Study on the Loss of Sales Staff in Small and Medium Enterprises in China

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Abstract. With the continuous development of small and medium enterprises in China, various problems in enterprises are becoming increasingly prominent. Among those problems, one of the most vital problems of human resource management is the flow and loss of sales personnel. Moderate flow helps to maintain the vitality of enterprises. However, the excessive loss can lead to slacken, or even stagnate the growth of the enterprises. Sales personnel, as a group with a significant proportion of employees in the enterprise, who directly linked to corporate profits, play an irreplaceable role in the enterprises. Controlling the loss of sales personnel is an urgent problem for many SMEs. This paper explores the overall situation of the sales personnel loss and its impact on the enterprises, and also analyzes the reasons for the loss of sales personnel from six aspects of the company system: personnel recruitment, internal training, performance system, company cultural construction and external factors. In the end, the paper also proposes corresponding solutions.

Introduction

The competition among enterprises in the 21st century is not only commodity competition, technology competition, but also talent competition. Sales personnel have become the key talents of the enterprise because they have the enterprise's commodity secrets and customer resources, which are directly linked to the profit of the enterprise. However, with the rapid development of commodity economy, the sales force is in short supply in the labor market, and the trend of "job-hopping" within sales personnel increases proportionally, leading to a serious HR problem in enterprises. Large enterprises often benefit from the advantages of strong financial resources, perfect organizational structure, and high social reputation. The loss of sales personnel has not impacted seriously on large enterprises. In contrast to SMEs, the loss of sales personnel not only cause insufficient cash flow, but also may even lead to bankruptcy.

It is found that paying insufficient attention of sales personnel in SMEs is the main reason leading to the serious talent loss. Therefore, this study contributes to verify the rationality and practicability of theories related to human resource management in the sales department management of small and medium enterprises in China. In addition, at this stage, most of the HRM of Chinese SMEs is based on the western modern HRM theory, which is not applicable to the problem of talent loss of SMEs in China. Therefore, this study can not only enrich and improve the relevant theories of human resources in line with the actual situation of SMEs in China, but also play a positive role in the healthy development of SMEs, promote the personal development of salesmen by reasonably planning their career paths, so as to improve the overall direction of the development of the sales industry and to enable SMEs in China to develop gradually in a good order.

Through the research on Chinese small and medium enterprises, this paper presents the causes of the loss of sales talents, and proposes the reasonable and effective solutions based on those causes. Enterprise managers can also apply the solutions to the actual situation of the enterprise. Drawing on relevant suggestions from this paper, the SMEs are able to substantially improve the relevant
management system, management level, and talent competition strength, and also promote the healthy and orderly development for themselves.

The Current Situation and Its Reasons

Current Situation

Sales Staff Seeking More than Supply.

Due to the continuous development of science and technology, the emergence of newly rising industries has spawned many SMEs. The demand for sales personnel has gradually increased, but the supply is currently not sufficient. The ideal employment situation of highly educated people is unmatched with the actual situation. There are misunderstandings in the overall social status of sales personnel. The misunderstanding of low technical content and low academic qualifications puts the positioning of sales personnel in a relatively embarrassing situation, resulting in a relatively slow or even stagnant growth rate of sales personnel every year, which cannot meet the demand of SME sales personnel.

Sales Staff Lost to Big Business.

Large enterprises are often more attractive to talents due to their own advantages of managerial system, good corporate image, good reputation, sufficient funds and mature products. By contrast, the conditions of SMEs have lost some of their attraction to talent. In today's society, most people are pursuing high prestige and high incomes, so SMEs are often used as a springboard for accumulated experience. Many SMEs have a high turnover rate, and the number of candidates will not be able to keep up with the amount lost [1]. Therefore, some SMEs have to look for professional human resource consulting firms to obtain sales personnel. This solution, on the one hand, increases the company's labor cost, and on the other hand, lower the degree of work continuity, reducing the company's operating efficiency, and resulting in lower profits and heavy operating load.

Sales Staff Lost to Emerging Industries.

With the development of science and technology, many industries gradually rise, and SMEs have been established. Meanwhile, the relevant hot intelligent enterprises have been established as well. Many young salespeople pursue challenges and are willing to move to younger companies with new products that are more dynamic tend to attract younger employees. In order to ensure a larger market share, enterprises in emerging industries often promise high salaries in recruitment to attract employees, which aggravates the problem of employee turnover and increases the basic cost.

It can be seen from the above problems that the loss of sales personnel in SMEs is serious. Controlling the loss of sales personnel should be not only the attention of enterprises, but also the focus of the industries and the government in the future.
Analysis of the Reasons

In the context of the rapid development of the market economy, it is the most realistic problem to face the current sales staff that employees and employers choose again on a voluntary basis. The orderly flow of personnel can improve the quality of human resource management, and the large flow and loss of personnel will bring a bad impression to the enterprise. For SMEs, the loss of sales staffs will not only increase the tangible operating costs, but also threaten the intangible assets such as business secrets and customer resources. Sales personnel directly link the companies and the market through sales, so it is extremely urgent for SMEs to thoroughly study the loss of sales personnel.

Enterprise Management Disorder.

Many SMEs have not been able to make scientific decisions because of the short development time, unstable organizational structure, lack of departmental settings, and the lack of attention to human resources management, lack of effective operation and management mechanism has resulted in employees not understanding the business philosophy and business model of the company, and being unable to integrate into the work environment of the enterprise. In addition, due to the special nature of the sales staff, there should be a special way to manage the sales staff. The randomness of the sales force management will lead to employees' skepticism about the future development of the company, loss of confidence as well as the personnel.

Imperfect Recruitment System.

Large enterprises have a large number of candidates due to their own advantages in recruitment, so the recruitment requirements of large enterprises are higher. In contrast, most SMEs have relatively few candidates, so the requirements for sales staff candidates are not as strict as those of large companies. To hire the Business Development position, a small network company, for example, the requirement is: clear expression ability, communication ability, compressive ability, enthusiasm for sales work, interest in sales industry, and there are no specific academic requirements, experience. Also, the recruitment process is concise. Generally, only one interview will determine whether successful or not, so the companies often cannot guarantee the quality of your recruitment system. It can lead to the potential crisis of sales personnel loss.
Talent Training Concept Lags behind.

Training is a budget-consuming job. Although the training is a long-term process, it has a positive effect on the long-term development of the company as well as its employees. Due to the incomplete organizational structure, many SMEs often reduce human resource management into recruitment, performance, compensation, and labor relations. Although it saves the training process and certain cost, it neglects the production efficiency affected by the time wasted by employees to adapt to the corporate culture and corporate environment [3]. Training is conducive to increasing employees' sense of belonging, cohesion, etc. Through the training process, employees can improve their knowledge and skills, and motivate full potentials of their talents. Thus, improving employees' feelings towards the company is also a way to retain talents.

Lack of Incentives.

At present, most of the incentive methods for SMEs are some rewarding and punishing rules, which are generally reflected in the salary, bonuses, benefits, etc. However, managerial team often requires salespeople to achieve a certain amount of KPI. The requirement can be both dynamic and stressful. If employees think that the leadership requirements are too high and the work pressure has exceeded their own load capacities, they will have indifference or dislike of work, resulting in mentality of dismission. In addition, the rewards and penalties of enterprises are reflected in the bonuses and deductions which are not scientific and innovative. They often fail to achieve the expected incentive effect. The incentives below the inner expectations will be counterproductive.

Lack of Corporate Culture Construction.

In recent years, although many SMEs strengthen the construction of corporate culture, there are still many serious problems. Corporate culture is inconsistent with the actual strategic goals of the enterprise, and has no corporate characteristics, unable to make employees have a strong sense of identity recognition. The road of modern enterprise culture construction of Chinese enterprises mainly draws on the experience of foreign enterprises. Some enterprises cannot combine China's national conditions with their actual situations. It leads to the lack of connotation of corporate culture. The lack of corporate culture construction will lower employee recognition of the company and increase the risk of loss.

External Factors of the Enterprise.

External factors refer to the situation of the industry in which the enterprise is located, including the overall development and competition. If the prospect of the industry is poor, the sales staff will turn to other industries, resulting in the loss of employees in the current enterprise. It will increase the burden on the enterprises with poor prospects [4]. In addition, excessive competitiveness in the industry will lead to difficult work, high work pressure, low performance, and low sense of achievement. And due to fierce competition, employee’s salary paid by enterprises is not considerable, so employees may lose the sense of security, and it may also cause the loss of staff. Due to various internal and external reasons, the loss of sales staff has increased, and it has a greater influence on the change of the dismission rate.

In summary, the loss of sales staff of SMEs can be caused by the above six factors. SMEs should propose corresponding solutions for each reason to prevent irreversible losses caused by the large loss of sales personnel.

Solutions to the Loss

Standardize Industry Management System [4]

Regardless of the size of the enterprise, a standardized management system should be established. The standardized system can ensure that the enterprise advances toward the strategic goal, be able to restrain the employees' work, and provide employees with work motivation and security. At present, many SMEs have chaotic management due to their small scale and lack of organizational
structure. A single person is responsible for multiple management functions of enterprises and lacks of institutional guarantee. In the long run, employees lack trust in the development prospect of enterprises, which will inevitably cause the loss of employees. Therefore, SMEs can choose to involve sales personnel in management, which is conducive to realize the self-worth of sales personnel, enhance the sense of responsibility for the enterprise, and ensure the long-term development of the enterprise.

**Improve Sales Staff Recruitment System**

In order to control the loss of sales staff, enterprises can choose high-quality talents from the recruitment, which requires enterprises to set up the new recruitment standard. With regard to establishing the system, enterprises should start from the actual situation of the enterprise, enrich the recruitment forms, formulate clear recruitment standards, adjust the position admission according to the actual situation, and guarantee the corresponding recruitment principles. As the first impression of the applicant to the company, recruitment should strengthen management efforts to ensure that the company can have a good corporate image in front of the potential future employees.

**Strengthen Sales Training Activities**

The strengthening of sales staff training should be divided into the following sections. First of all, it is necessary to strengthen the orientation training of employees, deepen their understanding of the operation of the enterprise, cultivate their good working attitude, and improve their basic qualities. Of course, the most important thing is to strengthen their understanding of the marketing strategy and product information of the enterprise, and training programs to enhance team cohesion are also essential. Secondly, it is necessary to set up regular staff training and training feedback assessment. When the company's products are updated or the company's sales strategy changes, sales employees need to be trained in time to adapt to the iteration of the products. The training of sales personnel is a long-term and unrelenting process. Relevant enterprise human resource management personnel should develop short-, middle-, and long-term training plans to ensure that training can be carried out in a timely and effective manner.

**Establish and Improve the Incentive Mechanism for SMEs**

The forms of incentive for employees should be constantly enriched and flexibly changed in tangible and intangible benefits. For example, the company can conduct incentive system according to the sales completion status of the sales employees. The junior standard employees can issue bonuses and holiday benefits, etc. The middle and senior sales personnel can plan their positions and other intangible incentives to meet the sense of gain of excellent employees, which also plays a positive role in the personal growth of employees. In addition, more positive incentives should be adopted, and both short-term incentives and long-term incentives should be set up. Do not be too rigid in dealing with the various performances of sales personnel [5].

**Improve the Internal Cultural Construction of Enterprises**

Lack of identity to corporate culture and sense of belonging is often one of the main reasons for the loss of sales staff. An excellent enterprise should not only create economic profits and manage customer relations, but also create excellent corporate culture to retain employees and manage internal staff relations. Just like corporate strategic planning, corporate culture is built according to the actual situation of the company, and can express the uniqueness of the enterprise. Corporate culture should not be overly sloppy and separated from the overall development of the company, nor should it be too conservative and rigid, so that employees would lack motivation and goals. A great corporate culture not only retains employees but also attracts like-minded employees to the company.
Improve the Core Competitiveness of Enterprises

Due to the high development of the current market economy and commodity economy, many industries have a large number of small and medium enterprises into the competition, which is very fierce. Improving the core competitiveness of enterprises has become a key point for enterprises to establish themselves in the industry. To improve the core competitiveness of enterprises, enterprises need to consider development strategies, clarify the objectives of each period, and enable each employee to participate in the planning of the enterprise. Let employees realize their role in the company and thus enhance the cohesiveness of the company[6]. In addition, improving the core competitiveness of an enterprise through innovative products or innovative marketing strategies is the strategic plan of most enterprises. It not only helps the company to succeed in the industry, but also better retains and attracts sales talents.

Conclusions

In general, at present, the problem of loss of sales staff in SMEs in China is increasingly severe, and has a serious impact on enterprises and the labor market orders. The reasons mainly include six aspects, such as system planning, recruitment and training. Managers of SMEs must realize the particularity of the work of sales personnel, realize the key role of sales personnel in the profit growth of SMEs, face up to the long-term harm of the loss of sales personnel to the enterprise, and proceed from the actual situation of the enterprise to find effective ways to control the loss.

References