such as workplace stressors, would be useful method which could diagnose this negative influence.

Managers could try to reduce salesperson burnout applying variety of job activities such as reducing job conflict and ambiguity, or increasing the motivation through improvement of employment policy. Those activities, in turn, could lead to

increased salesperson job satisfaction, organizational commitment, sales performance, and lower rate of labour fluctuation.

It is suggested that other specific activities which might be undertaken by managers in order to increase sales performance and reduce labour turnover.

The greater salesperson job satisfaction and organizational commitment lead to reducing intentions for leaving organization.

Sales management activities such as monitoring, directing, evaluation and rewarding represents useful ways for increasing the salesperson job satisfaction and organizational commitment. Those activities are regarding on specific elements related to workplace which are important such as career opportunities, assigning clients, rewarding, compatibility with co-workers etc.(Low, et al., 2001).

Reward competition, status even survival, according to P.S.Brown, is often method which is used by sales management to motivate salespersons on better sales executing. Gallup research results, undertaken by Gallup Management Consulting Group, in which are investigated attitudes of half milion of salespersons, indicate that personal characteristic of great salespersons is fact that they are competitors, people who »want to win colleagues or competition«.

Even though high sales efficiency is most important goal of sales management, investigations shows that establishing challenging personal goals is important intermediate step toward top objective realisation. Personal goals are estimated as »sales actions directors«. As such, they play large role in determining of intensity, direction and persistence of goal behavior. Research suggests that salespersons who are setting high objective, probably as consequence, will have high-quality performance. Clear relationship between objective level and task executing, referring to importance of employees motivation in setting challenging objectives.

Research results shows that interaction between competitions threat and competition psychological climate influence on salespeople self-setting goals.

Combine great competition threat and organizational climate which is perceived as high competitive lead salesperson to setting high sales objective. Salespersons who are in situation small competitive threat are setting low sales objective, according to their perception of psychological climate, till salespersons who are in situation of high competitive threat are setting high sales objective only when their perception of organizational climate is identical with their competitive disposition (Brown, et al., 1998; Prema: (*Locke, and Latham, 1990; Brewer, 1994; Churchill, et al., 1997*)).

A.J. Roberts, find out, that the way how salesperson is treated in relation to other colleagues has important influence on sales results.

The possibility that employee, who has perception of inequality, will reduce his results, cooperate with colleagues at negative manner, indicate it has significant repercussions on sales management.

It is stated that perception of equality in behavior influence on salesperson job satisfaction.

Based on results of researching this problem, it has been established that there are following management suggestions:

1. Perception on internal equality is more important than perception on external equality in understanding organizational loyalty.
2. Higher order needs such as internal promotion and external recognition are important for organizational loyalty of sales force.
3. Internal perception of justice is more significant than perception of external justice in explaining sales personnel turnover.
4. Internal perception of justice in recognition, promotion are most important in understanding sales personnel fluctuation.
5. External perception of salary and promotion equity are most important for explaining sales personnel turnover.
6. As perception of internal procedure justice rise up, organizational commitment of sales force will increase.
7. As perception of internal procedure justice rise up, sales personnel will reduce.
8. Perception of justice distribution is more important than accepted procedure justice in understanding sales personnel fluctuation and loyalty.
9. Organizational commitment of sales force is negatively related to sales personnel turnover (Roberts, et al., 1999).

Unexpected and sometime negative results are just part of every day job of salespeople. Salespersons trying to minimize the significance of negative results, such as sales closing failure.

L.A. Dixon, thinks, that with noticing failure reasons it might be recognized behavior in sales process which could be changed.

Reducing the possibilities of failure in sales closing is subject of discussion in industry. If salespeople erroneously determine failure reasons, their consequently behavior will not lead to success. Sales managers should to understand their salespeople behavior characteristics. If certain characteristics lead to negative, counterproductive or positive proactive behavior, for managers will be significantly useful understanding those characteristics and forces which influence on it (Dixon, et al., 2001).

Taking the factors which influence on interaction between work effort and salespersons results into consideration, R.Srivastava, stated as follows.

The lack in results, could be partialy understood, by evaluation of potential factors which emphasize volume of salesperson efforts. If factors which influence on salespersons efforts are segment of management through supervising activities, then sales management could remodel or modify workplace condititons or rewarding system for sales force in order to stimulate salesperson on greater efforts.

Proceeding from this premise, first aim is to identify organizational, managerial and individual factors which influence on intensity of salesperson efforts.

Second aim to develop action directives for candidate types who should be hired, and for different ways of managing with new hired salespersons.

The effort is key element which contribute to sales success and which is under total control any single salesman – within salespeople could regulate intensity of executing their tasks. The sales results, on the contrary, are not completely subject of salesperson's control, yet representing the subject of capricious market terms. Nevertheless, if everything else are same, salespersons who shows greater effort should sell better.

Sales managers traditionally rely on financial compensation mostly to stimulate salespersons on greater sales efforts.

The factors, such as, prevailing economical conditions or competition pressure on the sales territory behave more as limitations which should be took in future researches.

The prevailing opinion is that effort positively influence on sales performance.

R.Srivastava, suggests that sales managers have key role in individual sales results. By inspiring salespeople on greater job commitment, sales managers keep managerial tools to stimulate latent sales efforts and performance (Srivastava, et al., 2001).

2. SALESPEOPLE MOTIVATION IN HOSPITALITY INDUSTRY IN MONTENEGRO – RESEARCH RESULTS

2.1. Methodical notes

Researching the sales management process in hospitality industry of Montenegro is based on application of questionnaire method at significant sample of hotel companies.

Conducting the pool has been performed by aimed interview with sales managers in hotel companies.

Research was performed in 2004.

The level of research results significance is established by relevant parameters on the base of participation in total indicators in Montenegro. Parameters are presented with next table and there are: number of hotels and similar objects, number of rooms and number of beds.

Table 1: Participation of observed hotels in total indicators in Montenegro, 2004

Name of company	Number of hotels	Number of rooms	Number of bed places	%Participation in number of hotels	%Participation in number of rooms	%Participation in number of bed places
HTP "Ulcinjaska Rivijera" Ulcinj	8	1492	3536	26%	26%	27%
HTP "Mimoza" Tivat	3	200	606	10%	4%	5%
HTP "Primorje" Tivat	2	452	930	6%	8%	7%
"Montengero Stars" Hotels Group Budva, Bečići	3	383	815	10%	7%	6%
HTP "Miločer" Budva, Bečići	2	183	376	6%	3%	3%
HTP "Boka" Herceg Novi	6	1316	2625	19%	23%	20%
HIT Montenegro Budva, Pržno-Sv. Stefan	1	180	338	3%	3%	3%
HTP "Budvanska Rivijera" Budva	6	1501	3882	19%	26%	30%
Total	31	5707	13108	17%	46%	45%
Total hotels in Montenegro	185	12506	29249	100	100	100

Source: Statistical Yearbook of Montenegro (2005): Republic Bureau of Statistics of Montenegro Monstat, Podgorica.

On the base of presented indicators, it could be considered that observed sample is sufficiently significant for relevant concluding.

In ownership structure of sampled companies, companies in state ownership are prevailing (5 companies); two companies are in private ownership (Montenegro Stars Hotels Group, and HIT Montenegro).

Location distribution of observed companies in area include following regions: Bay of Kotor (Herceg Novi and Tivat); and Montenegrin Coast (Budva, Bečići, Pržno-Sv. Stefan, Ulcinj).

Market segmentation is based on various purposes of visiting the hotels, through: booking mood (individual, group, allotment, fix contract); kind of programs (convention-congres; sport, school excursion); emitive markets (domestic and international).

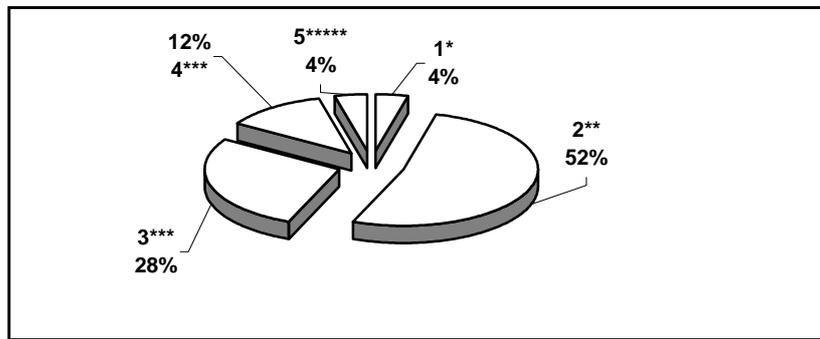
Marketing channels structure consists of different types of direct and indirect selling (by hotel reception, by domestic and international travel agencies, on-line sale or by e-mail).

According to seasonal concentration of tourist demand, seasonal hotels are dominating in total number of hotels.

Regarding to type of hotel, mostly are involved resort hotels, and in small number garni hotels.

Qualitative structure of accomodation facilities in observed hotels is presented by figure 2.

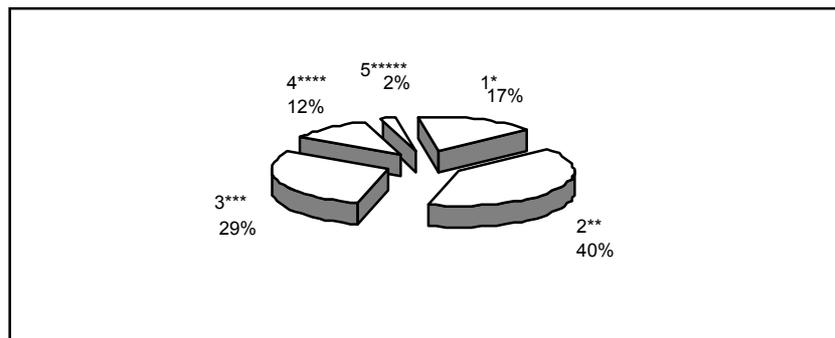
Figure 2: Qualitative structure of accomodation facilities in observed hotels



Structure of sampled hotels essentially doesn't deviate from qualitative structure of total hotels facilities in Montenegro in 2004., regarding to hotels with 3*, 4* and 5*, with small difference in hotels with 2*.

Qualitative structure of hotels facilities in Montenegro in 2004., is presented by figure 3.

Figure 3: Qualitative structure of hotels facilities in Montenegro in 2004.



Source: Ministry of tourism (December, 2004): Information about summer tourist season 2004., Government of Montenegro, Ministry of tourism, Podgorica.

Questionnaire is structured in three parts. First part cover basic information about companies. Second part is dealing with several aspects of sales management (planning, organization, recruiting and selection, training, **motivating** and directing, control). Third part, on the base of psychological tests, evaluate negotiating characteristics and leadership style of sales managers.

2.2. Salespeople motivation in hotel companies in Montenegro

Motivation factors in observed companies are: salary in 75% companies; percentage of realized turnover in 0% companies; salary + percentage of realized turnover in 0% companies; salary with correction regarding to sales plan realization in 13% companies; salary + stimulus in 13% companies.

Motivation factor in almost every observed company is salary, salary + stimulus is motivation factor in one company, and in another company motivation factor is salary with correction regarding to sales plan realization.

Systems of motivation in most of observed companies are based on financial compensation, mainly by »straight« salary which presents direct form of reward for work engagement.

Combination of salary and certain stimulations on the base of sales plan executing or other forms of stimulations is not usual rewarding system, but specific one which is used in private ownership companies with certain prerequisites for these forms of compensation.

Financial rewarding is, in principle, the most frequent form of motivation of employees disregarding the social and economic environment, category of industries, type of organizational behavior, leadership style and etc.

Actual conditions of operating for most of the companies in Montenegro represents limiting encirclement for establishing the various forms of compensation systems, specially for sales force. Long-term market instability, financial crisis, organizational prerequisites and level of qualified sales staff are not enabling long-term sales planning process and establishing adequate monitoring the sales results as the base of applying various forms of rewarding systems.

In observed companies mostly is functioning compensation system which is based on «straight» salary according to defined salary coefficients created by job description of every workplace in sales department.

Rewarding system based on «straight» salary result in unmotivated sales personnel who don't want engage themselves at workplaces in sufficiently measure what is additionally very often caused by unclear and unreal plan tasks. Sales personnel, in that case, connect their work engagement solely with realization of working hours not with realization of sales volume. They unwillingly work after working hour, also avoid to come at work on Saturday and Sunday, and conditioning the extra working hours with additional bonifications, and etc.

Sales managers in stated situations are not always in occasion to adequate organize working process, which often cause taking on the jobs from their salespersons, work overloading with unnecessary jobs and tasks and in final instance reducing the time for qualitative reaction on high priority jobs.

Insufficiently motivated sales personnel are not ready completely to face with stressed situations at the workplaces, as every day phenomenon, in most of sales departments.

Avoiding the stressed situations by excuse of insufficiently motivation cause permanent or temporary leaving the workplace, unadequate responding on clients requests in sence of delaying the answer or giving too fast but unfounded answer, not accepting the »hot« tasks, making wrong decisions because of insufficient mind concentration and »involving« in sales process, not responding at critical points in negotiation process and loss of jobs, disinterested behavior in prospecting and etc.

The adequate rewarding system in actual organizational structures in hotel companies in Montenegro which could results with greater motivation and interest for stronger work engagement, might be salary with correction to the level of sales plan executing. The increasing of sales volume in certain percentage regarding to planned values proportionally, according to defined coefficient, would increase basic salary, or reducing sales volume regarding to sales plan would cause reducing the basic salary according to defined coefficient.

The new organizational models and leadership styles will request applying broader range of rewarding systems which would involve sales contests and various forms of non-financial compensation such as: recognitions-badges, trophies, certificates; praises and stimulus from management; advancement on workplace; promotion opportunities.

The possibilities of applying new motivation techniques will rise up according to changes in business concepts in hotel companies based on processes of transition and privatization of Montenegrin economy and society.

CONCLUSION

The essence of motivation and motivating techniques is to provide sales managers in hospitality industry very important tools in order to improve sales activities.

The main type of rewarding system is based on social and economical prerequisites and business concept.

Performing the sales activities depends on the choice of adequate motivating techniques, from the aspect of realization the sales volume and clients satisfaction.

Implementation of broader range of motivating techniques is related to business concept and type of organizational culture in hotel companies.

Knowing the compensation strategy and techniques make safe any sales manager to realize successful sale.

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