TURNOVER IN RADIO SALES STAFFS: A CENSUS OF KANSAS COMMERCIAL RADIO STATIONS

by

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### CHAPTER I

### INTERDUCTION

As the 1980s began, radio sales staff turnover was described as a "crisis" which loomed for the nation's radio stations. Radio Advertising Bureau (RAB) concluded most radio sales staffs experienced high turnover, and the level of everyday expertise was low. RAB also determined turnover was very costly for the average radio station. RAB executive vice president Robert Alter said that "rapid personnel turnover continues to be a factor in local radio selling." He reported that 64% of the salespersons have been with a station two years or less and that 50% of the stations reported a turnover of two or more salespersons a year. "Failed salespeople are a major problem in radio," Alter emphasized. "Stations estimate they spent \$5.824 annually to train salespeople who don't work out. This translates into something like \$28 million a year for the nation's radio stations."1

Seven out of 10 people hired to sell radio fail before the end of their first year. It is not only costly for the radio station, a drain on the profit potential of that station, but it is also costly in lost prestige and jeopardizes future radio advertising dollars. A station's client who sees three different salespersons in a year is most unlikely to place his trust in that radio station. The advertiser feels he is bombarded with "kamikaze pilots" with each one hoping he will hit his target (the advertiser) and make a sale. The advertiser believes his business has become a "training ground" for radio advertising salespersons.

The lack of stability in radio sales departments is real and potentially dangerous. A certain amount of turnover is inevitable in any industry, but no industry can hope to operate successfully for long when it must continually hire and train employees who do not individually have a professional attitude, enthusiasm, and a deserved feeling of mutual loyalty and cooperation with radio station management. A radio salesperson will have little regret about quitting his job, often with little notice. A person who thinks he needs always to be alert to opportunities for a new job is rarely giving his best effort to the station.

Advertisers have expressed mistrust of some sales persons who sell shoes today, station "A" tomorrow, and station "B" the following day. Although many employees do their best when "running scared" or "being hungry," some cannot keep the pace. Those who have proven track records and enthusiasm need stability in their professional

relationships for the sake of their families, if not for themselves, and that stability must be encouraged by management. It is not easy to give the employee a feeling of stability without also stunting his motivation or drive. However, indiscriminate hiring and firing can lead to a tremendous waste of the ex-employee as an individual, of station morale, and of the station's image. After all, if the public ever gets the idea that the average radio station employee is a "hobo," what must it think of the industry that employs that individual?

Turnover may be considered a symptom of dissatisfaction for which there exists a multiplicity of interrelated influencing factors. This research paper will identify major factors which contribute to turnover and relate those factors to radio station management practices which could influence radio sales staff turnover. By knowing more about these key areas which could cause employee unrest, station managers can develop appropriate techniques to control turnover. Although there have been several studies about turnover and employee dissatisfaction in the broadcasting industry in general, there has been little concentration on trying to find answers to control the high rate of turnover specifically related to radio sales staffs.

The writer has a particular interest in this research topic. He has seen the problem of turnover on radio sales

staffs first hand with over ten years of experience in radio sales and radio sales management. He has seen colleagues become dissatisfied with management, leading to their departure; he has also resigned from several radio station sales staffs without the manager making a thorough examination of the reasons for dissatisfaction. He has observed that it was not uncommon for the radio station manager to do little to evaluate why radio salespersons resigned. There is always the danger of injecting personal bisses into research because of past experiences.

This research was conducted with the idea of safeguarding the anonymity of those station managers participating in this study. The writer is confident that despite several unpleasant experiences in radio sales, the years of experience in radio sales are an advantage in his effort to research the problem of turnover.

### Definition of turnover

Employee turnover, defined in its simplest form, is "people leaving organizations." A However, this definition is somewhat incomplete in that people could leave a station by being transferred or promoted to a sister station and is a planned movement by both the broadcast employee and management. Mobley defines turnover as 'the cessation of membership in an organization by an individual who received mometary compensation from the organization. Mobley believes with this definition, it is possible to distinguish among various types of cessations. A frequently used distinction is between voluntary separations (employee-initiated) and involuntary separations (organization-initiated, plus death and retirement).

More specifically related to sales and to this research, turnover is defined by Robertson and Bellenger as the percentage of the average sales force leaving the firm's employ during a given year. The term "average" sales force is important since it typically fluctuates slightly from time to time in most firms. Many firms calculate average sales force size by simply taking sales force size at year's end and year's start and dividing by two. Once this is accomplished, turnover is calculated.\*

Turnover = <u>number of persons leaving sales force</u> average sales force size

Turnover does not always have to be thought of as a negative. Many sales organizations get into difficulties by having too low a turnover figure. This may be indicative of sales management that has become too complacent. Turnover can also be a positive, providing it is controlled, and the rate of turnover is not exceedingly high.\*

## Statement of research questions

The first question this research will attempt to answer is: how much turnover exists in radio sales? The turnover question will examine such matters as how many salespersons have found other employment within the past year, and, of those salespersons who left radio sales staffs, how many remained in radio and how many found employment outside of radio.

The second question this research will address is:
what are the practices of radio sales managers related to
four key areas of turnover which managers usually control—
1) hiring, 2) training, 3) supervision/motivation, and 4)
remembersation.

1.) In the area of hiring—what are their recruiting methods of radio sales managers? What criteria do they consider most important when hiring a salesperson? Do they usually hire "local" persons? Do they present a Job description to the prospective salesperson? What employment areas do they hire from?

 In the area of training—how much is spent for training annually? How much time is spent with new salesperson? What methods are used to train the sales staff?

3.) In the area of supervision/motivation— do the managers set goals for their staffs? If goals are set, how are they set? Which motivation tools do the managers consider most important? Are sales reports used and are they reviewed? How often are sales meetings held? Is there a formal evaluation of each salesperson's performance periodically? 4.) In the area of compensation—what is the income distribution of those employed in radio sales? What are the various compensation plans? What expenses are paid by the station? What additional benefits besides salery/commissions are paid to the sales staff?

### Scope and limitations of the research

In order to answer the above questions, a census was conducted of commercial radio stations in the state of kansas. This population was chosen because of economic and time considerations. Those radio stations throughout Kansas are located in cities which represent various sizes of markets, from the very smallest (non-markets) to large metropolitan areas. The size and composition of the sales staffs in each of these markets is representative of sales staffs in markets of like sizes in other states.

Questions asked of general managers of the Kansas commercial stations were limited to their practices in the four areas listed above--areas which could affect radio sales staff turnover. The study does not include a variety of personal considerations which could affect turnover--that is, not related to the practices of the general manager. These includes returning to school, change in location in the spouse's occupation, or poor health. Also, the employee's perspective of why he or she left a radio station may be completely contrary to the manager's point of view.

Therefore, it is not within the scope of this research to analyze reasons for turnover from the employee's point of view.

This study also did not ask questions about those factors which are difficult to control by radio station managers, such as economic factors (e.g.— depressed farm economy), or increased competition in the marketplace with the addition of several radio signals.

This study was limited to asking questions about fulltime radio salespersons only. There are a number of stations in which the salesperson also serves as an announcer within the programming department of the station. With a "combo" position, practices of the programming department could also have a bearing on whether or not that person becomes a candidate for turnover.

### Contribution of this study

Most companies, including radio stations, do not know the effect of turnover on their staffs. Many radio station managers have not analyzed their own practices and how they could contribute to employee turnover. The information from this study will be provided to the Kansas radio stations to increase awareness of turnover in their own group of stations. By increasing that awareness, station managers are more likely to deal with the problem. Each station manager will be able to compare his situation to that of the group. The managers can then make a practical application of the information from this research to their own sales staffs. Hopefully, this study will assist others to identify areas of employee dissatisfaction, not only in radio sales, but in other departments at a radio station, using those factors selected in this research as a quideline.

Second, this research could be reported in an article in the broadcast trades in order to generate discussion in the broadcast community about the problem of turnover in radio sales. The information from a statewide group of broadcasters such as the Kansas Association of Broadcasters can be generalized to groups in other states, and possibly spawn studies similar to this one.

Finally, the study can be useful in broadcast education. Professors of radio/TV who conduct classes in broadcast sales will have more insight about what students can expect to find when they enter into broadcast sales careers. The professor can prepare a curriculum which could "fill the gaps" in broadcast sales education which is not being provided by commercial station managers.

#### FOOTNOTES

 $^{1}$  "Radio Sales Staffs: Bigger, Younger, More Women,"  $\underline{\text{TV}}$  Radio Age, February 9, 1981, p. 24.

""So You Want to Sell Radio...?" TV/Radio Age, February 25.1980, p.95.

"Stability," <u>Journal of Broadcasting</u> 6 (Summer 1962): 189-190.

\*William H. Mobley, <u>Turnoyer: Causes, Consequences,</u>
and <u>Control</u> (Reading, Mass.: Addison-Wesley Publishing Co.,
1982), p. 10.

"Ibid., p. 11.

\*Dan H. Robertson and Danny N. Bellenger, <u>Sales</u>
<u>Management</u> (New York: Macmillen Publishing Co., 1980), pp.
189-190.

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"Kenneth S. Teel, "Estimating Employee Replacement Costs," <u>Personnel Journal</u> 62 (December 1983): 956.

### CHAPTER TT

#### REVIEW OF THE LITERATURE

Studies conducted in regard to radio station sales staffs are not appreciable, including the study of turnover. No books exist which specifically study the aspects of turnover at radio stations. No theses or dissertations on this subject were located from a search of the ERIC Document Reproduction Service. It has only been in the last four to five years that literature has appeared in the radio trade press with an emphasis on the management of personnel problems at radio stations, including the retention of sales personnel. The lack of studies in this area is a reflection of the radio industry lagging behind other industries in the research of personnel problems such as sales staff turnover, and in the development of recommendations to manage this employee phenomenon effectively.

Therefore, radio station managers and those of us involved in the research of this problem area must draw upon other resources in order to make applications to our own industry. This literature review is a compilation of some of those sources, which will be helpful in identifying those

areas of employee dissatisfaction in broadcasting as well as other industries which could lead to turnover. Although the proposed census will be management oriented only, this review will cover the perspective of the employee as well as the manager in regard to those factors related to turnover.

This review has been organized into three separate parts. First, material from academic journals will be reviewed. This will include a major study undertaken about 22 years ago by the Association for Professional Broadcasting Education (APBE) and the National Association of Broadcasters (NAB) relating to employee attitudes about the broadcasting industry--both radio and television. Although the results are two decades old. much of the material is relevant to today's problems. Second. books written about the study of turnover, but not specifically sales turnover, will be reviewed. These will be valuable in citing key factors contributing to turnover in general, and also the costs of turnover. Third, trade magazines, for both sales/marketing and broadcasting, will be reviewed. Many of the articles in the trade magazines have been written by radio's foremost sales trainers and consultants.

### Journals

In the early 1960s, the broadcasting industry decided it was time to study why the general public, broadcast management, and the broadcast employee himself considered the lack of job stability to be a "normal" condition.

Management often was pleased at the flexibility this

tradition allowed in dispensing with unwanted personnel, and
the employee with "drive" toward the top of his profession
often considered it an advantage to be able to jump from one
position to a potentially better one with freedom. The
study wanted to ascertain if this "vagabond image" was just
a natural manifestation of an industry which employs
talented and creative people who would always be seeking
something better. However, researchers kept in mind that "a
vacabond is but a romantic step removed from a bum."

In 1960, Professor Sherman P. Lawton, 2 coordinator of Broadcasting Instruction at the University of Oklahoma, concluded a study titled "Discharge of Broadcast Station Employees." Overall for that year, Lawton found 7.7% of radio and 2.3% of television employees about whom he had full information were discharged.

Lawton's study also made several other conclusions about the reasons employees were discharged from their positions. First, jobs at large stations were relatively stable. Small radio stations were less likely to discharge employees, but individual stations discharged such a large percentage that at least a fourth of them appeared to be places of unstable employment—turnover at small stations was greater than at larger outlets.

Lawton also found five diverse reasons for discharge.

First, 31.1% of the reasons given by small radio stations were related to the "ability" of the employee, while the figure rose to 50.0% among medium-sized radio stations (21-40) and dropped to 23.3% among larger radio stations. Reasons included lack of ability, unsatisfactory work, replaced by more competent employees, incompetence, unfit, not qualified, and work not up to our standard. In a few cases specific lack of ability was indicated. For instance, 19 people were people with "poor sales records." This constituted 12.6% of the reasons having to do with lack of ability and 4.2% of radio employees discharged.

The second reason given was "application." Under this category came those factors related to the application of abilities. Adjectives included here were: inefficient, unreliable, irresponsible, unproductive, lack of interest, wouldn't work on Job, lazy, did not develop with station. "Lack of apparent interest" resulted in 12.8% of radio employees being discharged.

"Personal factors" was the third reason for discharge. Personal reasons accounted for 17.6% of those discharged from radio stations. Reasons given under this category were: conduct, drinking, "characters," personal indebtedness, dishonesty, conduct detrimental to station, emotional immaturity, maladjustments, lack of loyalty, divulging sponsor information, homosexuality, non-conformism, outside business interests, financial and

moral irresponsibility, dope addiction, gambling, and writing "hot checks."

"Felationships with other people" was the fourth category. This category was related to personal factors as well as to application. However, some of the reasons given for discharge were clearly inter-personal relationships which, therefore, were counted separately. These reasons given by radio stations included unable to get along with others, personality clashes, belligerent, insubordinate, non-cooperative, incompatible with team, breach of sales policy, did not take direction, failed to follow policy.

The final cluster of reasons for discharge given by Lawton was "management factors." These were reasons over which the employee himself had little or no control. About 30% (30.3%) of those discharged from radio stations were for reasons in this category. Of these, 39.5% were for economy reasons, cutting back the staff, combining jobs, tight money, and combining AM-FM operations. About 19% (19.4%) (5.8% of all radio employees) lost their jobs because of automation, and 24 employees were let go when stations changed hands. Four were discharged because of union activities. Management factors, especially in relationship to economy, were a major factor at large radio stations and constituted 66.0% of the reasons given for discharge at stations with more than 40 employees.

In summary, the largest groups of reasons given for

discharge of employees at radio stations had to do with employee's behavior, including application of ability, personal characteristics and relationships with other people; 36.6% of the reasons given come under these categories. Close to this figure, however, were reasons having to do with ability or training; 33.0% of radio station discharges came under this group. About 30% (30.3%) of those discharged from radio stations were reasons related to management factors.

In 1962, an extensive employment study was released by the APBE and NAB entitled "People in Broadcasting." Sections most involved with broadcast employee turnover included: "Problems in Finding Qualified Employees," "The Broadcasting Employees," "Employee Attitudes Toward the Broadcasting Industry," and "The Former Broadcast

One of the purposes of the survey was to seek information from station managers related to difficulties encountered in hiring qualified personnel. The information from the survey was taken from data gathered from the managers of 201 radio stations and 167 television stations throughout the United States. Managers in the sample represented all market sizes in the industry. The following will primarily be data gathered from the radio stations. Radio leaned heavily toward the smallest market size (less than 25,000) on responses.

One shortage stood out from all the data—the lack of good "salesmen." Both radio and television managers experienced this difficulty. About 45% (44.8%) of radio managers shad great difficulty in hiring qualified salesmen, and 24.9% had some difficulty. About 12% (12.4%) of radio managers observed that the lack of qualified salesmen could be attributed to the fact there was no real training for this specialized field. A second reason was that salesmen did not stay long enough at one station to build up a good income. About 7% (6.5%) of radio managers also indicated that the poor personal attitude of salesmen prevented a top-notch performance. Lack of drive and a demand for large corresponding effort were mentioned.

General reasons for difficulty in hiring people, with out reference to specific jobs, were given. In radio, difficulty in hiring was a matter of money because 12.9% gave this as the principal reason for being unable to attract people. The second reason given by both radio and television managers as a general criticism of the applicants was that they lacked knowledge of the industry, they wished to succeed too rapidly without working hard, or that they were overcome by the glamour of television and radio. Other reasons given were: demand exceeding supply, competition from other industries, competition between the two branches of the broadcasting industry, and the negative attitude that jobs in broadcasting were uncertain and insecure.

Another part of the joint survey by the APBE-NAB was a detailed personal profile. A Nearly 2,000 employees in broadcasting occupations answered questions related to their educational background, specific training, employment history, and their attitudes toward their job and the broadcasting industry in general. They found radio and television employees averaged about 35 years of age with the typical employee working in the industry for 10 years, and had been in his present job for about six years. About 60% of the employees held jobs in broadcasting immediately preceding their present job. About 40% came from outside the industry.

When asked the questions about why the employee left his last job, the overwhelming number of radio employees (37.7%) reported they moved to advance themselves personally. The second most important reason was "work ended," i.e., the job they were doing came to an end through no fault of their own. Ranked third was "dissatisfaction." This took many forms; not enough money, poor working conditions, friction with management. Other reasons for leaving were: change of location, desired change of scene, transferred by multiple owners, family or personal reasons, to further education, asked to leave, resigned, discharged, and military service or civilian defense work during the "Warr."

Employees were asked where they expected to go from

their present job. Did they plan to make their career in broadcasting? If so, what was their eventual objective? If not, what was the reasons, and what other field attracted them? Over 80% in both the television and radio aroups wished to continue their broadcasting careers. When asked whether their present job would be satisfactory for an extended period of time, most (45.7% radio) stated that it would not. For their next job, most employees had two objectives in mind: 11.0% of radio employees would have liked to become general or station managers. The rest wished to advance themselves, either by working for a larger station, a network, or by specializing in their own field by concentrating on one aspect of it or by becoming a supervisor, e.g., sales manager. A small percentage wanted to enter an entirely different phase of broadcasting to gain all-around experience as a preliminary to management. Second in importance was the objective of advancing in one's own particular field. The third most common objective was to have full or partial ownership of a station.

A few employees indicated they did not plan, or were hesitant about making a career in broadcasting (in radio, 5.5% had no plans, 12.4% were undecided). Reasons given by employees wishing to withdraw from the industry were (in order of importance): full capabilities not recognized; lack of advancement; scheduling irritations; other career interest prevailed, no dissatisfaction with industry;

personal aspects—personality Conflict, family needs, marriage plans; lack of job security; absentee management problems; mercenary attitude of management—program quality sacrificed for money; other reasons.

The survey asked the "lukeware" employee what field of work he would like to get into instead of broadcasting. The technical field appealed to both television and radio groups. Specific interests included technical writing, technical sales, research and development, technical communications, and even the repair shop business. The combined fields of public relations and advertising were also cited. The professional field included law, economics, teaching, the ministry, and social work. The fields of non-broadcasting sales and business also were attractive. Others would prefer to continue their education rather than continue in broadcasting.

When asked about their recommendations on what part of his pre-broadcasting background had proved most valuable to him in his work, and also what he mished he might have experienced before starting a broadcasting career, the majority of employees were of the opinion that professional training in all its phases was the most important experience a broadcasting employee could receive (including public speaking, politics, lecturing, supervision of men in armed forces). Both the television and radio groups considered a good liberal arts education important in providing the

employee with the solid background required of a worker in the communications field. Less emphasis was placed on sales and business, categories valued highly by management.

Another segment of the APBE-NAB study checked employee attitudes toward the broadcasting industry. The areas surveyed were to ascertain the attitudes of the employee toward his job, his training in the job, physical working conditions, his supervisors, management policies, and his general outlook on the industry.

When asked "how do you feel your present station was managed" 85.2% of the radio station employees believed it was managed well or adequately. However, management received a poor mark for on-the-job training with over one-third (36.1%) of the radio employees saying they received no on-the-job training. In regard to "compensation in your present job," 61.4% stated they were "satisfied," and an additional 14.0% said they were "very satisfied," with their compensation. However, nearly one-quarter expressed dissatisfaction.

Apparently, a major problem existed in the handling of wage increases, rather than on the level of wages. The major reasons given for dissatisfaction in the handling of wage increases were (in approximate order of importance):

Job experience ignored in favor of personality, seniority is recognized over ability, no policy governing the regular review of wages, management does not keep its promises or

show partiality toward certain groups (e.g.—pay arrangements for sales personnel), unions prevented recognition of ability and forced everyone into the same mold, and increases do not keep us with increases in the cost of living.

When asked. "do you think that existing policies at your station in regard to such things as vacations, holidays, leave of absence, and so forth...are satisfactory," over three-fourths of the respondents believed they were very satisfactory or satisfactory. On promotion, a note of caution prevailed. The majority of employees termed their station's promotion policies (54.9%) "satisfactory." Another group indicated they were, on the whole, satisfactory but hedged over a certain point. The percentage stating the policies to be unsatisfactory" (21.7%) slightly outweighed the ones finding them very satisfactory (17.9%). The greatest complaint was the absence of regular promotions, although quite a few of the small station employees noted that the size of the operation limited or prevented promotions. The second major complaint was that employees resented the hiring of outside employees in preference to those already working at the station. The third complaint was that "friendship, favoritism, and politics" exerted undue influence on station promotion policies.

In the section on "attitudes toward supervision,"

relations between supervisor and employee were, on the whole, harmonious. A high percentage (26.12) rated their supervisors as "very satisfactory." The majority reported their supervisors were at least "satisfactory" in terms of their supervisors were at least "satisfactory" in terms of their supervisors where at least "satisfactory" the supervisor was experienced, had a good knowledge of his job and the industry, delgated authority and responsibility, handled people well, was fair, approachable, had the capacity to instruct, worked hard, made decisions promptly, had good judgment, had a good sense of proportion between quality and dollars, had admin istrative ability, had a pleasant personality. Those who rated their supervisor as "unsatisfactory" tended to give almost precisely the reverse answers.

Almost 60% of the employees rated their present employers more enthusiastically than their previous employers. Over 70% believed the lines of authority in their present stations were "very satisfactory" or "satisfactory," but over a quarter reported this to be a problem. Broadcasting employees also felt they were relied upon by manage ment for suggestions and ideas with over 85% of the respondents indicating they were satisfied with such opportunities.

In other areas, over 80% responded that the spirit of cooperation among employees in their present stations was

"satisfactory" or "very satisfactory." Also, the industry's physical working conditions were pleasing to the majority of its employees. Only two out of 10 found them unsatisfactory in radio stations. Those who objected to working conditions generally gave the following reasons: technical equipment in poor condition or outseded, the location of station too remote, interior climate control (e.g.—air conditioning) not adequate, lighting poor, too noisy.

In the "changes needed" section of the survey, employees cited three main areas where improvement could be made: 1) better overall leadership, 2) fairer compensation practices, and 3) improved physical equipment. Other areas for improvement cited were: better on-the-job training, clearer directions to be given, better working conditions, improved cooperation among fellow employees.

In the part of the APBE-NAB survey which inquired why employees leave the industry, "it was found that salesmen turned over more than any other job category in the industry (27.2%), followed by program directors, announcers, and technicians. Many of the reasons given for leaving in this part of the survey paralleled what was cited in the previous survey by those who reported dissatisfaction with the manager, management ability, training, compensation, promotion policy, the lines of authority, consideration of suggestions, and the spirit of cooperation among fellow employees.

Key reasons for the former employees leaving were (in order of importance): full capabilities not recognized: limited opportunities for advancement; lack of job security--insufficient pay: no pension plan or fringe benefits--general desire for a more secure and profitable future: other interests prevailed -- no real dissatisfaction with the industry-better opportunity offered outside the industry: dissatisfaction with quality of broadcasting industry--negeral disgust with programming standards-dominance of business stifles creativity--industry lacked integrity; personal circumstances usually meaning no opening available a) after army service, b) in preferred area; established own business-no real dissatisfaction, just wanted to own business, such as ad agency; scheduling problems with irregular hours--weekend and holiday work--limited staffs made allocation of work too burdensome and complicated.

Responding to the question of what areas of management needed to be changed, the former employees most frequently checked the need for better overall leadership and fairer compensation practices.

In a study conducted by Kenneth S. Teel, professor of Management/Human Resources Management at California State University, some of the hidden costs of turnover to a business organization were uncovered. Teel determined that less than half of the organizations surveyed computed voluntary turnover rates and less than a quarter made any attempt to estimate employee replacement costs. All the survey respondents agreed, however, that voluntary turnover was expensive.

The critical question, asked by Teel, was how expensive? If replacement costs amount to only a few weeks pay, it probably would not be cost effective to undertake any major steps to reduce turnover, according to Teel. However, if replacement costs exceeded a third of the average annual compensation in a job classification in which turnover was high (e.g.—sales), an organization might be able to increase productivity significantly by spending more on a program to identify and alleviate the causes of voluntary turnover, Teel concluded.

Teel divided employee replacement costs into three major categories: separation costs, acquisition costs, and training costs.

Separation costs included: reduced productivity before departure, time lost discussing departure, terminee's time in exit interview, exit interviewer's time. compilation of exit interview information, administrative paperwork, lower morale among opers.

Acquisition costs included: advertising, brochures, employment agency fees, college recruiting, application processing, applicant's travel expenses, reference checks, interviews, medical exam, psychological exam, moving and

relocation, accounting and payroll entries, human resources department overhead.

Training costs included new hire orientation—
employee's time, trainer's time, formal job training—
employee's time, trainer's time, on-the-job training—
supervisor's time, non-supervisory helper's time,
substandard performance of new employee, extra work for
others to offset substandard performance, higher error rate
for new employee.

Not all the above costs can be applied to the "average-size" radio station, and, in fact, only the larger stations/groups would incur the majority of the above costs. However, Teel's classification of costs clearly reveals a sizable list of expenses which must be considered by a station manager every time an employee leaves the station.

### Books

Although no books have been written on sales staff turnover at broadcast stations to my knowledge, there have several written on turnover in general, which will help pinpoint major factors contributing to the problem of turn over.

William H. Mobley® researched both the negative and positive aspects of employee turnover. Possible negative consequences of turnover include: costs—recruiting, hiring.

assimilation, training, replacement costs, out-processing costs, disruption of social and communication structures, productivity loss during replacement search and retraining, loss of high performers, decreased satisfaction among status.

Not all turnover is bad according to Mobley. There are positive consequences which can result which included displacement of poor performers, infusion of new knowledge/technology via replacements, stimulate changes in policy and practice, increase internal mobility opportunities, increased structural flexibility, decrease in other "withdrawal" behaviors, opportunities for cost reduction, consolidation, reduction of entrenched conflict.

Mobley identified several causes and correlates of turnover. The general classes of determinants of turnover are: the state of the economy, organization variables, individual non-work variables, and individual work-related variables. The state of the economy factors (e.g.,—unemployment levels, inflation,) and individual non-work variables (e.g.,—non-work values, spouses, career, family responsibility) will not be identified in this portion of the review which will primarily concentrate on "management-related" variables.

Organization variables related to turnover are: type of industry (e.g.--manufacturing, service); occupational categories (e.g.--blue-collar workers, white collar workers.

lower skill level workers); organization size, work unit size; pay; Job content; supervisory style. Mobley found, unsurprisingly, a strong relationship between pay levels and turnover rates. Turnover is highest in low-paying industries. In 1977, Price indicated there was a weak but consistent positive relationship between routinization of a job and turnover. Porter and Steers (1973) found support for a positive relationship between task repetitiveness and turn over. Some support for the relationship between supervisory style and turnover was also apparent. One study found that turnover was highest in work groups whose forecerson was inconsiderate.

Individual variables related to turnover cited by Mobbley are: integrative variables; demographic and personal factors—age, tenure, sex, education; biographical data: personality; interests; aptitude and ability; source of referral; professionalism; performance: absenteeism. Mobley found the only strong conclusions which can be drawn from this set of variables are that age and tenure are consistently and negatively associated with turnover. Younger employees have a higher probability of leaving. Younger employees may have more entry-level Job opportunities and few family responsibilities. Turnover is also significantly higher for shorter—tenure employees. All the other variables have much less impact.

Integrative variables include: job satisfaction, over

all Job satisfaction, satisfaction with pay, satisfaction with promotion, satisfaction with job content, satisfaction with co-workers, satisfaction with supervision, satisfaction with working conditions, career aspirations and expectations, organizational commitment, expectancy of an alternative job, intentions to quit-stay, stress. Research evidence consistently supported the negative relationship between overall satisfaction and job content and turnover.

In Roseman's text, a manager is alerted to what Roseman describes as "the critical trigger events," leading to an employee's departure. From the very start of employment, employees ask themselves two key questions: Is this a good job? Is this an organization I want to continue to work for? The answers to these change significantly after the critical trigger events. Managers who are alert to events that are likely to trigger a change in an employee's feelings are in better position to intervene, according to Roseman.

Roseman says managers should expect problems when the following events occur: 1) the employee is passed over for a promotion; 2) there is an inadequate merit increase; 3) conflict; 4) significant changes when perceived as threatening, e.g.--reorganization, reassignment, relocation; 5) new frame of reference, i.e.--outgrows the present Job.

Roseman also cites seven key factors of turnover in an organization. First, there are selection problems--

companies repeatedly make the same hiring mistakes. They select people who are likely to fail or select people who are unlikely to stay with the organization. There are common deficiencies in the selection process—inadequate Job specifications; failure to document selection mistakes; hiring "warm" bodies—the pressure to hire someone as quickly as possible; emphasis on factors unrelated to performance, i.e.—selecting candidates who "look good;" total reliance on tests; unrealistic job expectations; hiring candidates who interview well; ignoring risk factors; shortchanging the time invested in selection; limited shopping for good candidates.

Second, there are work environment problems. These problems revolve around such factors as values of the organization, e.g.—"don't pamper employees, give them only what you must." or "focus your attention on the work group, not on individuals." Also, a work environment that encourages adversary relationships drive away employees. In the name of competitiveness, some managers will pit one employee against another. Inequities also play a role. Whenever employees believe that they are not getting a fair share of rewards, status, workload, or opportunities, the work environment becomes inhospitable. Employees are also aware of an invasion of employees' territorial rights.
Employees have a strong sense of what belongs to them and resent any unlawful entrees into their territory. One

territory that is well protected is the home. When Job responsibilities spill over into home life and free time, employees become extremely concerned. Also contributing to an unhealthy work environment are uncertainties. Most employees feel insecure in an environment that is not somewhat predictable. Employees who feel that they are being kept in the dark will attempt to fill in the gaps with rumors and gossip. The grapevine thrives, usually with misinformation that alarms employees and fans dissetisfaction.

The third factor of turnover cited by Roseman is the problem of work assignments. Many people who accept jobs are wrong for the job. They step blindly into work assignments that in a short time they will not want, urged on by hiring managers who care little about their needs. Hiring managers are intent on finding out whether potential employees have the ability to perform a job while candidates for employment are primarily interested in getting a job-even one they know little about. The hiring manager's strong desire to "fill a vacancy" and the candidate's strong desire to "land a job" interfere with a real matching of candidate and job. Even when new employees are placed in work assignments which they are capable of doing and ordinarily would be content with, the orientation period may turn them off. It may be abbreviated or prolonged. Also. employees may be right for the job when they are hired, but

as they grow personally they may outgrow the Job--or think they have outgrown it.

Roseman also found pay and benefit problems can also influence turnover. People legitimately leave companies for more money, and people who are paid exceptionally well are probably less likely to leave an organization than people who are not paid well. Employee satisfaction or dissatisfaction often depends on the organization's pay policy. The key pay policy issues are: 1) equitability; 2) meeting personal needs; 3) automatic/standard salary increases; 4) cost-of-living increases; 5) minimum and maximum salary ranges for each job; 6) the dollar differential between the salary levels of high performers and low performers is of particular concern to employees; 7) change in "market value" of the employee; 8) limiting increases to the government's "recommended guidelines," 9) incentives; 10) benefits.

The fifth factor related to turnover, according to Rosean, are promotion problems. Whenever the number of employees ready for promotion and the number of available openings are out of balance, turnover increases. The imbalance is magnified by inaccurate employee perceptions of their "readiness" for promotion. An employee may be: 1) ready and qualified, 2) ready but not qualified, 3) not ready but qualified, 4) not ready and not qualified. Promotions not only affect the employees directly involved—

those considered for promotion and those actually promoted they also affect interested onlookers in the company. Employees judge the organization on the fairness of its promotions.

The sixth factor deals with supervision problems. Non-supportive and nonresponsive supervisors who turn away valued employees exhibit several common characteristics:

1) failure to set a good example, 2) inflexible work style,

3) indeciveness, 4) unfairness, 5) noncommunicativeness,

6) collapse under stress, 7) destructive criticism,

8) negative reinforcement, 9) "hogging" the credit,

10) depersonalizing the employee.

The seventh, and final factor, related to turnover is the problem with personal growth. Most employees need to feel a sense of personal growth throughout their careers. When growth stops, vitality declines. According to Roseman, the symptoms of arrested growth are highly visible in employees getting ready to leave an organization: 1) they have low energy, 2) lack enthusiasm, 3) lack commitment, 4) disinterested in their work assignment, 5) become chronic complainers, 6) are cynical, 7) know things are not the same as they were in the past and feel differently about the organization and their job.

Peskin's has developed six major categories of turn over. Peskin's categories are quite similar to the previous studies. They are: voluntary discharge, involuntary discharge, reduction in the work force, leave of absence, retirement, and death. Causes of turnover can be classified in more detail as follows: 1) pay practices; 2) causes directly associated with the job such as poor working conditions, long hours, excessive travel, dislike of the work, too much pressure; 3) causes associated with supervision, such as unfair practices, inept leadership, lack of qualification, abrasive personality; 4) lack of promotion opportunities and chances for advancement with typical complaints including lack of recognition and curtailed authority and responsibility; 5) personnel policy and practices and work rules; 6) interpersonal conflicts with fellow employees: 7) personal reasons, e.g. -- change in career objectives, returning to school; 8) involuntary causes, which include discharges, reductions in the work force, and forced retirement.

Hoffer\*\* has also pinpointed several key factors of turnover specifically in broadcast station sales. Hoffer says selecting the right people is paramount. Those who can be converted into long-termers are producers for the company and themselves as well. Frequent turnover results in lost goodwill, lost sales, lower morale and increased costs in hiring, firing, training, and replacing salespeople. A revolving door in the sales department at anny radio stations is a reflection of any or all of the following:

1) poor management, faulty planning, unrealistic goals;

 poor incentives, noncompetitive income structure: 3) poor product, inferior programming; 4) poor tools, lack of sales aids; 5) poor personnel selection, inadequate recruitment procedures.

# Trade magazines

It has only been in the past four or five years that the problem of radio sales staff turnover has been discussed in broadcast trade magazines. Once again, I believe this is indicative of the old philosophy that if the "rotten apples" (i.e. -- the unproductive radio salespeople) leave the barrel, the station is much better off. The new philosophy now being "preached" in broadcast trades has been to analyze the manager's role and station policies which could contribute to turnover, and then to develop an effective program to manage it. What few radio trade magazine articles that have been written on radio sales staff turnover have been penned by the leading names in the radio sales training field. Unfortunately, these radio sales trainers have a particular service to sell and tend to persuade station managers that "training"--or lack of it--is the only factor which creates turnover. Jim Hooker, Chris Lytle, Jim Rhea (of Ken Greenwood and Associates) are all top radio sales trainers: however, they have not conducted any "formal" studies on causes of radio sales staff turnover to date. We were all in agreement that improper training is a major contributor

to turnover, but, as we have seen from the other sources in this review, it is not the only factor.

Turnover has been discussed for a number of years in the sales/marketing trades, primarily by <u>Sales Management</u> and later <u>Sales and Marketing Management</u> agazine from 1974-1984. I will first review those articles as a whole, and then conclude with a review of those articles directly related to broadcasting and radio. These articles are valuable in that they provide further evidence of areas which should be scrutinized in order to identify leading factors of turnover.

It has been said by one sales manager about sales turnover. "with all the shuffling that goes on, sometimes I think I'm in business to keep Allied North American, and the Mayflower van people in business." Turnover can affect salespeople in two key ways. First, they believe that few salespersons can learn a customer's business in less than a year or two. After that, they begin to get the job done. Second, salespeople can not identify with the companies they handle. Sales managers believe a customer will be treated with indifference during the final months or weeks of a discontented salesperson's tenure. This leads to one thing: dissatisfaction (on the part of the customer).12

Rapid turnover of sales personnel creates doubts in the customer's mind as to who is "calling the shots." Sales managers must ask question, "If the salesperson is really going to act as the customer's representative back at head quarters, how can he fill this role with minimal knowledge of the customer's business?" The problem can be even broader than that. One sales manager recounts, "One of my customers asked for a fee. He said that as long as he was going to be used as a tryout camp for our sales force, he wanted to be compensated for it." With high turnover at an organization, salespeople and their customers find it difficult to enter into a solid relationship. If the salesperson leaves too soon, no confidence has been built up in the customer's mind. The customer goes through the process of evaluating a new sales rep all over again. As a result, he is always confused and never happy. A competitor can come in at any time and promise better service just by leaving the same person on the job. 18

In 1974, Professor Derek A. Newton of the University of Virginia's Graduate School "A found to the contrary that companies offering "fast" promotions would counter high turnover. His study, "Sales Force Performance and Turnover," based on statistics from 1.029 U.S. companies, knocked holes in several "myths" held by many sales executives.

One of these is the belief that a certain amount of turnover is needed to keep selling performance high and the other is that high performance is partly a function of low turnover. Neither theory was supported by what Newton found. His study showed a relationship between peformance, defined as the productivity of a sales force, and turnover. (The survey contacted companies selling all kinds of products.)

What does have an important effect on turnover, Newton found, is the size of the sales force. The turnover rate tended to increase as the size of the sales force increased. That was because the larger the organization may strike a salesperson, especially a new salesperson, as impersonal. Another reason why bigger sales forces lose more men is that they employ younger men, who are, by nature, more "job mobile." Another factor in turnover is that many of the larger sales forces which promise a good chance for advancement may have made a policy decision to use a salesperson's job as a training ground for marketing management careers. These firms, says Newton, seen to be willing to tolerate high turnover in exchange for the opportunity to develop future management.

Newton's study also showed that the sales force likely to have the lowest turnover are smaller, older, better paid, and somewhat few chances for promotion. Managers, Newton believes, should realize that applicants drawn to sales forces that offer them a good chance for fast promotion may quit shortly after they get passed over, particularly if the money is not there.

John H. Dobbs<sup>18</sup> emphasized in 1974 a recurrent theme

of this research—turnover is expensive. The Dobbs article focused on controlling turnover. Dobbs categorized factors of turnover into two divisions: difficult—to-control factors, and controllable factors. Difficult—to-control factors are: 1) changes in company's competitive position, 2) insufficient opportunity for promotion, 3) compensation systems, 4) ineffective supervision, 5) raiding by competitors. Controllable factors are: 1) salesperson not able to perfora job, 2) salesperson not turnously in the job salesperson of the job, 3) salesperson not motivated to the job, 4) criteria for success in the job not well defined.

Dobbs keyed in on the hiring factor related to turn over and the problem areas which develop when trying to find qualified salespeople. Leading causes which make good hiring difficult are: 1) lack of interviewing skills, 2) managers conducting interviews do not seek applicant information about all dimensions that are essential to successful job performance, 3) managers overlap covering areas of information while excluding others, 4) managers misinterpret applicant data (i.e.—sales managers try play anateur psychiatrists), 5) manager's judgments may be affected by bias and stereotypes, 6) managers allow one dimension to affect their evaluation of other applicant qualifications (e.g.—great physical appearance), 7) managers allow the applicant to control the interview,

8) managers jump to decisions about applicants too quickly.

9) managers are more actively seeking negative information about the applicant (i.e.—sales managers worry about making a mistake), 10) managers' hiring decisions are affected by pressure to fill vacant positions, 11) manager's judgments affected by the availability of candidates, 12) applicants are not eval uated in a systematic manner (i.e.—too general reasons given for hiring).

One of the more significant studies conducted on sales personnel turnover was achieved in 1972 by The Conference Board, an independent non-profit business research organization. \*\* The report describes the turnover rates for sales people in over 500 companies during the crucial first five years of employment. The study also discusses the relation ship of 15 factors related to turnover. The more "controllable" factors that influence the turnover decision will be cited below.

The fifteen factors were divided into four major categories: 1) company and sales force demographics, 2) money (compensation), 3) education and training.

4) significant career events--career patterns.

Under the category of company and sales force organization, those factors affecting turnover are: 1) type of product sold and 2) type of selling, and 3) the sales force organization. It was found in each of the first five years of employment, consumer sales forces have the highest turnover rates: intangibles and service sale forces have the

lowest turnover rates. It was also found promotional sales people have higher turnover rates than sales engineers or direct contact salespeople. Also, when the company's sale activity is organized in a single sales force, turnover is slightly, but significantly lower in the fourth and fifth years of employment than it is in companies with a multiple sales force organization.

Under the category of money and turnover, those factors affecting turnover are: 1) starting pay, 2) earnings potential, 3) incentive compensation. In general, it was shown that the long held belief that in his early years, a junior salesperson can be kept with the firm if 1) he is kept "hungry," and 2) he is provided a real earnings potential e.g.—if the average experienced salesperson in the territory is making 50 or 60% more than a trainee, is false. Neither of these tactics seemed to be effective. "Hungry" junior salespeople quit and there was no relation ship between earnings potential and the desire to remain with the company.

Under the category of education and training, seven variables related to selection criteria, training, and education background were correlated with turnover data:

1) average age of new salespeople entering the force,

2) proportion married at time of hire, 3) proportion of new hires with some work history in selling occupations,

4) proportion of new hires with a college degree, 5) college

major, 6) length of training time for entering salespeople, 7) degree of formality in the in-company training program for new salespeople. Only length of training time for entering salespeople, proportion of new hires with a college degree, and college major were significantly related to retention rates.

In regard to training, it was found sales forces which provided sales training one year or longer had a higher retention rate. In regard to education, it was found sales forces hiring mostly college graduates have lower turnover than other sale forces; new hires with majors in science, engineering, and especially liberal arts are less likely to leave in the early years than graduates with business school, marketing, or accounting majors, and non-graduates; sales forces hiring liberal arts graduates have less turn over during the first five years of employment than those hiring new salespeople with other majors.

Under the category of career patterns, primary among the events that seem to affect turnover are: 1)

1) interterritorial transfers. 2) family moves in connection with transfer or promotion, 3) the first real promotion. Promotions were not as significant as would be expected. However, sales forces in which promotions normally occur during the first five years of employment seems to have slightly higher turnover than those in which promotions occur later in the career. The first assumption is that

salespeople not receiving a "typical" early promotion have a tendency to leave the fire. However, the data on transfers and moves open up the very real possibility that some of the higher turnover may be due to the promotion itself.

Overall, the Conference Board found the pattern of turnover among salespeople during the first five years of employment was relatively severe in most industries. By the end of the fifth year of employment, typically half of a given year's new sales recruits have terminated employment. Average losses after five years in some sales forces amounted only to 30%, while in other, 90% of the new hires were none hefore their saith year.

Generally, turnover problems in the radio trade magazines have been addressed by the sales trainers. Chris Lytle\*\* has suggested a seven-point system to manage turn over. The seven points are: 1) list the top performers who have turnover over during the last five years and length of service, 2) target the top producers whom you want to keep and tell them that you want them to stay, 3) build in rewards to improve retention rate, e.g.—an extra week of vacation, 4) conduct exit interviews, 5) assess top producers to determine their training needs and find programs that will help them continue their development.

6) upgrade man agement skills and pay attention to the entire staff, 7) do not hire salespeople under pressure, a leading cause of turnover, according to Lytle.

In 1981, the RAB conducted an intensive survey or radio sales departments. \*\* It asked radio station managers to describe the makeup of their sales organizations, methods of recruiting, compensation plans, sales training methods, and motivation techniques. It found sales turnover continued to be a problem in radio. Approximately 64% of the salespeople had worked for the same station two years or less; 37% had been at a station one year or less; 27% one to two years; 18% three to five years; 8% six to nine years; and 11% had been at their stations 10 years or more. It was also found that 17% had no one leave in a year; 32% had one person leave in a year; 21% had two leave; 15% had three leave: 7% had four leave; and 7% had five or more leave in just one year.

Despite the high turnover, only 57% of the stations reported they had "special training" for new salespeople. However, 97% of the stations had some form of sales training but the intensity of the training varied substantially. Because of the broad nature of this study, RAB did not specifically address the various causes of turnover of radio sales staffs, except for the necessity of sales training. It should be kept in aind that RAB receives its funds by selling radio sales training material to member stations. However, this survey was a landmark study because it was one of the few studies to quantify information about radio sales staffs, including the amount of turnover

experienced by those managers attending the conference.

RAB conducted a follow-up survey of radio salespersons in 1994.\*\* The survey, which polled 576 attendees at the RAB's annual training seeinars, sought to develop a profile of the radio salesperson. Although it did not specifically address turnover, it did obtain information about length of service, training, education, compensation, and opportunities for advancement. The study found that three out of four radio salespersons fell into the 25-44 age group, and that half of the men in this age group and about two-thirds of the women had been working in radio three years or less. Twenty-three percent of the respondents had their present job for less than one year, and a third had held their current positions for less than three years.

In regard to compensation, 33% earned \$50,000 or more in radio sales, 25% earned \$15,000 or less annually, 33% earned \$25,000 or less, and 11% earned \$30,000 or less.

About 50% of the entry-level salespersons earned \$15,000 or less, 44% earned \$25,000 after three years, and 36% earned \$50,000 or more. At the time the survey was conducted, radio salespeople salaries were comparable to the U.S. average salary of \$17,500 for salespeople holding four-year non-technical degrees.

In regard to education, 43.4% of the men and 43.7% of the women in radio sales held four-year degrees. In regard to training, 82% of the respondents said their station had

no formal sales training, 45.6% claimed they had no sales training whatsoever, 72% said they had no group or corporate supplied training, 68.8% of the salespersons had not attended a state broadcasting association training session, and 56% had not been exposed to any of the radio industry's sales consultants. It was also determined by the survey that "most" stations spent \$100 or less annually on sales materials, and only 33% spent \$1,000 or more annually on sales training.

The survey also found that 75% of the respondents were not content to remain in their current jobs.

Rick Ott, president of Ott & Shead, a broadcast consulting and research firm, addressed the problem of employee turnover in radio, both in sales and programming. He believed an employee considered a radio station either a "destination station" where the employee would not mind ending his career, or a "tunnel station" where the employee would get some experience for a short while in the hopes of moving on to something better. He predicted "tunnel stations" would have the highest turnover. Ott did not believe turnover was caused by market size and that money was not as big a factor as most managers would expect. He suggested stations become "destination stations" and reduce turnover by paying a "respectable" salary, and managers should make their employees feel important and take a genuine interest in their employees' professional

welfare. 20

### Summary

Seven out of 10 radio salespersons are expected to fail within their first year. It is no doubt a result of the multitude of factors cited in the preceding pages of this review. Although there are sany "personal" reasons which could be responsible for turnover of radio sales personnel, management bears a good share of the responsibility of ensuring that salespersons are satisfied, thus boosting retention rates.

Those key factors which I have selected to analyze from the variety of factors cited in the review could be categorized as "management-related" factors. Consequently, Kansas radio station general managers will be asked a series of questions relating to hiring, training, supervision, and compensation. In addition, the managers also will be asked to report the amount of turnover at their stations, and to respond to an opinion question about why turnover occurs at their stations and in the radio industry in general in an attempt to uncover any other factors which might not have been covered in this review. The description of this questionnaire will be described in the following chapter.

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## CHAPTER III

#### METHODOL OGY

### The Research Design

Turnover is a widespread problem for radio station sales departments. To ascertain the turnover rate and management practices and attitudes relating to key factors affecting radio sales staff turnover in Kansas, a cross-sectional "descriptive" census was conducted utilizing a mail questionnaire.

Data from the questionnaire were tabulated to summarize the turnover rate and the practices of Kansas radio station general managers, as a whole, and not for individual stations. One of the main goals of this study is for it to be of use to an entire group of broadcasters so that each radio station manager could make his own application of the data to his station. This study does not attempt to prove any particular hypothesis in regard to radio sales staff turnover because the variables affecting turnover in any industry are too numerous. It would also be difficult to prove from this census that the amount of turnover in radio sales staffs is solely dependent upon the management practices in the four areas cited in this

study--hiring, training, sales supervision and motivation, and compensation.

### The Population

The population for this research was selected from the listing of all Kansas commercial radio stations in the 1965 edition of <u>Broadcasting Yearbook</u>. Those receiving the mail questionnaires were general managers of their respective stations. If a station had an AH and FM facility and one general manager, only one questionnaire was mailed to that particular station. If there were separate general managers for the AH station and the FM station, then two questionnaires were mailed.

From the listing in the <u>Broadcast Yearbook</u>, B2 radio organizations, comprising 128 radio stations, were mailed the questionnaire. A radio organization could be an AM-FM combo. AM only, or FM only. Appendix A lists the stations which were mailed the questionnaire and the cities in which they are located.

# Construction of the Questionnaire

The basic tool to be utilized in this study was a mail questionnaire consisting of 38 questions, 37 of which were fixed-response questions, and the final question being an open-ended question, requesting comments on turnover from the general managers. The questionnaire was reduced in size

to accommodate more questions per page, thus limiting the total number of pages, even though the census was lengthy. 
Questions for the census were derived from similar questions asked in previous surveys by the Radio Advertising Bureau (RAB), and from the author's own experience as a salesperson and sales manager. The questionnaire is shown in Appendix B.

Questions #1 and #2, asked general managers to indicate their market size and facility (AM only, FM only, or AM-FM combo).

Questions #3-6 asked the general managers to describe the composition of their sales staffs. Questions were asked regarding the fact that, if their stations were AH-FM combos, were they sold separately. The managers were also requested to indicate the number of full-time salespersons on their staffs, age distribution, and length of service of mach salesperson.

Question 97 asked the general managers to indicate how much turnover had occurred at their stations within the past year (October 1984-October 1985). Question 98 asked the managers to show into what job areas the former salespersons had gone, and Question 99 asked the managers to indicate whether they held formal exit interviews to ascertain the reasons for salespersons leaving.

Questions #10-15 asked general managers to respond to questions about their hiring practices. They were asked

to check what their most successful methods of recruitment were, to rate what they thought to be the most important criteria for hiring a person for radio sales, how often they hired persons from the local area, whether they presented a written job description for the new salesperson, to indicate from what job areas they hired their salespersons, and to indicate the education level of each of their salespersons.

Questions #86-21 pertained to sales training. The managers were asked to check which sales training methods they used, the amount of money spent on training annually, whether they had special training for new salespersons and to check the training methods used for new salespersons, to indicate the length of time a new salesperson received direct supervision from the sales manager, and to indicate whether they had an on-going sales training program for the "tenured" salesperson.

Questions \$22-31 were related to sales supervision and motivation. The general managers were asked to indicate how often their sales managers conducted sales meetings, to check the method for setting goals/quotas, how often goals/quotas were set, to rate a list of methods of motivation of a sales staff, to indicate whether their sales managers used sales analysis/call sheets and how often they were reviewed, and whether the stations made formal evaluations of salespersons on criteria other than their billing figures. This series of questions also asked the

general managers to check the method of how their sales managers were componsated, whether their sales managers handled a list of local accounts, and what happened to remaining account lists after salespersons would leave their stations.

The last series of questions (#32-37) pertained to compensation and benefits. The managers were asked to check the method they paid their salespersons, and if they paid a base (quarantee) salery, what the amounts were. The managers were also asked to check which expenses were paid to the salespersons, what the income distribution was of their sales staffs, the amount of commissions paid on most accounts, and, finally, what benefits, besides monetary compensation from billing, were paid to the salespersons.

The final question (#38) of the census asked general managers for their opinions about why turnover was occurring at their stations and in the radio industry in general.

Other information on the questionnaire included a return address, in case the self-addressed envelope was insplaced, and a disclaimer provided by Kansas State University. The disclaimer was to inform the respondent that the census was conducted under university guidelines, that their cooperation was voluntary and their confidentiality was guaranteed. To ensure anonymity, only the envelopes to be returned bore an identification number. Doctor Paul Prince of the Kansas State University Radjo/TV

Department received the envelopes and checked a list to see who had responded. The questionnaires were not numbered and, therefore, the author had no knowledge of who responded to each questionnaire.

### The Cover Letter

The cover letter (see Appendix B) introduced the questionnaire. The opening statements were an attempt to appeal to each manager's sense of controlling expenses for his operation and was intended to hold his attention until the purpose of the questionnaire could be explained. The letter was reproduced on Kansas State University Department of Journalism and Mass Communication stationery and stated the urgency and magnitude of the problem of turnover in radio sales, and stated the purpose of the questionnaire, assured that the answers would be confidential, and made a plea for a prompt return of the questionnaire.

# The Pre-Test

A pre-test was utilized to determine if the questions could be readily understood and answered as quickly and as conveniently as possible. Two managers were asked to complete the pre-test questionnaire: Lowell Jack, of KMAN-AM/ KMSF-FM, Manhattan. KS. and Ken Jennison of KNN-AM, Salina, KS. The author was acquainted with both managers and was confident they would respond as honestly

and forthrightly as possible about the design of the questionnaire. The author solicited their comments following their completion of the questionnaire either fare-to-face or by telephone. The pre-test was conducted in April 1985. Both general managers had few problems understanding the questionnaire, and the managers made their comments directly on the questionnaire. Minor changes were made with the questionnaire. Question #11, regarding criteria for hiring radio salespersons, had several ambiguous criteria listed and were, consequently, eliminated on the final questionnaire. Question #17. regarding the annual expenditure on sales training, was changed to include RAB dues being counted as part of that expenditure. Finally, the term "base salary" referred to in the compensation section was further clarified by the word "quarantee" in parentheses.

## The Mailings

A total of 82 questionnaires were mailed during the first mailing on October 19, 1985. Each mailing packet included a personally addressed cover letter. a questionnaire, and a stamped, self-addressed return envelope.

On November 6, 1985, a follow-up mailing was sent to all those who had not responded to the first mailing. On November 16, 1985, phone calls were placed as a final

reminder to those stations which had not yet responded to the questionnaire.

## The Data Analysis

The data gathered by the above procedures were analyzed by computer with the "Statistical Package for the Social Sciences" (SPSS), utilizing frequencies and cross-tabulation. So the general managers of the Kansas radio stations could make an application to their own particular market, several questions were cross-tabulated with market size. The turnover rate was cross-tabulated several times with other questions, including questions about type of broadcast facility, training expenditure, and compensation. The results of the analysis are presented in the next chapter.

## CHAPTER IV

#### RESULTS

## Response to the census

Of the 82 questionnaires mailed within the state of Kansas, 59 usable questionnaires were returned for a response rate of 71.9%.

About 50% of the total number of questionnaires mailed were returned before the resinder mailing was initiated; 20% of the questionnaires were returned after the reminder mailing, with two questionnaires returned following reminder ohome calls placed to the stations.

# Description of the census

From the 59 stations responding, 37 stations (62.7%) operated both AM and FM facilities (combos), 14 (23.7%) were FM only, and eight (13.6%) were AM only. Of the stations which were AM-FM combos, 73% did not sell air time separately.

The proportion of smaller markets to larger markets responding to the questionnaire was comparable to other states, except for those states having many major

metropolitan areas. Twenty-seven questionnaires (45.8%) were from markets with a population of 40,000 or less, 16 (27.1%) were from markets with a population of 40,000-150,000, 13 (22%) were from a population of 500,000-500,000, and three (5.1%) were from a population of 500,000 and greater. National figures (<u>Breadcasting/Gablecasting Yearbook 1985</u>) indicate the greatest number of cities with licensed radio stations are in markets with 40,000 and under, the second greatest in markets of 40,000-150,000, the third great number of stations are in markets of 150,000-500,000, and the fourth greatest in markets of 500,000 and greater.1

# Composition of sales staffs

Questions 84-b referred to sales staff composition. Thirty-four stations (57.6%) reported having a sales staff size of four to six persons. Sixteen stations (27.1%) had a staff size of six to 12 persons, and nine stations (15.3%) had a staff size of three persons or less.

The age distribution of all the radio staffs was the greatest in the 25-34 age category. In terms of total number of radio salespersons employed in the state, 45.1% were 25-34 years of age. The second greatest category was the 35-49 age group with 36.5% of the total number of salespersons. The 18-24 age category had 9% and the 50 year and older category had 9%.

In response to the question to ascertain how long salespersons had been employed on their present staffs, 61.9% had been employed two years or less, 23.5% had been employed three to five years, 14.5% had been employed six to nine years, and 13.3% had been employed 10 years or more.

### Sales staff turnover

Question #7 asked how many salespersons had left the staff within the past year (October 1984-October 1985) giving us an indication of how much turnover in radio sales was occurring across the state. Of the 59 stations responding, 81.4% reported having turnover within the past year, 23.7% reported that one person left the staff, 27.1% of the stations reported a turnover of two persons, 11.9% of the stations reported losing three persons, 3.4% reported losing four persons, and nine stations (15.3%) had a turnover rate of five persons or greater. Thirty-one stations had 50% or less turnover, with 28 stations having 50% or more turnover. Table 1 shows how much turnover occurred in each market size. The under 40,000 market size had the greatest number of stations reporting turnover, however, that market size also had the greatest number of questionnaires returned. Table 2 indicates turnover as compared to staff sizes. It does not appear the size of sales staff affects turnover. For example, those stations losing five or more persons within the past year range from

TABLE 1
TURNOVER CROSS-TABULATED BY MARKET SIZE\*

Market size									
Turnover annually (no. of persons)	Under 40,000	40,000- 150,000	150,000- 500,000	500,000+	Total no. of stations				
None	6	3	1	1	11				
One	5	4	4	1	14				
Two	8	5	2	1	16				
Three	4	2	1	0	7				
Four	0	0	2	0	2				
Five+	4	2	3	0	9				

<sup>\*</sup>AM/FM combos are counted as one station in this and subsequent tables  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left($ 

SALES STAFF TURNOVER RELATED TO STAFF SIZE TABLE 2

	1	63					
	Total no. of stations	п	14	16	7	2	o.
	12						
	10 11	٦	-			ч	
	10		н				
(suc	6		7	н			ч
spers	00		н	ч			н
(by no. of salespersons)	7		т				7
Sta o. of	٠	н			ч	7	н
(by n	'n	ч	2	4	ч		-
	4	7	47	77	т		н
	m	e	Э	4O	7		
	73	7		н	т		-
	-	н		н			٦
	0			н			
	Turnover annually (no. of persons) 0	None	One	Two	Three	Four	Five+

a sales staff of one person to a sales staff of nine.

Table 3 reveals, however, that stations in markets under 40,000 suffered more from turnover. When compared to average staff size, stations in the small cities were losing a greater percentage of their total sales staff. The average staff size of a station in the under 40,000 markets was about three persons, and they lost on the average of two persons.

When cross-tabulated with facility, (AM-FM combo. AM only, FM only), it does not appear turnover was greater in any one category. For example, though AM stations' audiences (and therefore potential sales) have been declining the past decade, the AM-only stations did not have a proportionately greater amount of turnover compared to those stations which were FM only, or AM-FM combo. Also, stations which sold their AM and FM in combination did not experience any less turnover than stations which sold their AM and FM separately.

In question #8, it was determined where the salespersons had gone after they left the station. Of the salespersons who left their radio jobs within the past year, the greatest percentage (35.9%) found a position neither in sales nor in radio. The second largest group (25.8%) was those persons who found a sales position at another radio station. The third highest category (18%) was a sales position, but not in radio. The remaining salespersons

TABLE 3

TURNOVER CROSS-TABULATED BY AVERAGE STAFF SIZE (CONTROLLING FOR MARKET SIZE)

Market size	Avg. staff size	Avg. turnover	% of turnover to avg. staff size
Under 40,000	3.07	1.96	63,0
40,000- 150,000	5.06	2.92	57.7
150,000- 500,000	7.77	2.69	34.6
500,000+	7.33	1.01	13.6

leaving radio stations (20.3%) either accepted a position in media sales but not in radio, accepted a position within their own station but not in sales, or accepted another broadcast position, but not in sales.

When managers were asked whether they conducted "formal" exit interviews to ascertain why a salesperson was leaving, a majority (59.3%) did not conduct such takentime:

# Hiring practices

Guestions #10-15 pertained to the hiring practices of station managers. Managers ranked what they considered to be the three most successful methods of recruiting radio salespersons. The "personal contact" method (54.7%) was thought by managers to be the most successful method, as opposed to other more "formal" methods of recruiting, such as using the mass media—newspaper ads, on-air announcements, and trade magazines. Managers claimed colleges and universities accounted for only 8% of their

In question #11, managers were asked to rate a list of criteria which might be considered when hiring a radio salesperson. Table 4 shows the results of this question along with the mean score for each criterion. A salesperson with "previous sales experience"— not in broadcasting, was rated the highest in importance. This would include

TABLE 4

### RANK ORDER OF IMPORTANCE OF SELECTED CRITERIA FOR HIRING RADIO SALESPERSONS

(On a scale of 1 to 5, 5 most important, 1 least important)

Description of criteria		
1.	Previous sales experience, non-media (e.ginsurance, real estate)	3.78
2.	Previous radio sales experience	3.39
3.	Previous retail sales experience	3.04
۵.	Previous media advertising sales experience, non-broadcast (newspaper, magazine, etc.)	2.96
5.	Previous broadcast experience, non-sales	2.65
6.	Previous advertising experience, non-sales (e.gcopywriting)	2.65

TABLE 5
AREAS FROM WHICH PRESENT SALES STAFFS HIRED

Are	as	% employed	
1.	Radio sales	36.3	
2.	Radio, non-sales (e.gprograming)	16.3	
3.	Other (non-media or sales related)	13.3	
4.	Retailing	12.8	
5.	Sales, non-broadcasting (e.ginsurance, real estate)	12.4	
5.	Other advertising medium, sales (e.gnewspaper)	6.2	
	Other advertising medium, non-sales	2.7	

experience in such areas as insurance or real estate.

"Previous radio sales experience" by the prospective
applicant was rated a close second, with "previous retail
experience" rated third.

The managers' most desirable criteria for hiring radio salespersons were not always reflected in the results of question #14 which asked the managers areas from which they actually hired their sales staffs. Table 5 shows the areas from which the salespersons were hired and what percentage of the total number of salespersons hired were from that area. "Radio sales" was the most frequently used area from which radio salesperson were hired (36.3%). This was second in importance when ranked as a criterion. as indicated above. "Sales, non-broadcasting (e.g.--insurance, real estate)" had only 12.4% of the total number of salespersons even though "previous sales experience, non-broadcasting (e.g. -- insurance, real estate) " was ranked the highest as a hiring criterion. The second highest category was "radio, non-sales" (16.3%). The third highest category was "other." Answers given here were: college, school, teaching, locally employed, housewives, coaching, store manager, warehouseman, shipping manager, and Air Force.

It is generally an accepted practice by radio station managers to hire salespersons from the local area because of their possible contacts with advertisers and knowledge of the market. In question \$12, when asked how often they hired from the local area, 75% of the managers responded that they hired from the local area, 21.4% sometimes hired locally, and only two managers said they seldom hire locally. However, when cross-tabulated with the turnover rate, it made little difference whether a majority of the managers hired locally.

In question #15, managers asked whether they gave a new salesperson a typed job description, spelling out their duties, as well as what is expected in job performance. More than half (53.6%) of the respondents did not give the new salesperson a job description.

Question #15 asked the managers to indicate the educational level of each salesperson on their staffs. Of the total number of salespersons employed across the state, 39.7% had some college (under four years), 36.2% had a college degree (four-year), 22.3% had a high school degree with no college education, and only 1.8% had advanced degrees.

## Training

Questions #16-21 referred to sales training methods and practices. Radio sales training has often been cited as a critical factor in controlling turnover. Managers were given a checklist of training methods and asked to indicate which ones were used. Of the stations responding, 91.5%

considered the routine sales meeting as a training tool; 72.9% used outside broadcast sales training courses. Table 6 shows a complete list of methods and what percentage of stations used each method. Several stations (18.6%) used "other" methods to train their salespersons than those in the checklist. Some of these methods included Dale Carnegie, Ken Greenwood Development Program, Xerox Sales training course, newspaper and Vellow Pages methods, and audio-visual courses.

Managers were asked in question #17 to indicate their annual expenditure on sales training, including RAB dues. Over 40% (40.7%) of the managers spent \$2,000 or less on training annually, 40.7% spent \$2,000 to \$5,000 a year on training, and only 18.6% spent more than \$5,000 a year on training. Those in market sizes of less than 40,000 spent the least amount of money on sales training overall: however, not all of the stations in that particular market size spent under \$2,000. The amount of money spent on sales training was mixed in all market sizes, although the markets of 500,000 or more spent the most per station. When compared to the turnover rate statewide, it was found that stations which spent \$5,000 or less on training annually had a significantly higher amount of turnover. Those stations spending more than \$5,000 per year generally had a turnover rate of one person or fewer per year. Table 7 shows the turnover rate cross-tabulated with sales training

TABLE 6
SALES TRAINING METHODS USED

Met	% of st	ations	using
1.	Sales meetings	91.5	
2.	Outside broadcast sales training courses	72.9	
3.	RAB material	67.8	
4.	Retail/marketing material	59.3	
5.	Formal, internal sales training program	44.1	
6.	Outside sales meetings	33.9	
7.	Other	18.6	
8.	Sales consultant	15.3	
9.	Salespersons attain degree/certification	n 8.5	

TABLE 7
TURNOVER CROSS-TABULATED WITH EXPENDITURE ON SALES TRAINING

Turnover	Annual training expenditure				
annually (no. of persons)	Under \$2,000	\$2,000- 4,999	\$5,000- 9,999	\$10,000+	Total no. of stations
None	8	2	0	1	11
One	4	6	3	1	14
Two	6	8	2	0	16
Three	4	3	0	0	7
Four	0	1	1	0	2
Five+	2	4	3	0	9
	24	24	9	2	59

expenditure. Market size was not related to the turnover rate.

Questions #18-20 pertained to the training of new salespersons. Approximately 88 percent (87.9%) of the managers indicated they had special training. When cross-tabulated with the turnover rate, 62.7% of the stations which had specific training for new salespersons had two or fewer persons leave their staff within the past year.

Managers were then asked to check which methods were used to train new salespersons from a list provided on the questionnaire. Most (83.1%) of the managers indicated their sales manager made calls with the new salesperson, 37.3% sent their new salespersons to outside sales training seminars, 27.1% utilized an outside broadcast sales training course, 54.2% reviewed RAB material, 45.8% had new salespersons review retail/marketing material, 39.0% used trade magazine articles on radio sales, and 25.4% used other methods to train new salespersons. Some of the "other" methods used included daily meetings, role playing, salesbooks, Ken Greenwood, and customized, internal sales training.

When asked how long a period a new salesperson received direct supervision from the sales manager, 53.5% indicated they received more than one month of direct supervision, 20.7% of the managers reported having direct

supervision for about one month, and 25.8% of the managers reported three weeks or less of direct supervision.

In question #21, managers were asked whether they had an "on-going" formal training (teaching, counseling) program for the more experienced salesperson who had been on staff for more than a year. Under half (44.6%) of the managers responded that they had such a program. When cross-tabulated with turnover, there was just a slight difference between those stations having a program and those which did not. Those stations having no "on-going" program had slightly more turnover.

#### Sales management and supervision

Questions #22-31 asked managers to indicate the supervisory practices of the sales manager and how the sales management was structured (in terms of responsibility and compensation) in relation to the entire sales staff. First, managers were asked how often the sales manager conducted sales meetings. About 66% had sales meetings at least once a week, 23.2% had meetings once a day, and only 10.7% had meetings twice a month or less.

Goal or quota setting has usually been seen as an important ingredient for the motivation of a salesperson. Managers were asked to check which method was used at their station to set goals or quotas for their sales staffs. "A certain percentage of increase over the previous month's or

year's billing" was used most frequently (33.3%). The second most used method was "breaking base" (the salesperson had to bill an amount over the number of dollars it would take to equal their base or quaranteed salary for the month), with 27.8% of the managers using this method. Over 18% (18.5%) of the managers said they set low-medium-high goals for the salespersons, determined by both the sales manager and the salesperson; and 13% had their salespersons meet station budget objectives, with only 3.7% of the managers employing "other" methods. Two stations (3.7%) reported they had no goal or quota setting.

Managers were them asked to indicate how often they set goals or quotas for their staff. Approximately 68% (67.9%) of the managers said they set goals/quotas once a month, 12.5% set them weekly, 10.7% set them annually, and only 5.3% set goals or quotas every six months.

The managers were asked to rate various methods of motivation on a scale of one to five, with five being the most important and one being the least important. Table 8 shows a listing of the motivation methods along with their mean scores. Recognition and compensation, two factors which are generally accepted as two of the primary motivators in sales, were not ranked even near the top of the 13 methods listed, though their mean scores were not much lower than the first six. The highest ranked method was a "good sales training program" with "allowing salesperson input on ideas"

TABLE 8

RANK ORDER OF IMPORTANCE RATING
OF SELECTED MOTIVATION METHODS

(On a scale of 1 to 5, 5 most important, 1 least important)

Method		Mean Score
1.	Good sales training program	4.53
2.	Allow salesperson input on ideas	4.44
з.	Discuss sales problems	4.42
4.	Keep salesperson informed of personal progress	4.33
5.	Set realistic goals	4.31
6.	Develop team spirit	4.27
7.	Compensation plan geared to goals	3.93
8.	Verbal/written recognition	3.81
9.	Allow opportunity for promotion (to a higher position) within the company	3.67
10.	Frequent sales meetings	3.57
11.	Provide attractive sales area	3.26
12.	Give awards	3.15
13.	Frequent sales contests	3.06

rated second.

The sales analysis (call) sheet is a tool available to sales managers to determine the number of calls made and the performance of an individual salesperson. When asked whether such sheets were used, 70.7% of the managers responded that they regularly used them, 55.6% had their sales manager review them daily, 26.7% had them reviewed weekly, 6.6% reported a review was made twice a month or less, and 11.1% reported such sheets were not used.

A billing figure is frequently the only measure of evaluation a sales manager uses to Judge the performance of a salesperson, with other indicators of performance overlooked. Consequently, the managers were asked whether a formal evaluation, using a rating system, was used to Judge the performance of the salesperson based on criteria besides billing. More than half the managers (52.7%) said they did not make a formal evaluation beyond the billing figures.

How a sales manager is compensated and whether the sales manager also handles a list of local accounts can positively affect or adversely affect the performance of the sales staff. Questions #29 and #30 were directed to the general managers in regard to this matter. First, they were asked how their sales managers were compensated. The "salary plus override on total billing" was the most popular method, with 42.9% of the managers indicating they compensated their sales managers by this method. "Salary

plus commission" was the second most popular method with 17.8% of the managers using this method. Next was "straight salary" (10.7%), followed by "straight commission with no additional compensation for sales management duties" (6.5%). About 4% of the managers (3.6%) used a "draw/commission method," and 16.1% used "other" methods to compensate their sales managers. Some of those "other" methods included: "salary plus reduced commission on personal sales plus override," "commission plus expense check," "commission on personal sales plus override," "one percent of station gross, one percent on collections, \$1,000 sales cost less than 29 percent." Although the majority of the sales managers had a stake in their sales staffs' performance, 88.1% of the stations had their sales managers carrying a list of local accounts.

The managers were also asked to indicate what happened to an account list when a salesperson left the staff. Occasionally, the list given to a new salesperson is so discouraging that the salesperson gives up before the list can be rebuilt. However, a majority of the managers (54.2%) distributed some accounts to the remaining salespersons, however, with most of the list given to the new salesperson. Over 25% (29.4%) responded that the remaining list was completely divided among the remaining salespersons and a new list was formed for the new salesperson. Only 20.3% cave the list intact to the new

salesperson.

## Compensation

Questions #32-37 were related to compensation in terms of both money and benefits for the salesperson. The first question in this series asked general managers to report their usual method for compensation. Over 37% (37.3%) of the general managers reported that "draw plus commission" was the method used to compensate salespersons, with 28.8% using the "straight commission with base salary (quarantee) method, 27.1% using the "straight commission" method, 3.4% using the "straight salary" method, and 3.4% of the managers using "other" methods. "Other" methods included "salary plus commission," and "draw until the commission exceeds the draw—then straight commission." When cross-tabulated with turnover, there was very little difference between the turnover rate and the type of commission method used.

Of the stations paying a base (quarantee) salary, the amount paid varied considerably from station to station. Over 8% (8.5%) of the stations paid a base salary of \$1,200 or more per month, 25.4% paid \$1,000-\$1,199 per month, 8.5% paid \$800-\$999 per month, 22.0% paid \$600-\$799 per month, 8.5% paid under \$600 per month, and 27.1% paid no base salary.

Managers were also asked to respond to a question

regarding the standard commission paid to their sales staff. Approximately 68% (67.8%) reported using a commission rate of 15-19% to be paid on most accounts, with 11.9% of the stations using a 20-24% rate, 10.2% of the stations using a 10-14% rate, 3.4% of the stations using a 5-9% rate, 3.4% using a sliding scale, and 3.4% using "other" methods.

Managers were asked to report on how much each salesperson on their staff earned annually. Table 9 shows the income distribution of salespersons on the stations' sales staffs. Approximately 44% of all the salespersons earned an income of \$10,000 to \$20,000 annually in radio sales. About 35% (35.2%) earned \$20,000 to \$40,000 annually, with 15.3% earning \$40,000 or more a year and only 5.7% earning less than \$10,000 a year. Table 10 shows the income levels when compared to market size. Although the markets with under 40,000 people had more radio salespersons earning under \$10,000 annually, the income levels generally kept pace with larger markets.

Finally, in questions #34 and #37 station managers were asked to respond to a checklist of expenses incurred by salespersons which the station paid for, and to a checklist of benefits paid by the station. In regard to expenses, only 33.9% of the stations paid for a salesperson's mileage, 57.6% compensated the salesperson for gas, 57.6% paid for client meals, only 18.6% paid for car expenses (repairs,

TABLE 9
INCOME DISTRIBUTION OF SALES STAFFS

Income level	% of total no. of salespersons employed	
Under \$10,000	5.7	
\$10,000-14,999	22.4	
\$15,000-19,999	21.4	
\$20,000-24,999	14.2	
\$25,000-29,999	10.7	
\$30,000-39,999	10.3	
\$40,000+	15.3	

TABLE 10
SALESPERSONS' INCOME DISTRIBUTION
CROSS-TABULATED WITH MARKET SIZE

Market size by % of total no. of salespersons employed				
Income level	Under 40,000	40,000- 150,000	150,000- 500,000	500,000+
Under \$10,000	13.1	3.4	2,4	0.0
\$10,000- 14,999	30.9	25.2	14.6	4.5
\$15,000- 19,999	21.4	29.9	10.9	22.7
\$20,000- 24,999	22.6	11.4	10.9	4.5
\$25,000- 29,999	5.9	9.2	16.1	9.0
\$30,000- 39,999	5.9	8.0	15.9	18.2
\$40,000+	0.0	12.6	28.0	41.0

tires, etc.), 42.4% paid for lodging (if necessary), 5.1% of the stations reported they paid no expenses for the salesperson, and 6.6% reported paying other expenses such as partial tuition for sales training education, or an amount for "carrying a sign on the car with the call letters on it."

When asked to check other benefits paid by the station, 10.2% reported they provided their salespersons with a vehicle, 45.8% gave bonuses (including trips, weekend vacations), 27.1% gave cash or merchandise in addition to pay, 44.1% gave awards (e.g.—dinners) for sales contests, 83.1% paid (or partially paid) for health and life insurance, only 23.7% provided a profit—sharing program, and 8.5% reported having other methods of compensation such as "10% of a salesperson's salary put in an IRA after three vacars."

In the final question (#39), station managers were asked to list reasons, in addition to those factors which were specifically cited in the census, which might account for turnover at their station or in the radio industry in general. The list of answers can found in Appendix E.

#### CHAPTER V

### DISCUSSION AND CONCLUSIONS

The previous research on radio sales staff turnover generated five main findings which will be discussed in further detail in this chapter. The five conclusions are:

1) market size appears to affect the rate of turnover in Kansas, with the smaller markets having greater turnover when compared to average staff size; 2) station managers did not hire salespersons according to the criteria which they judged as being the most important: 3) the amount spent on sales training annually could affect the rate of turnover:

4) sales supervision seems to be adequate, with considerable personal contact made with their staffs; 5) compensation for salespersons is about average; however, few expenses or benefits are paid to the salesperson.

 Market size appears to affect the rate of turnover when compared to average staff size.

The smaller markets of Kansas have greater turnover than the larger markets. The smaller markets could be considered those markets with under 150,000 people. As

reported in Table 3 in the results chapter (turnover by average staff size), turnover is greatest in the markets with under 40,000 people where the average sales staff size is three and the turnover rate was two persons per year. The problem could also be as critical in the next market size (40,000-150,000 people) where the average staff size is five, and about three persons left during the year. It is difficult to determine from the research why the smaller markets are incurring more turnover.

Overall, the Kansas rate of turnover could be considered less than the national average. According to the RAB, three out of four salespersons quit the first year, which is a 75% turnover rate. The Kansas average rate of turnover was about 50%. However, there should be concern for 15% of the stations which reported losing five or more salespersons per year. One reason for high turnover in smaller markets could be that salespersons typically "move up" to larger markets for better compensation. These markets had the greatest number of incomes under \$10,000.

Another reason for higher turnover in the smaller markets could be that managers are limited to hiring younger persons, who are traditionally highly mobile their first years of employment. However, in Kansas, there was a small percentage of salespersons who were 18 to 24 years of age. The smaller markets did not differ in age distribution from the larger markets. Staff age generally was between 25 and

49 in all the markets.

Although compensation and youth may be considerations, many of the stations in the smaller markets experienced very little turnover and maintained their staffs, which shows some degree of satisfaction by the sales staffs working in these markets.

Station managers did not hire salespersons according to the criteria which they judged as being the most important.

As the data in the previous chapter show, when asked to rate a list of criteria which might be considered when hiring a radio salesperson, the general managers ranked the criterion "previous sales experience, non-media (e.g.,—insurance, real estate)" the highest with "previous radio sales experience" ranked a close second. In fact, there was not that much difference in the rankings of the four criteria which required previous sales experience. This would seen to indicate that the managers preferred a balance in experience among their salespersons, with some salespersons having radio or other media sales experience, and some salespersons having experience in areas other than broadcasting, such as real estate sales or retailing.

The managers were less interested in persons who had no experience in sales, including those persons already in radio, but not in sales. Perhaps the managers were more

inclined to hire salespersons who already received some sales training and could convert their sales skills to radio once given information about the radio industry. Consequently, such a balanced staff of experience would be while to produce sales that much more duickly.

However, what the managers ranked as the most desirable criteria for hiring radio salespersons were not reflected in the persons they actually hired. Whereas, the managers seemed to indicate the need for a variety of sales experience, the greatest number of salespersons hired were employed from radio sales, and the second largest category was from other station departments. These two categories accounted for over half of the salespersons hired.

This seems to suggest that although the general managers judged several criteria for hiring as important, apparently it was easier to hire from within the industry. The highest ranked criterion ("previous sales experience, non-media") was fourth in the number of salespersons hired. Although the data do not clearly indicate this, the general managers could be considering the ease of hiring already experienced radio salespersons who would require very little training or supervision. The managers could also find it easier to hire employees from their own stations, not in sales, due to the fact these employees would already be familiar with the radio business and the operation of the stations.

This could also be reflected in the answers to the question which asked the general managers to rate the most successful methods of recruiting radio salespersons.

"Personal contact" was judged the most successful method of hiring by a majority of the managers. "Personal contacts" could take on various meanings, but, generally, personal contacts would be the general manager asking friends, relatives, current salespersons, other station employees, local businesspeople, fellow general managers, etc. for suggestions about who would make a good salesperson. The "personal contact" method is basically the "who-you-know" method of recruiting. The data indicates that managers are not utilizing amany methods as possible when soliciting applications for radio sales positions in order to develop a readily available pool of qualified candidates.

Education did not appear to a factor in hiring radio salespersons by the general managers. Radio salespersons in Kansas represented all educational levels from the high school graduate to salesperson with advanced degrees. The majority of salespersons had either some college or a four-year degree. While previous research has shown that the more educated a sales staff, the less turnover, the data received from this research did not show that stations with relatively high turnover (50% or more) had any less educated employees than with stations with lower turnover (50% or less).

Finally, related to the hiring-firing process, the majority of the managers did not conduct "formal" exit interviews to ascertain why salespersons were leaving. The "formal" exit interview would be a prepared list of questions for the salesperson, either presented verbally or in written form. A prepared exit interview would concentrate on the rational reasons for a salesperson's departure, giving a manager some pertinent information about why salespersons leave. The manager could analyze this information and separate management-related reasons from personal-related reasons. The results of the exit interviews could be a control device to solve turnover oroblems.

 The amount spent on sales training annually could affect the rate of turnover.

According to the results, stations which spent more on sales training experienced less turnover. Of course, the lack of training is only one factor which is related to turnover; it can not be assumed that if more money is invested into radio sales training, turnover would immediately cease. However, it seems stations which spend minimally on sales training are more likely to experience turnover. RAB has estimated that a failed salesperson costs a station \$4.000 or more. It appears from the data that

managers could save themselves the \$6,000 it costs every time a salesperson turns over by spending more on sales training.

Considering the amount of turnover at the Kansas radio stations, the amount of money invested in sales training annually is not keeping pace with the expense of losing salespeople. The majority of the stations spent under \$5,000 annually on sales training. Those stations which spent less than \$5,000 annually had more turnover than those stations which spent over \$5,000 annually. At many of the stations, about \$2,000 of that amount was RAB dues. In addition, most of the stations used only a few sales training methods. About a third of the stations did not even provide their sales staffs with RAB material. RAB provides an extensive amount of radio sales material. which includes training aides, marketing information on products and services, co-operative advertising reports, radio listening statistics, as well as copy and promotion ideas. RAR is especially helpful to small market stations which exist on face-to-face selling without the benefit of legitimate surveys (e.g. -- Arbitron).

The amount of money spent annually on sales training was not market-related. Although markets with under 40.000 people had more stations with training budgets under \$2.000, several of the stations in these small markets had budgets greater than \$2,000. A few had budgets over \$5.000.

Conversely, several stations in the larger markets had sales training budgets under \$2,000. This could dispel the idea that small market stations just "can't afford" to train their salespecole.

The Kansas stations, however, appeared to spend more on sales training when compared to RAB's 1985 survey. RAB reported that most stations spent \$100 or less on sales materials and only 33% spent \$1,000 or more annually on sales training. About 60% of the stations in Kansas spent more than \$2,000 annually on sales training. The Kansas stations also appear to invest more time in the training of new salespersons, with most of the stations reporting they had specialized training for new salespersons, with a majority of the stations reporting that the sales managers spent a month or more with new salespersons. On the other hand, less than half of the stations reported having an formal, on-going sales training program for those salespersons who had been on the staff for more than a year. This could indicate a problem area for management.

 Sales supervision seems to be adequate, with considerable personal contact made with sales staffs.

According to the data, the sales managers in Kansas were highly involved with their sales staffs. Most sales managers conducted meetings at least once a week, if not daily. The sales meeting provides management with a good arema to communicate information and receive feedback from the sales staff. Potential problems can be resolved before they reach crisis proportions.

Most sales manager also had a method of setting goals. Goals can give a salesperson a sense of direction and accomplishment, as well as giving the sales manager an opportunity to measure a salesperson's progress. A majority of the managers used a goal-setting method which would increase the salesperson's billing over a specified period of time. A goal-setting method related to an increase in billing would motivate a salesperson more than a goal which asks the salesperson to only have his commission from billing greater than his base (quarantee) salary ("breaking base" method). Only about 4% of the stations said they had no goal setting. The data also indicated that most sales managers set goals at least once a month. Generally, goals which are set at least once a month are more achievable and realistic for the salesperson rather than a goal which is set every six months to one year.

When given a list of 13 key motivators for radio sales staffs, most general managers ranked nine of the methods as being important. Giving awards, providing an attractive sales area, holding frequent sales contests were rated the lowest. Compensation and verbal/written recognition, often considered to be the most important

motivators, were ranked seventh and eighth, although the ranking for these two motivators was not that much below the top six methods, which suggests the managers were aware that compensation and recognition are important, but must be integrated with the other methods, such as good training, setting goals, or allowing input on ideas, in order to properly motivate a salesperson.

The majority of the general managers compensated their sales managers for supervisory duties, usually by paying an override on total station billing. A sales manager who receives an override on total billing has a stake in the performance of his salespeople. The higher the billing of each salesperson, the more the sales manager is compensated for his efforts with a larger override check. Conversely, the sales manager who receives a straight salary or receives no additional compensation for sales management duties does not have any incentive to help his staff achieve maximum results. The sales manager receives the same pay regardless of his efforts. The data showed only about 8% of the managers paid no compensation for sales management duties.

Although most managers had established a system to compensate their sales managers for supervisory duties, a high percentage of the sales managers were in direct competition with their salespeople by carrying a list of local accounts, which are generally handled by the sales

staff. When a sales manager carries a list of local accounts, he must "battle" his sales staff in order to find his clients the best times for airing commercials (such as morning drive time), align his accounts with station promotions (which could be limited in the number of sponsors), or sign up a client for a high demand period of time for a remote broadcast. Such a situation can provoke discouragement or even resentment in his salespeople. In addition, a sales manager who must service a list of local accounts has that much less time to offer assistance to his staff.

 Compensation for Kansas salespersons is about industry average; however, few expenses or benefits are paid to the salesperson.

According to the data, the amount of money paid to Kansas radio salespersons appear to be average for the industry. The greatest number earned between \$10,000 and \$20,000 annually, with only about 6% earning less than \$10,000. This corresponds to National Association of Broadcasters figures for Kansas (17 stations responding to their survey) which showed the average annual income for a salesperson to be \$20,720, with the median income at \$18,000. The income figures also correspond to RAB 1985 figures though the RAB reported more salespersons in the

higher income category. According to RAB, 50% of the "entry-level" salespersons earned \$15,000 or less to start. \$5% earned between \$15,000 and \$25,000 after one to three years of service, \$25,000 after three years, and 36% of all the salespersons surveyed by the RAB earned \$50,000 or more a year. In the Kansas census, only 15% of the salespersons earned more than \$40,000 annually.

The data show there is better compensation in the larger markets in Kansas, with the greatest percentage of incomes over \$40,000 in these markets. Conversely, the greatest percentage of incomes under \$10,000 were in the markets with 40,000 or less people. On the other hand, those stations in those markets had over a third of their salespersons earning over \$20,000 which is a reasonably good income in a smaller town.

The method of compensation for billing apparently is not a factor. There was no difference in the turnover rate based on the method of compensation a station used (e.g.--straight commission vs. base salary or guarantee). Often, the potential of the account list for the salesperson is more of a factor than the method of compensation. However, when an account list has limited potential when given to the new salesperson, then paying a base salary or guarantee becomes more critical. Without a guaranteed salary, the new salesperson can become quickly discouraged because his earning potential is severely limited if paid on

a straight commission basis. Also, stations hiring new salespersons without a guarantee to start are likely to attract candidates either shopping for any Job, or persons who will be overly aggressive towards clients or oversell clients to make some money as soon possible. About 29% of the stations in Kansas did not pay a base or guarantee.

Although the compensation for billing could be considered adequate, most stations in Kansas did not pay expenses or benefits. From a checklist of five expenses. the results showed that most stations paid only two or three expenses, meaning most expenses for sales were out-of-pocket costs for the salesperson, diminishing what might be an adequate income. Gas and car repairs are two of the major expenses. About 43% of the stations did not pay for gas or arrange a gas "trade" agreement for their sales staffs, and only about 19% of the stations paid a monthly car expense check. In addition, few benefits were paid to salespersons. Most of the stations paid or partially paid for health or life insurance, though about 17% of the stations did not provide this benefit. Most stations did not have a profit-sharing plan or provide salespersons with a vehicle. Overall, it appears the stations are having difficulty providing their sales staffs with an adequate income plus an attractive benefit package, which many larger non-broadcast companies can offer salespersons. Although the data does not support this, the lack of a benefit

package could be responsible for the high percentage of salespersons who left broadcasting entirely. Persons leaving broadcasting could have been offered better compensation in other industries. The data does show that over half of the persons who had left their radio sales positions accepted positions outside of broadcasting. The market size also does not appear to be a factor. The larger markets were losing the same percentage of salespersons to other industries as the smaller markets.

## Summary

Turnover in radio sales departments in Kansas is prevalent in all markets in Kansas, with an average turnover rate of 50%. Although the rate is not as high as the national average, the percentage of turnover indicates a problem area for the state's broadcasters. About a fourth of the stations had five or more salespersons leave in a year. Also, turnover apparently is an even greater problem in the smaller markets, with a population of 150,000 or less.

The research limited the number of factors which could influence turnover, but considered four of the major areas of management practices! hiring, training, sales management supervision, and compensation. In regard to hiring practices, stations managers did not hire salespersons according to the criteria which they had chosen as being the most important. Managers hired most of their salespersons from the radio industry, as opposed to their desire to hire from other areas, besides radio. Also, station managers limited their choice of methods to recruit the most qualified candidates. In regard to training expenditure, though station managers in Kansas spent more than the national average, their annual spending did not exceed the expense of losing salespersons due to turnover. Most stations used only two or three methods to train their sales staffs. However, most stations did have special training for new salespersons. In regard to sales supervision, most stations kept in close contact with their sales staffs. However, most sales managers have local account lists which sets up a competitive situation with their staffs. In regard to compensation, the stations are about average, however, paid expenses and benefits are limited. Generally. the least amount of income is made in markets with 40.000 or less neonle.

The data from the research should provide station managers in Kansas, as well as other broadcasters, a means to compare their turnover rate with the turnover rate found in Kansas. The managers can also analyze their own practices, as they relate to the four areas in the research, and how they could be contributing to turnover at their own individual stations. The research can also be useful to those in broadcast education in providing data for broadcast

sales courses to make students aware of the amount of turnover in this occupational area, and provide students with information about the practices of broadcast sales departments. The research has also shown broadcast educators a need to fill voids, particularly in sales training.

## Suggestions for Further Studies

The study of turnover in radio sales is an area of research where a multitude of studies could be done because there has been very little research of this problem. This research was intended to ascertain the amount of turnover for only one group of radio stations and obtain information about their sales management practices as they related to four selected factors of turnover.

Further studies on this subject should include a nationwide survey of radio stations to ascertain the amount of turnover in radio sales. The study should include a stratified sample by market size. To date, the RAB has only incorporated the subject of turnover into their "surveys" and these are usually conducted at their seminars which do not reflect a true sample. The survey could also include additional areas of management than those selected for this research.

Another study could be done with a selected group of station managers from various market sizes to discuss the problem of turnover and how each manager in the group approaches the causes of turnover. One group could consist of managers from stations with very low turnover and another group could consist of managers from stations with very high turnover. Then a comparison could be made with differences in practices between the two groups cited in the study.

Other studies could focus on any one of the areas studied in this research, such as sales training, and how this alone influences turnover. Studies could also be made to uncover additional factors not cited in this study which could be instrumental in causing turnover.

Finally, this research was directed toward practices which are controlled by management. The study of turnover in radio sales should also include the perspective of the salesperson (esployee). The perspective of the salesperson who left a radio station could be completely contrary to that of management. Such a study could then be compared with this research, as well as other management-perspective studies, which could generate suggestions on how to improve communication in order to reduce turnover.

## APPENDIX A

# KANSAS COMMERCIAL RADIO STATIONS MAILED QUESTIONNAIRE

Organization	City

1.	KABI AM-FM	Abilene
	KSOK-AM	Arkansas City
3.	KARE-AM	Atchison
4.	KARE-AM KBLT-FM	Baxter Springs
5.	KREP-FM	Belleville
6.	KVSV AM-FM	Beloit
7.	KVSV AM-PM KKOY AM KQLS-PM	Chanute
8.	KCLY-FM	Clay Center
9.	KGGF-AM KOOF-FM	Coffeyville
10.	KGGF-AM KQQF-FM KXXX-AM KQLS-FM	Colby
11.	KCCU-FM	Columbus
12.	KNCK-AM KCKS-FM	Concordia
13.	KEDD-AM	Dodge City
14.	KEDD-AM KGNO-AM KDCK-FM	Dodge City
15.	KMCS-PM	Dodge City
16.	KSPG AM-FM KVOE-AM KFFX-FM	Eldorado
17.	KVOE-AM KFFX-FM	Emporia
18.	KFTS-FM	Fort Scott
19.	KMDO-AM KOMB-FM KBUF-AM KKJQ-FM	Fort Scott
20.	KBUF-AM KKJO-FM	Garden City
21.	KIUL-AM	Garden City
	KEGS-PM	Garden Plains
23.	KLOE-AM	Goodland
24.	KLOE-AM KVGB AM-FM	Great Bend
25.	KAYS-AM	Hays
26.	KHAZ-FM KJLS-FM	Hays
27.	KJLS-FM	Havs
28.	KNZA-FM	Hiawatha
29.	KHOK-FM KHUQ-FM	Hoisington
30.	KHUO-FM	Hugoton
31.	KSKU-FM	Hutchinson
32.	KWBW-AM KHUT-FM	Hutchinson
33.	KWHK-AM	Hutchinson
34.	KIND-AM	Independence
35.	KIKS AM-FM	Iola
36.	KJCK AM-FM	Junction City
37.	KJCK AM-FM KCNW-AM	Kansas City
38.	KFKF AM-FM	Kansas City
39.	KANS AM-FM	Larned
40.	KANS AM-FM KLWN-AM KLZR-FM	Lawrence
41.	KCLO-AM KZZC-FM	Leavenworth
42.	KLIB-AM	Liberal

		102	
43.	KSCB AM-FM		Liberal
44.	KSLS-FM		Liberal
45.	KLFQ-FM		Lyons
46.	KNDY AM-FM		Marysville
47.	KNGL-AM KBBE-FM		McPherson
48.	KUDL-FM		Merriam
49.	KBEA-AM KXTR-FM		Mission
50.	KJRG-AM KOEZ-FM		Newton
51.	KQNK-AM KNTX-FM		Norton
52.	KFNK-FM		Oberlin
53.	KZOC-FM		Osage City
54.	KOFO-AM KKKX-FM		Ottawa
55.	KLKC AM-FM		Parsons
56.	KKAN AM-FM		Phillipsburg
57.	KQMA-FM		Phillipsburg
58.	KKOW-AM		Pittsburg
	KNZS-AM KQWK-FM		Pittsburg
60.	KWLS-AM KGLS-FM		Pratt
61.	KRSL-AM KCAY-FM		Russell
62.	KFRM-AM		Salina
	KSAL-AM KYEZ-FM		Salina
	KSKG-FM		Salina
65.	KFLA-AM KEZU-FM		Scott City
66.	KSKX-AM KMAJ-FM		Topeka
67.	KTOP-AM KDVV-FM		Topeka
68.	KTPK-FM		Topeka
69.	WIBW AM-FM		Topeka
	WREN-AM		Topeka
71.	KULY-AM		Ulysses
72.	KLEY-AM KZED-FM		Wellington
73.	KRZ AM-FM		Wichita
74.	KFDI AM-FM		Wichita
75.	KFH-AM KLZS-FM		Wichita
76.	KICT-FM		Wichita
77.	KKRD-FM		Wichita
78.	KLEO-AM		Wichita
79.	KQAM-AM KEYN-FM		Wichita
80.	KSGL-AM		Wichita
81.	KBUZ-FM		Winfield
82.	KNIC-AM		Winfield

## APPENDIX B

## FINAL QUESTIONNAIRE

## GENERAL INSTRUCTIONS:

This is e survey of redio stetion managers. Either a pen or pencil may be used to complete this form. Most of the questions may be answered by simply placing a ( ) for the approprieta answer. Some questions will require the appropriate number to be filled in

que	Neared by simply placing a ( ) for the appropriate answer. Some sations will require the appropriate number to be filled in.
1.	What is the size of erea 80% of your seles calls are meda?
	Under 40,000 (persons)
	40,000 - 150,000
	150,000 - 500,000
	Over 500,000
2.	Is your station:
	AN only
	TM only
	AM-FM combo
3.	If your station is an AM-FM combo, do you have saparate sales staffs?YesNo
4.	Plaase indicate the total number of full-time selespersons or your staff(s):
5.	What is the age distribution of your sales staff (indicate number for appropriate cetegory)?
	18 - 24
	25 - 34
	35 - 49
	50 or over
6.	How long has each member of your salas staff bean amployed at your station (indicate number)?
	Less than one year
	1 - 2 years
	3 - 5 years
	6 - 9 years
	10 years or mora

7.	Now many selespersons have left the sales staff (voluntary resignations, dismissels, promotions, excluding retirements) within the pest yeer?
	None
	One
	Two
	Three
	Four
	Five or more
8.	Of the selespersons who heve changed jobs within the past year, indicate the number below who:
	Accepted seles position et enother redio station
	Accepted enother position within the station, non-seles
	Accepted broadcest position et enother stetion, non-seles
	Accepted enother position in medie seles, non-redio
	(e.gnewspeper) Accepted e non-redio positión, seles
	Accepted enother position, not in seles or redio
9.	Do you conduct "formal" exit interviews et your station?
	Yes No
10	From the list below, mark the three methods you have found most successful when recruiting new selespersons (3mark for being the most successful, 2second most successful, 1third most successful);
	Newspaper eds
	On-eir announcements
	Contacting colleges/universities
	Job service listings
	Trede magezine eds
	Personal contects
	Contacting other redio stations
	Contecting other medie
	Other methods (explein)

Steen Ctean Soldon Season from the local Sometimes Seldon Seldon Is hire?  Yes No		check the appropriate number more t		-							٠,	
especiance, non-broadcase (news- paper, magazine, etc.)  Profiton sales negatione, non- estate)  Previous retail sales experience  Previous retail sales experience  Previous redail sales experience  Non-sales  Previous advertising experience  Non-sales  No define do you here e redio salesperson from the "local"  Trevious from on you here e redio salesperson from the "local"  Trevious from on you here e redio salesperson from the "local"  Trevious from on the "local"  Trevious from the "			(	7)	C	7	ľ	7	(	7)	(	״
models (e.glawronce, real restate)  Previous retail seles experience () () () () ()  Previous brondcest experience, () () () () ()  Previous advertising experience, () () () () ()  Row often do you hire a redio selesperson from the "local" except comparison of the "local"  Sometimes  Soldon  Do you present a typed job description when a new selesperson is hired?  Yes No  Latinest the following wree which your present seles staff when the third from the present comparison that the temperature of the present seles staff member.)  Radio, non-seles (e.gprograming)  Other edvertising medium, seles (e.gnewspaper)  Other edvertising medium, seles (e.gnewspaper)  Other edvertising medium, non-seles		experience, non-broadcast (news-	(	)	(	)	(	)	(	)	(	)
Previous breadcest experience,		medie (e.g insurence, reel	(	)	(	)	(	)	(	)	(	)
Non-seles Previous edvertising experience, Non-seles (e.greopyreiting) Now often do you hire e redio selesperson from the 'local' revolten Sometimes Seldom Seldom Seldom Is hired? Yes No Indicets the following erese which your present seles staff with the receptory-mark only one for each staff maker that fits that category-mark only one for each staff maker.  Redio, non-seles (e.gprogreming) Other edvertising medium, seles (e.gnewspaper)		Previous retail seles experience	(	)	(	)	(	)	ť	)	(	)
non-eles (e.g.,-nopyriting)  Now often do you hire e redio selesperson from the 'local' eres' often  Sometimes  Soldom  Soldom  Soldom  Soldom  Soldom  Take a typed job description when e new selesperson is hired?  Yes No  Indicate the following eress which your present seles steff that category-mark only as worked the number that fits that category-mark only as for each steff ancher:)  Redio, non-seles (e.gprogreming)  Other edvertising medium, seles (e.gnowspaper)		Previous broadcast experience, non-sales	(	)	(	)	(	)	(	)	(	)
Trees of the second second from the local second from the local second from the second from th		Previous edvertising experience, non-seles (e.gcopywriting)	(	)	(	)	(	)	(	)	(	)
Sometimes  Soldom  Do you present e typed job description when a new salesperson is hice?  Yes No  Indicate the following sees which your present sales staff when the category—mark only one for each staff number that fits that category—mark only one for each staff number that the highest sales and the category—mark only one for each staff number that the highest sales and the category—mark only one for each staff number that the category—mark only one sales (e.g.—programing)  Other edvertising medium, moin-sales (e.g.—nowspaper)		How often do you hire e redio seles; eree?	er	son	f	com	t	he	٠,	oce	1*	
Seldom  Do you present e typed job description when e new selesperson is hiced?  Yes No  Indicate the following erees which your present seles steff has been hired from. (Please indicate the number that fits that despory-mark only one for each steff member.)  Radios seles  Redio, non-seles (e.gpoorening)  Other edvertising medium, seles (e.gnewspaper)  Other edvertising medium, non-seles		Often										
Do you present a typed job description when a new selesperson is hired?  Yes		Sometimes										
is fixed?  Yes No  Indicate the following eress which your present seles staff that category—mark only one for each staff another: has taken to be a seles t		Seldom										
Indicate the following areas which your present sales staff has been hired from. (Please indicate the number that fits that category—mark only one for each staff number.)  Radio sales  Radio, non-sale (.g.,programing)  Other edvertising medium, sales (e.gnewspaper)  Other edvertising medium, non-sales		Do you present e typed job descript: is hired?	lon	wh	en	• :	100		e l	esp	er	son
hea been hired from. (Please indicets the number that fits that category-mark only one for each staff member.)  Radio selse Radio, non-selse (e.gprograming) Other edvertising madium, selse (e.gnewspaper) Other devertising madium, non-selse		Yes No										
Redio, non-seles (e.gprogrening)  Other edvertising medium, seles (e.gnewspaper)  Other edvertising medium, non-seles	14.									st t f	ı f	8
Other edvertising medium, seles (e.gnewspaper)  Other edvertising medium, non-seles		Radio seles										
Other edvertising medium, non-seles			Redio, non-seles (e.gprogreming)									
		Redio, non-seles (e.gprogre			Other edvertising medium, seles (e.gnewspaper)							
Seles, non-broadcasting (e.ginsurance, real estate)				(e.	g.,	n						
		Other edvertising medium, sele			•	n	sw.	•				

	107
15.	Please indicate the educational lavel of your sales staff (fill in appropriate number):
	High school graduate
	Some collega (1 - 3 yeers)
	College dagrae (4-year)
	Advanced degree
16.	What type of sales training methods do you use? (Check)
	Salas maatings
	Outsida broadcast salas training courses
	Outside sales meatings
	Seles consultant
	Heva formal internel sales training program
	Heve salaspaopla attain dagras/cartification
	Utilize RAB matariel
	Utilize rateil/marketing material
	Other (spacify)
17.	What is your annual expenditure on sales training, including RAB duas? (Estimate, if necassary)  Under \$2,000
	\$2,000 - \$4,999
	\$5,000 - \$9,999
	\$10,000+
	None
18.	Do you have any special training for new salespersons within the first month of service?
	Yes, spacial treining
	No, go to item #20
19.	If you have special treining for new salaspersons, which methods do you use $(check)_1$
	Salas manager makes calls with new salesperson
	Outside sales treining seminar
	Outside broadcest salas training course
	Review RAB materiel
	Review reteil/marksting material
	Trade megezine articles
	Other (specify)

	108
20.	How long a period does a naw salesperson receive direct supervision from the sales manager?
	More than one month
	One month
	Thrae waaks
	One to two weeks
	Less than one weak
21.	For those salespersons who have been on your staff for more than a year, as well as for new salespersons, does your station have an on-going formal training (teaching, counseling) program?
	Yas, on-going continual training program
	No, only occasional training sassions
22.	How often does your salas managar conduct seles maetings?
	Daily
	At least once e weak
	Twice a month
	Monthly or less
23.	Which of the following best describes how you sat goals or quotas for your sales staff (check)?
	Selesparson "breaking basa" salary (quarantae) each month
	A certain percentage of increase of pravious month's/year's billing
	Low-medium-high goels set periodically by both salas manager and salasperson
	To meet station budget objectives
	Signing a cartein number of naw accounts within month/year
	No goel/quota setting
	Other (specify)
24.	How often are goels set for the sales staff?
	Waekly
	Monthly
	Every six months
	Annually
	No goel setting

25.	Please rate the following methods or very important, 1 least important) a motivation. Check the appropriate a appropriate number more than once.)							
	Keeping selesperson informed of personal progress	(	5	ð	( 3	(2)	(1)	
	Discussing seles problems	(	)	()	()	( )	( )	
	Setting reelistic goels	(	)	( )	( )	()	()	
	Compensation plan geered to goels	(	)	()	()	()	( )	
	Good seles training program	(	)	()	()	()	( )	
	Developing team spirit	(	)	()	()	()	( )	
	Frequent seles meetings	(	)	()	()	()	( )	
	Giving ewerds	(	)	()	()	()	()	
	Frequent seles contests	(	)	()	()	()	( )	
	Verbel/written recognition	(	)	()	()	()	( )	
	Providing ettrective seles eres	(	)	()	()	()	( )	
	Allowing selesperson input on ideas	(	)	()	()	()	( )	
	Allowing opportunity for promotion (to a higher position) within the compeny	(	)	( )	( )	( )	()	
27,	Does your sales staff use seles enal Yes Were often are the sales enalysis she manegar if used? Daily Weekly Twices month Monthly or less Not reviewed Do you periodically make a formal ev years of the set formance of the se	ets	r:	oview	ed by	the	EAIN	•
29.	Now is the seles manager compensated Selezy plus override on total Selezy plus commission Streight selezy Streight commission (no edditisels management duties) Draw/commission	bil			nseti	on fo	r	
	Other (specify)							

	110
30.	Does your seles manager elso hendle a list of local accounts?
	Yas No
31.	Whan e selesparson leeves the steff, what heppens to his or her account list:
	Divided among remaining salespersons; naw account list formed for new salesperson
	Soma eccounts distributed to remaining selaspersons
	Complete list given to new salasperson
32.	Now are your salaspersons compansatad? (Chack)
	Straight salary
	Selary plus bonus
	Straight commission
	Draw/plus commission
	Straight commission with besa salary (guarantea)
	Other (specify)
3.	If you pay e base salary (quarantea), what emount <u>normally</u> do you pay par month?
	Under \$600
	\$600 - \$799
	\$800 - \$999
	\$1,000 - \$1,199
	\$1,200 and over
	Do not pay base selary
4.	What sales expanses are paid for by the station?
	Milaage
	Gas
	Client masls
	Monthly cer axpense
	Lodging, if necessary
	None
	Other

	111
5.	What is the income distribution of your seles staff (indicate number)?
	Less than \$10,000 (per year)
	\$10,000 - \$14,999
	\$15,000 - \$19,999
	\$20,000 - \$24,999
	\$25,000 - \$29,999
	\$30,000 - \$39,999
	\$40,000 and over
	If you pay a commission, what parcent do you pay on $\underline{most}$ accounts?
	51-91
	101-141
	151-191
	201-241
	25% and over
	Sliding scale (a certain percent for each level of billing)
	Other (spacify)
	What other methods of compensation do you use basides salary and/or commissions? (Chack)
	Vahicls provided
	Bonusas (including trips, waekend accursions)
	Cssh/msrchandisa
	Awards for sales contasts (a.gdinners)
	Heelth/life insurance peid (or partielly paid)
	Profit-sharing plan
	Other (specify)

 In the space below, indicate other reasons why turnovar has occurred at your station or in the radio industry in general.

THANK YOU

Return survay form to:

Dr. Paul Princa

Dr. Faul Frinca Department of Journalism and Mass Communications 104 Kadrie Mall

Kansas State University Manhattan, KS 66506

This survay is baing conducted under quidalines established by Kansas State University. By cooperating, you will help provide answert to University to the provided and the provided and the property. Confidentiality is generated, your name will not be secolated with your enswers in any public or private apport of the results. APPENDIX C

COVER LETTER





#### Department of Journalism and Mass Communications

Kedzie Hall Manhattan, Kansas 66506 913-532-6890

October 19, 1985

Dear Mr. Wilson.

## Can you afford a \$6,000 mistake?

According to Radio Advertising Bureau figures, radio stations spend, on the average, \$5.024 annually to train salespeople who fail. This translates into \$28 million a year for the nation's radio stations. 64 percent of radio salespeople have been with the station two years or less. 50 percent of the stations reported a turnover of two or more salespeople any year.

Let's face it-failed salespeople cost your station money and that puts you at a competitive disadvantage, dis a graduate student in radio-television at Kansas State Luiverarity, and a 17-year veteran of the radio industry, I am attempting to identify ley factors which cause turnover on radio sales staffs. I have enclosed a questionaire with gives you an opportunity to tell us about your practices, training program—all areas where not provided to the provided statement of the provid

Of course, your answers are <u>confidential</u> and will be used only in combination with those of other analysis throughout the state to ensure anonymity, your completed questionaire will be sent directly to the KSU Radio-TV Department, and I will be given only the questionaire and will not be aware of which station sent it. If you have any additional comments about the questions, please write them directly on the survey form.

Your cooperation and prospiness in answering this questionairy will be appreciated, and is vital to find solutions to the radio sales turnover problem. Upon conspletion, instead to make my results available for all radio station managers in the state. Thank you for your assistance in this research.

Sincerely.

Bary McIntyre

# APPENDIX D

# REMINDER MAILING





### Department of Journalism and Mass Communications

Kedzie Hall Manhattan, Kansas 66506 913-532-6890

November 6, 1985

Dear Mr. Ingram,

Toward the end of last month, I sent you a questionaire asking you to respond to questions about your practices in hiring, training, sales supervision and compensation for your radio sales staff. The questionaire is part of a graduate study on radio sales staff turnover. I will be reporting on how the commercial radio stations in the state of Kansas, as a whole, approach these areas where turnover problems can arise.

As of this writing, I have not received a questionaire from you. I sincerely hope you can take a few minutes to complete the enclosed questionaire and return it in the self-addressed envelope. Again, all answers are confidential and will be used <a href="mailto:receptination">receptination</a> with those of other Kanasa snangars.

If you have already completed and returned the questionaire, please disregard this letter.

Thank you again for your time and cooperation.

Sincerely,

Gary McIntyre Radio-TV Graduate Student

#### APPENDIX E (G#38)

"Salesperson simply doesn't make enough."

"1. Burn-out, 2. better career opportunities."

"Cannot sell. Do not like sales. Station hoping for more money. Personality clashes."

"Not proper commitment to long enough period of time to 'get over the hump.' Young people right out of college expect sales to be easier than it is. Expectations too high for amount of sweat necessary. Kids are spoiled this day and age!"

"Poor understanding of the theory behind what they do professionally."

"Last three and half years: (lost) 2--agency business, 1--TV sales, 2--fired, 1--married--husband left town, 1--bigger market to KCMO radio sales."

"At our station due to improper or not enough screening at hiring time. Management must have applicants both willing and able (not just willing)."

"Lack of real commitment on the part of young people. They are not prepared to pay the price to succeed in terms of effort, time and study. They expect that from 'degree time,' it's to get easier--it doesn't! They move on to something 'easier,'"

"Radio sales is hard work and a lot of people do not realize this going in. Our turnower occurs because of our hiring practices. We hire a lot of non-radio people and attempt to teach them radio. 50-60 percent are not willing to pay the price. I think that the radio industry in general is very poor in training people.

"1. Expecting too much too fast. 2. Poor work ethic--no such thing as an 8-hour day in radio."

"The biggest reason we have had turnover problems is, poor economy, or sales people not making calls. The area radio stations in our market area have all reported drops in billing and collections over all reported drops in billing and collections over an area of the collection of t

"Those individuals wanted a free lunch...lost the meaning of the word 'work'!"

"Greener grass. Don't like hours."

"Poor screening process. Individuals become frustrated too soon and mentally give up."

"Extremely competitive. Lots of time needs to be invested. Pay or return on time invested."

"Mainly people who have been transferred to our other stations as an award."

"Go to a larger market!"

"Lack of proper 'talent-pool' because of sparsely settled territory."  $\ensuremath{\text{\footnotemap}}$ 

"1. Not enough training. 2. Bad hiring practices (need people that are not just money motivated 3. Not renough compensation 4. Sales manager carries list and there competes with salesperson 3. Sad amangement 6. Turmover, itself; is not lawyer bad if person is moving excel while they are with you.

"It has been 20 years since we have employed a salesperson who was not already a member of our staff."

"New ownership one year ago--much more aggressive approach to sales, much stricter controls."

"Most often, in a small market such as ours, when we get a new salesperson who stays with us for awhile, he or she, will eventually become skilled enough that they can go to work for a larger market where the possibilities of a greater income are available."

"Damned if I know! To my way of thinking, selling

is like being paid to play—I love it—and can't understand why the whole town is not beating down any door for a sales job! The last six salesmen—I, quit because I wanted feed pack on accounts she was calling and a daily report of the country of t

"Inability to sell intangibles."

"Improper people management."

"In my case, turnover was caused by a salesperson moving into retail sales, i.e.—opening her own business. The second was caused by a move to a key management position out of state. Other than these two cases, my staff has changed little. However, I find good salespeople hard to find."

"Lack of sales training in salesmen (due to poor salary compensation attracting unqualified personnel)--soon discourages."

"The anount of money a salesperson can earn is limited. Because of the poor economy, heavy competition, the small size of the average sale, the distance that we must travel to make those sales. Also, the amount of work involved in selling, preparing copy, time orders and collecting. What I am trying to say is radio sales is not an easy job. Not many people today are willing to put out that much effort."

"Pay too low. 2. Opportunity to move to bigger market. 3. Could not handle job responsibilities."

"Very few people are motivated to get up in the morning and work their 'butt' off to make a living. There is so much money to be made in radio sales, I can't believe the attitude of some people."

"Competing stations offering greater incentives, positions, etc. Young salesmen unable to make sales in tough, competitive market."

"I believe we have lost new salespersons because we have cast them adrift too soon. I'm not sure if there can

be a hard and feat rule setting a schedule or time limit on those at the-melbox supervision because some salespersons the tene ground running and you ought to get out of their way. Others, who are less experienced, may need close attention and direction for some time...maybe into a period of months, not weeks. Another reason for turnover is that the quality of the prospects from which we have to choose is not good enough. Sometimes the pool of prospects underly semecone we really cannot turn into a good salesperson or good employed.

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#### TURNOVER IN RADIO SALES STAFFS: A CENSUS OF KANSAS COMMERCIAL RADIO STATIONS

...

GARY W. MCINTYRE

B.S., Kansas State University, 1981

AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF ARTS

Radio and Television
Department of Journalism and Mass Communications

KANSAS STATE UNIVERSITY Manhattan, Kansas This research consisted of a census conducted to ascertain the amount of turnover in radio sales in the state of Kansas and to obtain information on the practices of Kansas general managers in relation to four key areas of management practices which could influence turnover of radio sales personnel; hiring, training, supervision and motivation, and compensation.

Questionnaires were sent to 82 stations thoughout Kansas from the listing in the 1985 <u>Proadcasting/</u>
Cablecasting Yearbook. The response rate was 71.9%.

The census found that about BZX of the stations had experienced turnover in their sales staffs between October 1984 and October 1985. Thirty-one stations had a turnover rate of 50% or more. Those stations in markets with a population of under 40,000 experienced greater turnover than other markets when compared to average sales staff size.

Other major findings from the census include the following: about 62% of the salespersons employed in the state had been at their present positions less than two years: station managers used few methods to successfully recruit new salespersons and did not hire salespersons according to the criteria which they judged as being the most important; those stations spending under \$5,000 annually for sales training had a higher amount of turnover

than stations which spent more than \$5,000 annually; most stations had a program to train new salespersons; sales staffs were well supervised, though the sales managers frequently competed with the sales staffs for accounts; compensation for salespersons was about the national average; however, few expenses or benefits were paid.