

**Factors that influence sales force motivation: A study for
pharmaceutical industry of Chengdu in China**

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ABSTRACT

One of the biggest challenge that business world is facing today is how to motivate employees to dedicate persistent and intensified efforts to achieve the organizational goals (Watson, 1994). Accordingly, employees' attitude surveys have been used frequently to ascertain what sparks and sustains their desire to work harder. However, the motivation of the employees remained a complex puzzle since long (Wiley, 1997). It is generally accepted that motivated and committed sales force is one of the critical factors in the growth and profitability of the organizations. China's pharmaceutical sales organizations to such enterprises as, developing fast and profits high, it really needs to motivate employee. The purpose of this study, focus on a Second-tier city in China as the representative to determine the factors that influence pharmaceutical sales force motivation, used a sample of 199 participants among 23 pharmaceutical sales organizations in Chengdu. The study predicted three independent variables (payment, job security, and opportunities for advancement and development) though empirically investigated the relationship with motivation, and examined whether them effectively motivate pharmaceutical sales force. The finding showed that pay is not longer to severs motivate, based on Maslow's needs hierarchy theory , job security as the security needs and opportunities need for advancement and development still more motivating them, especially, the needs for advancement and development is highlights significant motivator. It suggest that the intermediate needs and higher level of needs are important to motivate sales force that should be considered. Consequently, the study results will help practitioners in creating a effective incentive system to fostering sales force motivation leading to higher productivity and overall performance.

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Chapter One

Introduction

1.0 Introduction

This chapter introduces the background of the pharmaceutical industry in China, and discusses the issues of motivation existed in pharmaceutical sales force in China. It continues to discuss the problem statement, research questions and objectives of the study.

1.1 Background of study

The pharmaceutical industry is one of the leading industries in China. Most of the pharmaceutical companies in China today are considered growth engines for their headquarters. The past 10 years, the Chinese pharmaceutical industry has maintained rapid growth; it is considered that one of the fastest growing industries. They are given the mission of achieving high organic growth rates of around 30% each year (Hu, etl, 2007). The profile of the pharmaceutical industry in China remains very low. China accounts for 20% of the world's population but only 1.5% of the global drug market (Wikipedia, 2010). The domestic pharmaceutical market is highly fragmented and inefficient. China, as of 2007, has around 3,000 to 6,000 domestic pharmaceutical manufacturers and around 14,000 domestic pharmaceutical distributors. Currently China has about 3,500 drug companies, falling from more than 5,000 in 2004, according to the figures of State Food And Drug Administration. The number is expected to drop further. The domestic companies compete in the \$10 billion market without a dominant leader. Entry to the WTO has brought a stronger patent system,

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