The purpose of this article is to enhance the understanding of the turnover behaviour of distributors in direct selling organisations. The study examined how the antecedents and outcomes of five endogenous variables (intention to quit, organisational commitment, job satisfaction, performance and perceptions of the marketing mix) interrelate to explain and predict the turnover behaviour of direct salespeople. The key findings of this study are that organisational commitment is the best predictor of the turnover behaviour of distributors, and perceptions of the marketing mix the best predictor of job satisfaction. Of the three antecedents of performance (customer profile, perceptions of the marketing mix and organisational commitment), organisational commitment has the strongest predictive power.

Introduction

Direct salespeople are independent business owners who sell products directly to customers. There are two organisational formats in which direct selling can be implemented: single-level (SL) format and multilevel (ML) format (Brodie, Stanworth & Wotruba 2002). In the former, the salespeople focus on selling and achieving compensation based on their own sales. In multilevel organisations, however, direct salespeople are encouraged to build a sales organisation of people like themselves by using a unique coaching and training system called ‘sponsoring’. In the sponsoring system, independent contractors share their knowledge and expertise with new entrants, who are still learning about the business. In return for this commitment, the sponsors are compensated for the sales efforts of their respective teams over and above the income they earn from their own retail sales.

Direct selling allows companies to minimise the overhead costs associated with retail sites and extensive management and salaried staff. This non-store method of retailing also offers global reach as companies such as Amway, Avroy Shlain, GNLD International and Herbalife expand their operations in overseas markets. For example, GNLD has over 200 000 distributors in more than 50 global markets (GNLD 2002), while Amway has more than three million independent business owners in 80 countries and territories worldwide (Amway 2002).

In the direct selling industry, turnover rates among direct salespeople of up to 100% have been reported in the literature (Granfield & Nicols 1975; Wotruba, Sciglimpaglia & Tyagi 1987; Wotruba 1990; Brodie & Stanworth 1998). Given the considerable investment that must be made in the recruitment and training of new direct salespeople, controlling the cost of turnover has become an important strategic issue that direct salespeople need to address.

It is not only the costs directly associated with the turnover that are at issue. High rates of salesforce turnover can also impact negatively on customers. Customers who are poorly serviced as a result of a lack of continuity in their relationship with their distributor can create unfavourable perceptions of a direct selling organisation. Raymond & Tanner (1994) argue that there are many cases of customers developing negative perceptions as a direct consequence of the frustration experienced when the distributors supplying them with their products leave the organisation.

Distributor turnover is also a concern because of the pivotal role distributors have in the structure of a direct selling organisation (Berry 1997; Biggart 1990). Not only are they the interface between the supplying organisation and the customer, but they also have an ongoing responsibility for training and motivating sales teams, and for implementing the marketing strategies of the supplying organisations.

The purpose of this study is to develop and empirically test a structural model that explains
and predicts the turnover behaviour of distributors in direct selling organisations. More specifically, this study develops and tests a theoretical model that integrates the antecedents and outcomes of job satisfaction, in-role performance, and organisational commitment with the turnover behaviour of direct salespeople. The paper addresses two questions: (1) What are the antecedents of turnover behaviour in direct selling organisations? (2) How do these variables interrelate to explain and predict the turnover behaviour of direct salespeople?

The development of the structural model and the theoretical foundation from which the model is derived is discussed in the first section of this paper. The second section of the paper describes the methodology underlying the model tested in this study and the analytical procedures used to test it. The third section presents the findings of the research. The paper concludes by discussing the findings and their implications for direct selling practitioners.

Conceptual framework and hypotheses

Turnover behaviour

The terms ‘retention’ and ‘turnover’ are often used interchangeably in the literature on employee turnover behaviour. Price (1989: 462) defines turnover rate “as being both the entrance of new employees into the organisation and the departure of existing employees from the organisation”. Muchinsky & Morrow (1980: 267) posit a similar definition of turnover as “an individual’s voluntary termination of employment from an organisation”. However, in direct selling organisations, turnover is viewed differently, because there is no formal quitting behaviour (Wotruba 1990). Distributors are either active, meaning that they regularly purchase products from a direct selling organisation and are involved in recruiting other participants, or they are inactive when they do not do so.

While Wotruba (1990) uses inactivity to measure the turnover behaviour of distributors, Sager (1991) raises a valid concern about the use of intention to quit and propensity to leave as surrogate measures of turnover. Sager argues that while intention to quit might be a consistent precursor of turnover, it cannot be viewed as being a perfect surrogate. Other authors (Lucas, Parasuraman, Davis & Enis 1987; Johnston, Futrell, Parasuraman & Sager 1988) also question the use of intention to quit as a sound predictor of actual turnover. Sager & Menon (1994) contend that a salesperson can intend to quit, but remain in a job indefinitely. They report that intention to search for other jobs is a stronger predictor of salespeople’s turnover than intention to quit. Their argument is based on the fact that intention to leave is a volatile construct that can change from day to day. An employee may intend to leave, yet remain in the job for some reason.

On the other hand, Fishbein & Ajzen (1975) argue that a person’s intention to perform a behaviour is the immediate determinant of the action. This contention is widely supported in literature (see, for example, Johnston, Varadarajan, Futrell & Sager 1987; Futrell & Parasuraman 1984; Naumann, Widmier & Jackson 2000; Hom & Kinicki 2001; Shields & Price 2002). On balance, therefore, this study will adopt intention to quit as a surrogate variable for measuring the turnover behaviour of distributors in direct selling organisations. While researchers adopt different perspectives in researching intention to quit, they share a number of common views. These relate to the consideration of key constructs and antecedents of turnover such as job satisfaction, organisational commitment, performance and personal characteristics. The discussion that follows is structured according to these key constructs.

In this study, seven variables (intention to quit, job satisfaction, organisational commitment, distributor performance, customer profile, perceptions of the marketing mix and perceived quality) are hypothesised to interact as depicted in Figure 1. Theoretical justification of how these variables interact is provided in the following section.

Job satisfaction, organisational commitment and turnover

Earlier work on job satisfaction by Churchill, Ford & Walker (1974), which examined the extrinsic and intrinsic nature of a job, shaped subsequent research on the job satisfaction of salespeople. Churchill et al. (1974: 255) defined job satisfaction as “all characteristics of the job itself and the work environment which (industrial) salesmen find rewarding, fulfilling and satisfying, or frustrating and unsatisfying”. Lucas et al. (1987) concur with Churchill and his colleagues in viewing job satisfaction as comprising two components: (1) extrinsic job satisfaction (namely, satisfaction with pay, job security, working condition, fringe benefits, recognition and status), and (2) intrinsic job satisfaction (namely, employees' satisfaction with the work itself and the opportunities provided for personal growth).
The idea of viewing job satisfaction as comprising two components originated from Herzberg’s Two-Factor Theory (also known as motivator-hygiene theory). Herzberg’s Two-Factor Theory contends that job satisfaction and dissatisfaction actually derive from two contrasting sources, whereby satisfaction is a result of the presence of motivator factors, and dissatisfaction the result of the lack of hygiene factors (Herzberg, Mausner & Snyderman 1959). The motivators are promotions opportunities, opportunity for personal growth, recognition, responsibility and achievement, and the hygiene factors are quality of supervision, company pay policies, physical working conditions, relation with others and job security.

Considerable research has been carried out concerning the relationship between job satisfaction and turnover, with and sometimes without the organisational commitment variable. In their meta-analytical study, Mathieu & Zajac (1990) found that organisational commitment has been reported to mediate the relationship between job satisfaction and turnover. More conclusive evidence of the relationship between job satisfaction and organisational commitment has been provided by Sager (1990), as well as by Cravens, Low & Moncrief (2001). The authors found that the organisational commitment of employees increased as job satisfaction increased. Moreover, organisational commitment was reduced when intention to quit increased. Sager (1990) and Cravens et al. also found that job satisfaction is not directly linked to intention to quit. Instead, organisational commitment is an intervening variable between job satisfaction and intention to quit.

Another perspective regarding the relationship between job satisfaction and intention to quit was put forward by MacKenzie, Podsakoff & Ahearne (1998), however, who found that job satisfaction is directly linked to intention to quit, implying that turnover is likely to be reduced when employees are satisfied with their jobs. In line with this argument, Podsakoff, Ahearne & MacKenzie (1997) suggested that performance could be increased and intention to quit would be reduced by making the work context more pleasant and supportive.

Given the varied views on the link between job satisfaction, organisational commitment and turnover, this study seeks to clarify the relationship between these three variables. The study also seeks to empirically estimate the strength of the job satisfaction and turnover relationship, with organisational commitment as an intervening variable. As such, the following hypotheses are advanced:

Hypothesis 1: Job satisfaction has a negative relationship with intention to quit.
Hypothesis 2: Job satisfaction has a positive relationship with organisational commitment.

Hypothesis 3: Organisational commitment has a negative relationship with intention to quit.

**Performance and turnover**

Performance, as defined by direct sales managers, consists of personal productivity measured in terms of sales volume, sales volume generated by one’s network, and the number of other salespeople recruited. This indicates that recruiting salespeople in direct selling is directly linked to performance. The literature provides evidence of the link between intention to quit and the performance of salespeople (McNeilly & Russ 1992).

While sales performance is a widely researched variable (Churchill, Ford, Hartley & Walker 1985; O'Reilly & Chatman 1986; Williams & Anderson 1991; Msweli-Mbanga 2001), its antecedents and outcomes in the direct selling context still need to be examined on a wider scale. Wotruba’s (1990) study, which examined the relationship between performance and the turnover behaviour of direct salespeople, showed a small (r = -.12) but significant correlation between the two variables. The hypothesis that performance moderates the relationship between job satisfaction and turnover was not supported in Wotruba’s (1990) study. Drawing from Wotruba’s findings, a fourth hypothesis was formulated as follows:

Hypothesis 4: Performance is negatively related to intention to quit.

Several researchers have constructed structural models that posit that job performance is related to turnover through job satisfaction as an intervening variable (Babakus, Cravens, Johnston & Moncrief, 1996). Mackenzie et al. (1998), among others, support the proposition that performance is an antecedent of job satisfaction. A fifth hypothesis was thus formulated as follows:

Hypothesis 5: Performance is positively related to job satisfaction.

The literature has not been conclusive about the relationship between performance and organisational commitment. For example, a study by MacKenzie et al. (1998) did not support the hypothesis that performance is positively related to organisational commitment. Earlier studies by Bluedorn (1982) and Porter & Steers (1973) report a significant positive relationship between performance and organisational commitment. Indeed, distributors who display high levels of organisational commitment are expected to generate more sales and build bigger networks of salespeople. This leads to the following hypothesis:

Hypothesis 6: Organisational commitment is positively associated with performance.

Hypothesis 7 is based on Biggart’s (1990) study, which examined the difference between traditional bureaucratic firms and direct selling firms. Biggart (1990) contends that direct selling firms differ fundamentally from bureaucratic firms in that they pursue profit by making social networks serve business ends. This indicates that friends and family are not just personal emotional contacts – they are regarded as serious business contacts. It is therefore reasonable to think that if distributors hold favourable perceptions of the marketing mix elements of their offering, they are more likely to generate more business from their friends and family. This rationale is the basis for the following hypothesis:

Hypothesis 7: The higher the proportion of friends and family in a distributor’s customer profile, the higher the performance.

**Perception of the marketing mix, perceived quality and customer profile**

Value creation has become the central purpose of marketing (Zeithaml 1988, 2000; Lam, Shankar, Erramilli & Murthy 2004). As such, marketers are constantly looking for new ways to improve the perceived value of their offerings. These efforts have, to a large extent, created ‘value conscious’ consumers, and direct sales consumers are no exception. Direct salespeople are also looking for ways of maximising the value they provide to their consumers.

There is sufficient evidence in the literature to suggest that customers’ value perceptions can be increased by enhancing their perceptions of the marketing mix, as well as their perceptions of service quality (Zeithaml 1988, Bolot & Drew 1991; Grewal & Monroe 1998; Kashyap & Bojanic 2000; Anderson, Fornell & Lehmann 1994). This study postulates that if distributors hold favourable perceptions of the organisation’s marketing mix, as well as the firm’s service quality, they will exhibit...
higher organisational commitment, performance and job satisfaction. The following hypotheses are thus stated:

Hypothesis 8: Perceptions of service quality are positively related to perceptions of the marketing mix.

Hypothesis 9: There is a positive relationship between distributors’ perceptions of the marketing mix and distributor performance.

Hypothesis 10: Distributors’ perceptions of service quality are positively related to their job satisfaction.

Hypothesis 11: There is a positive relationship between distributors’ perceptions of the marketing mix and their job satisfaction.

Table 1 illustrates the 11 hypotheses discussed in the foregoing section.

**Table 1: Summary of hypotheses**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Job satisfaction → (-) intention to quit</td>
</tr>
<tr>
<td>H2</td>
<td>Job satisfaction → (+) organisational commitment</td>
</tr>
<tr>
<td>H3</td>
<td>Organisational commitment → (-) intention to quit</td>
</tr>
<tr>
<td>H4</td>
<td>Performance → (-) intention to quit</td>
</tr>
<tr>
<td>H5</td>
<td>Performance → (+) job satisfaction</td>
</tr>
<tr>
<td>H6</td>
<td>Organisational commitment → (+) performance</td>
</tr>
<tr>
<td>H7</td>
<td>Customer profile → performance</td>
</tr>
<tr>
<td>H8</td>
<td>Perceptions of quality → (+) marketing mix</td>
</tr>
<tr>
<td>H9</td>
<td>Marketing mix → (+) performance</td>
</tr>
<tr>
<td>H10</td>
<td>Perceptions of quality → (+) job satisfaction</td>
</tr>
<tr>
<td>H11</td>
<td>Marketing mix → (+) job satisfaction</td>
</tr>
</tbody>
</table>

**Method**

**Sample**

Approximately 40 direct selling firms are affiliated to the Direct Selling Association of South Africa. Of these, only the 18 firms that had been in existence for more than five years were approached to participate in the study, and only three were willing to do so. Each of these companies was asked to provide 1000 randomly selected names and addresses of their distributors operating in South Africa. A total of 3000 questionnaires was mailed to the target respondents with self-addressed stamped envelopes. Five hundred questionnaires were returned, which represented a response rate of 16.7%.

Two weeks before the questionnaires were mailed, a pre-test was conducted using a sample of 50 distributors. Minor changes of terminology were made as a result.

**Variables and measures**

**Intention to quit.** Intention to quit was measured by asking respondents to indicate their likelihood to quit in the next three months as (1) very low, (2) low, (3) high, (4) very high. A single item scale was used in the absence of any appropriate multiple item instruments. Past studies have used single item scales to measure likelihood to quit (see, for example, Wotruba 1990 and Tyagi & Wotruba 1993).

**Job satisfaction.** Job satisfaction was measured using the shorter version of the Industrial Salesperson Job Satisfaction scale (INDSALES) developed by Comer, Machleit & Legace (1989). The shorter version of the INDSALES scale consists of 28 items measuring seven dimensions of job satisfaction. For the purposes of this study, six dimensions were used, and the ‘promotion and advancement’ dimension was omitted because it is irrelevant in the direct selling context. Distributors are not employees of their host direct selling organisations, and promotion in the sense described in the scale is thus not applicable.

**Organisational commitment.** Mowday, Steers & Porter’s (1979) scale was used to measure organisational commitment. The shortened nine-item version of the Organisational Commitment Questionnaire (OCQ) was utilised, using only the positive item scores, as suggested by the authors.

**Distributor performance.** Distributor performance was measured using three items similar to those used by direct selling organisations to assess the performance of their salespeople: (1) the number of distributors recruited during the preceding 12 months – the responses were scored on a scale of 1–3, (1 = 0–10; 2 = 11–20; and 3 = 21+); (2) their average monthly turnover including the turnover of
their team – the responses were scored on a scale of 1–3, (1 = R0–R5000; 2 = R5001–R10 000; and 3 = R10 000+); (3) their monthly personal sales – the responses were scored on a scale of 1–3; (1 = ‘low performers’; 2 = ‘average performers’; and 3 = ‘high performers’). The responses with a score of 1 were recorded as low performers, those with a score of 2 as average performers, and those with a score of 3 as high performers.

Customer profile. The variable was measured by asking respondents to respond to two questions: (1) What percentage of your monthly personal sales are made to friends and family? The responses were scored on a scale of 1–6 (1 = 0–10%; 2 = 11–20%; 3 = 21–30%; 4 = 31–40%; 5 = 41–50%; and 6 = 51%+). (2) Of your total group sales, what percentage is sold to friends and family? Again, the responses were scored on a scale of 1–6 (1 = 0–10%; 2 = 11–20%; 3 = 21–30%; 4 = 31–40%; 5 = 41–50%; and 6 = 51%+).

Perceptions of the marketing mix. Four items were used to measure respondents’ perceptions of the marketing mix construct: (1) I am happy with the product range offered by my organisation; (2) The product range addresses the needs of my customers; (3) I am happy with how the products are promoted in my organisation; (4) I am happy with the price of the products in my organisation. The items were measured on a five-point Likert scale, ranging from ‘strongly disagree’ to ‘strongly agree’, with 1 indicating negative perceptions of the marketing mix and 5 indicating positive perceptions.

Perceived quality. Cronin & Taylor’s (1992) SERVPERF scale was used to rate salespeople’s service quality perceptions along five dimensions: tangibility, reliability, responsiveness, assurance and empathy. Item scores were averaged across all five dimensions to form an overall service quality score.

Analytical procedures

Based on the hypothesised relationships in Figure 1, four equations have been constructed, linking two exogenous constructs to five endogenous constructs as follows:

\[
y_1 = \beta_1 y_3 + \beta_2 y_4 + \beta_3 x_2 + E_1 \quad \text{(Equation 1)}
\]

\[
y_2 = \beta_4 y_1 + \beta_5 y_4 + \beta_6 x_1 + E_2 \quad \text{(Equation 2)}
\]

\[
y_3 = \beta_7 y_2 + E_3 \quad \text{(Equation 3)}
\]

\[
y_4 = \beta_8 x_1 + E_4 \quad \text{(Equation 4)}
\]

\[
y_5 = \beta_9 y_3 + \beta_{10} y_2 + \beta_{11} y_1 + E_4 \quad \text{(Equation 5)}
\]

Where:

\[
y_1 = \text{performance} \quad y_2 = \text{job satisfaction} \quad y_3 = \text{organisational commitment} \quad y_4 = \text{perception of the marketing mix} \quad y_5 = \text{intention to quit}
\]

\[
x_1 = \text{perception of quality} \quad x_2 = \text{customer profile}
\]

\[
E_1, E_2 \text{ are error terms for equations 1–5} \quad \beta_1, \beta_2, \ldots, \beta_{11} \text{ are the path coefficients for each hypothesised relationship.}
\]

The generalised least squares (GLS) method in Amos version 3.6 was employed to estimate the path coefficients in the model. The GLS method is often used when there are unequal variances among the error terms (Draper & Smith 1981). In estimating the model parameters, the identification problems were checked, that is, the inability of the proposed model to generate unique estimates, usually as a result of incorrectly specifying the model (Maruyama 1998). The model had no identification problems. Next, the results were examined for Heywood cases and other offending estimates. Offending estimates occur when the estimated error terms are negative, or when the standardised regression weights are greater than 1 (Hair, Anderson, Tatham & Black 1998). As can be seen in Table 3, there are no offending estimates.

Empirical results

The means, standard deviations and reliabilities of the variables are given in Table 2.

The scores on all items for each variable were averaged to obtain single dimension scores. This was done because the total number of measured items was large and it was impractical to incorporate all the items in the model. Furthermore, multiple measures represented by a single score were applied in previous research using structural equation modelling (see Sager & Menon 1994; Bagozzi 1980; Mackenzie et al. 1998).

The mean scores for the variables indicate that, in general, the respondents exhibit a low intention to quit (1.61), relatively high job satisfaction (3.96), favourable perceptions of quality (4.51), low performance (1.5) and very high organisational commitment (6.32). A relatively low mean score (2.47) for customer profile indicates that a large proportion of their customers are not from among their friends and family. The respondents scored high on perceptions of the marketing mix (4.38).
Cronbach’s alpha was used to assess the internal consistency reliability of the measuring scales. Table 2 indicates that the internal consistency of the variables, measured by Cronbach’s alpha, are within the benchmark of .70 as suggested by Nunnaly & Bernstein (1994), and .60 for exploratory research as suggested by Hair et al. (1998). The single item measures were fixed to unity, because it is not empirically possible to estimate their reliabilities (Hair et al. 1998). A correlation matrix of the seven variables was chosen as data input. According to Arbuckle (1997), a correlation matrix is preferred to a covariance matrix if the objective is to explore the pattern of interrelationships between a set of variables.

Table 3 reports standardised parameter estimates, standard error and critical ratio.

Table 3 shows that the regression weights were standardised to allow for comparison of the effect of each exogenous variable on the endogenous variable. The standardisation process was carried out by transforming the input data into new measurement variables with a mean of 0 and a standard deviation of 1.

Maruyama (1998) suggests, as a simple rule of thumb, that a parameter is significantly different from zero if it is greater than twice its standard error in absolute value. However, Bentler (1980) contends that all parameters whose estimates are large compared to their standard errors are significant. In concurrence with Bentler’s (1980) viewpoint, structural equations that contain insignificant coefficients were identified and removed.

Unlike the findings reported by Hom, Katerberg & Hulin (1979) and MacKenzie et al. (1998), which showed a statistically significant relationship between job satisfaction and intention to quit, the results of this study showed that the job satisfaction intention to quit path was insignificant. Hypothesis 1 was thus not supported. Three additional paths were not significant – the performance intention to quit path, the perceptions of the marketing mix performance path, and the customer profile performance path. Hypotheses 4, 7 and 9 were thus not supported. The model was re-specified without the insignificant paths, and the parameter estimates of the revised model are presented in Table 3.

---

**Table 2: Means, standard deviations and reliabilities**

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of items</th>
<th>Measurement/ Likert scale</th>
<th>Mean</th>
<th>Std dev.</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to quit</td>
<td>1</td>
<td>Four-point Likert</td>
<td>1.61</td>
<td>.96</td>
<td>—</td>
</tr>
<tr>
<td>Organisational commitment</td>
<td>8</td>
<td>Seven-point Likert</td>
<td>6.32</td>
<td>.82</td>
<td>.91</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>20</td>
<td>Five-point Likert</td>
<td>3.96</td>
<td>.59</td>
<td>.73</td>
</tr>
<tr>
<td>Perceptions of quality</td>
<td>19</td>
<td>Seven-point Likert</td>
<td>4.51</td>
<td>.48</td>
<td>.70</td>
</tr>
<tr>
<td>Performance</td>
<td>3</td>
<td>Three-point Likert</td>
<td>1.50</td>
<td>.61</td>
<td>.60</td>
</tr>
<tr>
<td>Customer profile</td>
<td>2</td>
<td>Six-point Likert</td>
<td>2.47</td>
<td>1.38</td>
<td>—</td>
</tr>
<tr>
<td>Marketing mix</td>
<td>4</td>
<td>Five-point Likert</td>
<td>4.38</td>
<td>.59</td>
<td>.74</td>
</tr>
</tbody>
</table>

**Table 3: Parameter estimates for the revised structural model**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardised parameter estimates</th>
<th>Standard error (SE)</th>
<th>Critical ratio (CR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2: Job satisfaction → (+) organisational commitment</td>
<td>0.809</td>
<td>0.124</td>
<td>10.621</td>
</tr>
<tr>
<td>H3: Organisational commitment → (-) intention to quit</td>
<td>-0.388</td>
<td>0.071</td>
<td>-5.785</td>
</tr>
<tr>
<td>H5: Performance → (+) job satisfaction</td>
<td>-0.151</td>
<td>0.049</td>
<td>-2.350</td>
</tr>
<tr>
<td>H6: Organisational commitment → (+) performance</td>
<td>0.752</td>
<td>0.074</td>
<td>7.580</td>
</tr>
<tr>
<td>H8: Perceptions of quality → (+) marketing mix</td>
<td>0.145</td>
<td>0.081</td>
<td>1.986</td>
</tr>
<tr>
<td>H10: Perceptions of quality → (+) job satisfaction</td>
<td>0.157</td>
<td>0.081</td>
<td>2.189</td>
</tr>
<tr>
<td>H11: Marketing mix → (+) job satisfaction</td>
<td>0.651</td>
<td>0.083</td>
<td>7.938</td>
</tr>
</tbody>
</table>
Figure 2 presents a summary of the findings of this study. As expected, the higher the organisational commitment, the lower the likelihood to quit, lending support to Hypothesis 3.

Perceptions of the marketing mix are the strongest predictor (0.65) of job satisfaction. What seemed somewhat surprising is the negative direction of the performance/job satisfaction relationship. This is contrary to the hypothesis of this study, which postulates that distributor performance has a positive association with job satisfaction.

The chi-square value of 98.13 with 34 degrees of freedom is statistically significant at the .000 significance level. The structural equation modelling method of testing for model fit differs from the customary desire to find statistical significance (Hair et al. 1998). As argued in the literature (Hair et al. 1998; Maruyama 1998), the goal is to find non-significant differences between actual and predicted model. Thus, a chi-square value with a significance level greater than 0.05 or 0.01 indicates that the actual and predicted input matrix are not statistically different (Hair et al. 1998).

Although the chi-square measure of this study may suggest that our data do not fit the proposed model, a chi-square measure has been criticised for its sensitivity to sample size. Other goodness-of-fit (GIF) measures therefore need to be taken into consideration when evaluating structural equation modelling. The GFI value of 0.91 and root square error of approximation (RMSEA) value of 0.08 reported in Table 4 are at a marginal acceptance level.

**Discussion and implications**

The purpose of this article has been to enhance the understanding of the intention to quit among distributors in direct selling organisations. As depicted in Figures 1 and 2, five endogenous variables were the focus of this study: (1) intention to quit, (2) job satisfaction, (3) performance, (4) organisational commitment, and (5) perceptions of the marketing mix. The study examined how the antecedents and outcomes of these variables interrelate to explain and predict the intention to quit of direct salespeople.

Seven of the 11 hypothesised relationships were statistically significant. The four exceptions are: (1) the relationship between job satisfaction and intention to quit; (2) the relationship between performance and intention to quit; (3) the relationship between perceptions of the marketing mix and distributor performance; and (4) the relationship between customer profile and performance. The findings of this study show that job satisfaction does not directly influence intention to quit (see Figure 2). Instead, organisational commitment mediates the relationship between job satisfaction and intention to quit. This finding implies that improving organisational commitment is more likely to reduce the intention to quit among direct salespeople. Organis-
sational commitment was also found to be the strongest predictor of the intention to quit of salespeople.

The findings clearly show that committed and loyal distributors are more likely to stay in their organisations than uncommitted people who experience high levels of job satisfaction. Management in direct selling organisations can look at improving the processes that underlie job satisfaction, such as motivation, supervision, satisfaction with income, and relationship with fellow distributors as a means of enhancing organisational commitment.

The results also show that in the direct selling context, performance is not directly linked to the intention to quit. Instead, performance has been found to be a strong predictor of job satisfaction. The negative relationship between the two variables indicates that as distributor performance increases, job satisfaction decreases. This finding is inconsistent with the positive relationship observed by other authors (MacKenzie et al. 1998; Babakus et al. 1996). This finding suggests the need for further research to identify aspects of performance that lead to lower job satisfaction. As Babakus et al. (1996) suggest, job satisfaction among direct salespeople can be increased by increasing the salesperson's perception of organisational support through training and coaching. Indeed, distributor performance is directly linked to the extent to which distributors are exposed to business training (Berry 1997). It is worthwhile to further investigate the link between training and coaching, distributor performance and job satisfaction.

Consistent with our expectations, perceptions of service quality are positively related to perceptions of the marketing mix. Perceptions of the marketing mix also turned out to be the best predictor of job satisfaction. The major implication of these findings is that winning the support of customers requires that distributors should be 'sold to' the company's products and its marketing plans. This explanation is consistent with research in internal marketing (Grönroos 1994), which shows that internal customers must buy if external customers are likewise to buy. One would then expect to have a direct link between perceptions of the marketing mix and distributor performance, as postulated in this study. Our finding of a low correlation between distributor performance and perceptions of the marketing mix may be explained by the fact that performance in direct selling involves more than selling to external customers. Performance also includes the number of people recruited and the size of the sales team built. This suggests that performance in direct selling demands more than sales competence. It also requires leadership and management skills because, in essence, direct salespeople are more than salespeople – they are independent contractors who own their own businesses.

It is noteworthy that organisational commitment is not only a predictor of the intention to quit among distributors in direct selling organisations. It is also the strongest predictor of performance. This implies that for management to reduce turnover and improve performance, they have to focus on organisational commitment. There is a need for future research to identify additional variables that impact on both commitment and performance. This would shed more light on the turnover behaviour of direct salespeople. The absolute fit measures of this study indicate that the model is marginally acceptable. However, further research is required to validate this model and test it in different direct selling contexts.

Summary

Direct selling has been defined as a face-to-face approach to retailing and distribution of consumer goods away from a fixed retail location. This form of retailing allows firms to gain entrance to global markets while avoiding the excessive overhead costs associated with retail sites and extensive management of salaried staff. The problem associated with the direct selling industry is the high turnover rate of direct salespeople. Given the considerable investment made in the recruitment and training of new direct salespeople, improving retention rates has become a key strategic issue that direct selling organisation have had to address. The costs directly associated with low retention rates are not the only issue. High salesforce turnover rates can also impact negatively on the organisation's customers. Customers who are poorly serviced as a result of a lack of continuity in their relationship with their salesperson can create unfavourable perceptions of a direct selling organisation.

The purpose of this study is to identify the antecedents of turnover behaviour in direct selling organisations. The study examined how the antecedents and outcomes of five variables (intention to quit, organisational commitment, job satisfaction, performance, and perceptions of the marketing mix) interrelate to explain and predict the turnover behaviour of direct salespeople. The theoretical-based hypotheses of this study are as follows:
H1: Job satisfaction has a negative relationship with intention to quit.
H2: Job satisfaction has a positive relationship with organisational commitment.
H3: Organisational commitment has a negative relationship with intention to quit.
H4: Performance is negatively related to intention to quit.
H5: Performance is positively related to job satisfaction.
H6: Organisational commitment is positively associated with performance.
H7: The higher the proportion of friends and family in the distributor customer profile, the higher the performance.
H8: Perceptions of service quality are positively related to perceptions of the marketing mix.
H9: There is a positive relationship between distributors' perceptions of the marketing mix and distributor performance.
H10: Distributors' perceptions of service quality are positively related to their job satisfaction.
H11: There is a positive relationship between distributors' perceptions of the marketing mix and their job satisfaction.

A total of 3000 questionnaires was mailed to the target respondents, and 500 questionnaires were returned, which represented a response rate of 16.7%. Intention to quit was measured using one item measured in a four-point Likert scale. Job satisfaction was measured using the shorter version of the Industrial Salesperson Job Satisfaction scale. An eight-item scale adapted from Mowday et al. (1979) was used to measure organisational commitment. Performance was measured using three items adapted from performance evaluation tools used by direct sales managers. Service quality was measured using Cronin & Taylor's (1992) SERVPERF scale.

The generalised least squares method was employed to estimate the path coefficients in the proposed model. Seven of the 11 hypothesised relationships were statistically significant (H2, H3, H5, H6, H8, H10 and H11). The findings show that organisational commitment mediates the relationship between job satisfaction and intention to quit. This finding implies that improving organisational commitment is likely to reduce the intention to quit among direct salespeople. Organisational commitment was also found to be the strongest predictor of the intention to quit, and perceptions of the marketing mix the best predictor of job satisfaction.

Overall, the findings indicate that the higher the salespeople's perceptions of service quality, the higher their job satisfaction. High job satisfaction is more likely to result in high organisational commitment, which leads to low intention to quit. Therefore, if direct selling management improves service quality, salespeople would be more likely to experience increased job satisfaction and organisational commitment and would be more likely to stay with their organisations. Furthermore, high organisational commitment is more likely to improve sales performance.

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