

# Examining The Relationship Between Trade Negotiating Skills and Sales Managers Performance: A Case Study of Food Distribution Companies of Gilan

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## Abstract

Communication skills are the most imperative skills for any sales manager, because the success of a manager depends on his ability to communicate effectively with others rather than his technical abilities. The main objective of this study is to investigate the relationship between business managers with sales negotiation skills of food distribution companies of Gilan. It's an empirical study and the correlation and regression methods have been employed to study the relationship. The study population included all managers of food distribution companies in Gilan province, which contains 11 persons. Since the research community is small, the samples included in the study are equal to the total number of managers. A standard questionnaire of Robert Heller has been taken to collect information. The Cronbach's alpha score was 0.81 indicating reliability of the questionnaire. In the study Shapiro-Wilk test, regression for data normalization and Spearman correlation coefficient has been used for data analysis with the help of SPSS software. From the analysis it was observed that there is a significant positive relationship between negotiating skills and sales performance by the sales managers.

**Keywords:** Negotiation Skills, Increase Sales, Managers, Food

## Introduction

In today's world, lot of changes are taking place in the marketing sphere ranging Product, Pricing, market identification, physical distribution and so on due to fierce competition. Henceforth, companies are also forced to take the call and communicate with its actual and potential buyers. Due to changes in the marketing concept of profit through increasing sales by creating profitable customer relationships by delivering superior value to customers, consumer mindset has visibly changed and it provided the opportunity to the sellers to devise their strategies on their own (Andrea,2005). Here the importance of negotiation is clearly more than any other as more people participate in decision-making the greater will be the likelihood of disagreements. The managers need to have skills in addition to technical abilities to communicate effectively with others. Communication skills are prerequisite of his career because the work of a manager is to reach and achieve organizational goals. To achieve these goals is a way of communication skills that can resolve everyday problems. Each day that passes, all of us as an individual, managers, organizations and companies within the broader and more complex manner are placed in relationship with others (manning,2003).A

research by Fortune magazine conducted on 200 managers from six companies indicated that the failure of managers was due to their weak communication skills (Ertel, 1999). One of the most important communication skills is negotiation skills that influence the path of negotiations in order to exchange thoughts or material things. Negotiating is the most important and most common means of communicating between humans. Negotiation skills are all pervasive for inclusive growth, security, living standard, economic prosperity, increasing awareness, to raise living standards and to make others satisfied. Relationships are important to achieve common objectives of the organization and implies that the means of achieving these goals are negotiated by the parties are divided, So the buyer and seller simultaneously negotiating process with the elements of cooperation and conflict encounter. Cooperation, mutual and individual goals while providing conflicts competitive environment provides for both sides to ensure that this agreement will support their self-interest (wimsaatt and Gassenheimer, 1996).

To minimize conflict between buyers and sellers and to reach at compromising solutions, use of negotiation skills and selection of right tactics' are very crucial and important. The role of administrators in the role of negotiator in this regard is very significant (Rezaeian, 2001). One of the crucial factors in the success and progress of the organization's is whether managers have the skills and techniques of negotiation. Negotiation skills are important factor in the success of contracts. So it is necessary for managers to learn the skills capabilities and negotiation skills. This issue has been pointed by some researchers in various studies conducted on negotiation skills. Ron Andrea (2005) examined the negotiating skills in sales. The objective his study was to identify solutions for sales negotiations. In his study, 2000 sales persons from 500 companies from various industries were included for study. As well as other scholars such as Tony Manning and Bob

Robertson on negotiation and influence skills in two parts in 2003 and Poulins and others who are individual differences and motivation to use their negotiating skills in 2000 were investigated. The above researches seek to answer the question whether there is a relationship between negotiating skills and business managers' sales performance?

**Methodology**

One of the most important functions of a manager is negotiation. Every manager is inevitably associated with the subordinates and superiors and all those who somehow have been dealing in contact with related organizations is indicative of this relationship is negotiated (Ashcroft, 2004). This study aims to evaluate the effects of trade negotiating skills of sales managers on their sales performance of food distribution companies of Gilan.

**The main hypothesis is as follows:**

- Negotiating skills and sales performance of business managers are related.

The study was based on practical purpose and is based on the nature and method of correlation. The study population included all managers of food distribution companies in Gilan province, which contains 11 persons. Since the research community is small samples is equal to the number of managers. A standard questionnaire of Robert Heller has been taken to collect information. The Cronbach's alpha score was 0.81 indicating reliability of the questionnaire. In the study Shapiro-Wilk test, regression for data normalization and Spearman correlation coefficient has been used for data analysis with the help of SPSS software.

**Analysis**

- The skills to negotiate the sale of the food distribution between business managers of companies in Gilan is as follows.

**Table 1: ANOVA Test Results**

P-value	F- Test	The mean sum of squares	Degrees of freedom	Source changes
0.002	23.47	4761693E16	1	Negotiating skills.
		2028854E15	7	Error

As it can be seen from table 1, the test results that P-value is less than 0.05, so it can be said that the regression coefficient is significant. According to estimates presented the following regression equation can be used between the parameters:

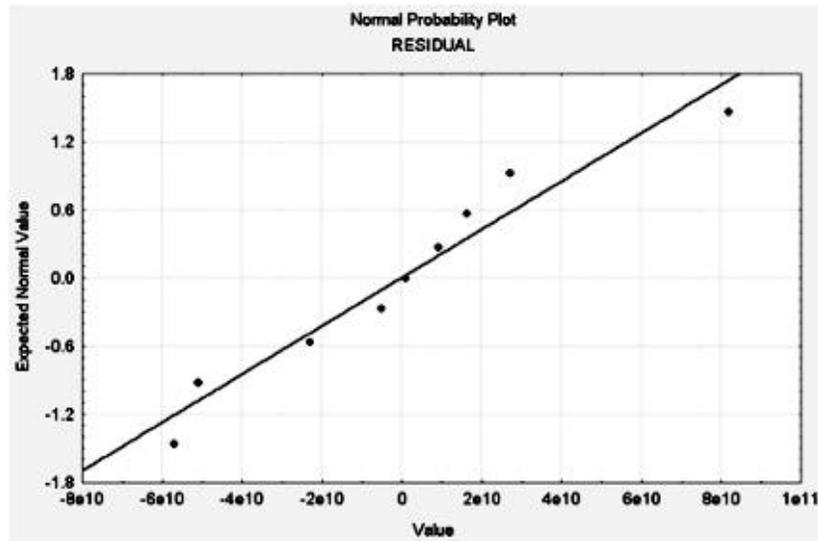
**Regression:  $Y = -140088767187,8 + 42981014784X$**

Goodness of fit of the regression model was introduced, consisting of normality of errors of the regression model. For

any amount of points negotiating skills, a record sales according to the regression model can be used to score each individual negotiating skills (X) sales person (Y) is measured.

The difference between the actual value or recorded with estimated value is considered for sale as error. Chart normalization values of the model errors (normal probability plots) are shown in the diagram.

Figure 2: Chart normalization errors of the regression model, negotiation and sales skills



In normal probability plots, no matter how points are plotted, a straight line fitted to be closer to them and in fact they have formed a straight line, The possibility of errors is normal. Nevertheless observed that the points plotted on the graph have almost formed a straight line and with little

differences, scattered around a straight line intuitively indicate normality of errors, But decisions based on personal aspects and cannot be trusted enough, so to scientific scrutiny about the normality of errors, Shapiro-Wilk test we use the results of which are reported in the table below.

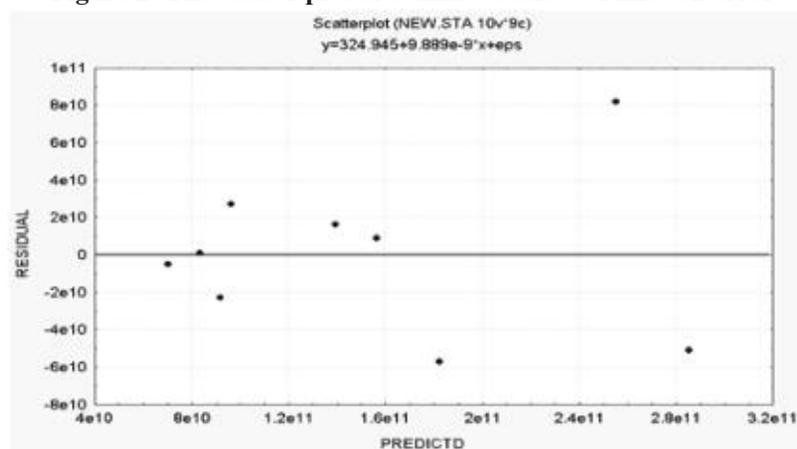
Table 2: Table normality of errors regression test

P-value	W-Test	Error of estimation Regression
0.709	0.952	

The results showed that the distribution of the errors of the regression model is the normally distribution, The P-value calculated for the test statistic is greater than the 0.05 test. Therefore, the null hypothesis or the hypothesis that the data follow a normal distribution is accepted. In the second part of assessing goodness of fit of the regression model, error variance is considered. For this purpose, distribution sales estimation of the amount of error is reported in the following diagram. If the scatter plot of estimated values in any shape or specific trend seen against errors and points randomly

dispersed around a straight line, Errors can be said that variance is constant and based on that and considering the steps that were discussed in the previous study, Regression model is reliable and can be used. But in the following graph, it is understandable that the ideal situation outlined above, For errors in the regression model, the present study is not true because the left side of the graph have been centralized and much closer to the right side, points are at a greater distance than the line the situation of instability in the error variance of the regression model.

Figure 2: The scatter plot of estimated sales volumes on error



Studies show that despite the errors follow a normal distribution but in case of the lack of stability variance, a situation does not establish the trust necessary in a regression model. In this model, the coefficient of determination calculated 0.77 that this amount reflects the fact that 77% Changes in sales can be explained by the commercial director negotiating skills. Despite these

characteristics According to the goodness of fit models, introduced by the trust and credibility is not enough.

According to the above reasons and in order to examine the hypothesis, nonparametric Spearman correlation coefficient method is used to help it make a final decision to accept or reject the hypothesis of our action. This coefficient is calculated and test results are reported in the table below.

**Table 3: Spearman's correlation coefficient table**

P-value	t-Statistics	Spearman	And negotiating skills. Sales
0/001	6/07	0/92	

According to the table above, calculated Spearman correlation coefficient between negotiation and sales skills is equal to 0.92 the desired value and indicated a strong positive relationship between these variables. The reason for the growing number of reported value of t-statistic and P-value for it.

The P-value calculated that such a situation was significantly smaller than 0.05 test Spearman correlation coefficient is approved.

#### **Discussion and conclusion**

From the analysis it was observed that there is a significant positive relationship between negotiating skills and sales performance by the sales managers. Therefore, it can be concluded that in order to raise sales performance negotiation skills should also be improved. It establishes the fact that higher the negotiation skills will be higher the sales performance. This can be seen with increasing business skills among managers that these managers were more successful in their work. After these results, we find that no matter how negotiating skills increased it leads to sales increased as well. One of the most important factors in corporate sales is negotiating skills. So there is a need to pay attention to this case in order to increase and improve these skills to achieve higher sales.

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