

Relationship of Motivational Factors Towards Real Estate Sales Agents Sales Performance

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Abstract

The study explores the Relationship of motivational factors influencing sales performance among real estate agents. The research key indicators such as monetary, non-monetary, productivity and efficiency resulted to very high descriptive equivalent which describes as indicators are always implemented by the sales agents. Demographic profile in terms of gender, monthly income, and years in the industry did not significantly affect sales performance. Also, A correlation analysis of motivating factors and sales performance among sales agents shows substantial positive connections across all categories. Descriptive-Correlational, inferential, frequency count, mean and analysis of variance are used in this study. There were 80 real estate agents who were participated as respondents of the study. The study shows that monetary and non-monetary incentive factors have an important role in improving real estate agents' sales performance in Davao City. Additionally, Real estate experience and educational achievement have a major impact on motivation and sales performance. To improve sales results, organizations should design complete motivational tactics that target both financial and non-financial incentives.

Keywords: Productivity, Efficiency, Monetary & Non-monetary

1. Introduction

Real estate agents are professionals who specialize in real estate transactions. They have in-depth knowledge of local real estate markets and offer services related to buying and selling properties. They typically work on a commission basis, although some may also receive a basic salary. The primary objective of real estate agents is to achieve sales effectiveness.

Motivating salespeople has long been considered one of the most important responsibilities of sales management [1]. It has also been defined as the psychological state that determines the arousal, direction, and persistence of activities associated with the person.

Moreover, the high performance of real estate agents in brokerage has been widely studied but remains unexplained [2]. This study aims to address this gap by investigating the motivational factors that impact the sales performance of real estate agents. The investigation will involve collecting data through a survey questionnaire.

Thus, the primary objective of this study is to establish a strong link between motivational factors and the future impacts on the sales performance of real estate agents. The insights gained proved instrumental in enhancing the sales team's performance and ensuring that motivational factors are properly aligned within the organization. Ultimately, this leads to improved sales performance, enabling the salesforce to achieve organizational goals with greater efficiency and productivity.

2. Review of Related Literature

2.1 Demographic Profile of Sales Agents

Referred as statistical analysis of a population based on various attributes such as age, gender, income, education, marital status, occupation, and more. This profile helps in understanding the characteristics of a specific group of people, which can be crucial for market research, policy making, and strategic planning in various fields, including real estate.

Moreover, understanding the demographic profile of real estate agents and potential clients is crucial for enhancing sales performance and developing effective marketing and sales strategies. The literature highlights the importance of various demographic factors, including gender, income, experience, education, and marital status, in influencing sales performance. Future research should continue to explore these relationships in different market contexts to provide a more nuanced understanding of their impact on sales performance.

2.2 Gender towards Sales Performance

According to [3] that gender can influence sales performance in various ways. For instance, they found that male and female sales agents might exhibit different strengths in their sales approaches. Male agents often excel in competitive environments, while female agents tend to perform better in relationship-building roles.

2.3 Monthly Income towards Sales Performance

Monthly income is both a motivator and an outcome of sales performance. Higher income can lead to increased motivation and job satisfaction, which in turn can enhance performance. Conversely, high-performing agents are likely to earn higher commissions and bonuses. Study of [4] found a positive correlation between income and sales performance, suggesting that financial incentives play a crucial role in motivating real estate agents.

2.4 Marital Status to Sales Performance

It has a big impact to the sales performance of real estate agents in various ways. Married agents may benefit from greater emotional support and stability, which can enhance their job performance. On the other hand, single agents might have more flexibility and time to dedicate to their work. Research by [5] suggests that marital status can influence work-life balance, which in turn affects job satisfaction and performance. However, the impact of marital status on sales performance is often mediated by other factors such as work environment and personal motivation.

2.5 Years Experience in Real Estate Industry to Sales Performance

Experience in the real estate industry is a significant predictor of sales performance. More experienced agents tend to have better market knowledge, stronger client networks, and refined sales techniques. Research by [6] indicates that years of experience positively correlate with sales performance, as seasoned agents are more adept at navigating market fluctuations and closing deals.

2.6 Education Level to Sales Performance

The level of education of real estate agents can influence their sales performance. Higher educational attainment is often associated with better problem-solving skills, effective communication, and a deeper understanding of market dynamics. A study by [7] found that agents with higher education levels tend to perform better in complex transactions and are more successful in high-end markets. However, practical experience and on-the-job training are also critical components of success in real estate sales.

3. Methodology

The study employs a quantitative research approach using a descriptive-correlational and inferential design. Data is collected through a survey questionnaire distributed to 80 active real estate sales agents in Davao City. The data is analyzed using frequency count, mean, analysis of variance (ANOVA), and regression analysis.

4. Results

4.1 Demographic Profile of Sales Agents

Table 1 shows the demographic profile of real estate agents includes gender, monthly income, marital status, experience in real estate industry and education level of the respondents. Most of the respondents were female comprising 57% (46 respondents) followed by male with 28.75% (23 respondents) and LGBTQ consist of 13.75% (11 respondents). Hence, this only means that most real estate agents are female than male and or LGBTQ.

Table 1. Real Estate Agents in terms of Gender

Gender	Frequency	Percentage
Male	23	28.75%
Female	46	57.50%
LGBTQ	11	13.75%
Total	80	100%

It is widely believed that women often to be more emotionally linked to others than men. This was the primary reason for the large number of female real estate agents in the residential real estate market, as opposed to male agents [8].

Table 2 shows that most of the sellers are having a monthly income from 20,000-50,000 comprised 47.5% (38 respondents), 51,000-80,000 with 37.5% (30 respondents), followed by 81,000-100,000 11.25% (9 respondents) and lastly, 100,000 above with 3.75% (three respondents). This implied that agents were of above minimum wage (Php445.00), and that they have the capacity to live at a standard in the Region.

Table 2. Real Estate Agents in terms of Monthly Income

Monthly Income	Frequency	Percentage
20,000-50,000	38	47.5%
51,000-80,000	30	37.50%
81,000-100,000	9	11.25%
100,000 and above	3	3.75%
Total	80	100%

Table 3 consists of the marital status of the respondents. Categories included single, married, separated and widowed. Table shows that singles bid the highest percentage which consist of 57.5% (46 respondents), followed by married with 35% (28 respondents), separated .02% and widowed consist of .05%. Thus, single agents dominated the marketing in real estate.

Table 3. Real Estate Agents in terms of Marital Status

Marital Status	Frequency	Percentage
Single	46	57.50%

Married	28	35%%
Separated	2	0.25%
Widowed	4	0.05%
Total	80	100%

Table 4 shows the years of experience in real estate industry. There were five (5) groups for less than a year to 10 years and above. The result shows that from 80 respondents, there were 26 individuals or 32.5% of the respondents that has 1-3 years' experience in the industry, followed by 20 respondents or 25% who has 3-5 years of experience, while less than a year in the industry obtained 18.75% with 15 respondents, followed by 13 individuals or 16.25% of the respondents are with the industry for 5-10 years and lastly, 6 respondents obtained 7.5% with 10 years and above experience.

Given the dominance of 1-3 years in the industry, it can be noted that the agents were still in their entry level, and that they were still at the process of learning the entire system of the industry.

Table 4. Real Estate Agents in terms of the Years of Experience

Years of Experience	Frequency	Percentage
Less than 1 year	15	18.75%
1-3 years	26	32.50%
3-5 years	20	25%
5-10 years	13	16.25%
10 years and above	6	7.5%
Total	80	100%

Table 5 presents the real estate agents in terms of their level of education. There were three (3) categories on this section, and these included respondents who were Secondary school level, Diploma or degree holder and Master or Doctor level. It showed 83.75% (67 respondents) obtained Diploma or degree holder, followed by secondary school level which has .087% (7 respondents). On the other hand, 0.75% (6 respondents) has a master or doctor level.

Table 5. Real Estate Agents in terms of their Level of Education

Level of Education	Frequency	Percentage
Secondary school level	7	8.75%
Diploma or Degree holder	67	83.75%
Master or Doctor level	6	7.5%
Total	80	100%

4.2 Level of Motivation Factors among Sales Agents

Table 2 illustrates the level of motivation factors among sales agents with 2 indicators namely; Monetary and Non-monetary factors. It is presented that the overall motivational factors were 4.58 with descriptive equivalent to Very High. This means that these 2 factors are very effective and adaptable in terms of motivating salespeople. Among the 2 factors, Monetary obtained the highest mean of 4.61 and non-monetary has 4.56 mean in which both factors are very high in terms of descriptive equivalent.

Table 6. Level of Motivation Factors among Sales Agents

Indicators	Mean	Std. Deviation	Descriptive Equivalent
Monetary Factors	4.61	0.50	Very High

Non-Monetary Factors	4.56	0.53	Very High
OVERALL Motivational Factors	4.58	0.50	Very High

A study by [9] implied that commission-based compensation structures significantly enhance sales performance by aligning agents' interests with organizational goals. Similarly, research by [10] demonstrated that well-designed incentive plans could boost motivation and drive higher sales outcomes. This data signified that most of the real estate agents were motivated by monetary and non-monetary factors. Real estate agents who performed productively and efficiently received commissions, incentives, bonuses, recognitions, career advancement and job security. Hence, without motivational factors it is critical to real estate agents to perform productively and efficiently.

4.3 Level of Sales Performance among Sales Agents

Table 3 shows the level of Sales Performance among sales agents. Productivity and Efficiency are the indicators of Real Estate Sales Performance. The results provided that the overall Sales Performance obtained 4.63 mean which indicates a very high descriptive equivalent. Yet, productivity obtained the highest mean which is 4.67 mean which has a very high equivalent. On the other hand, Efficiency obtained very close to productivity which is 4.60 implies a very high descriptive equivalent.

Table 7. Level of Sales Performance among Sales Agents

Indicators	Mean	Std. Deviation	Descriptive Equivalent
Productivity	4.67	0.51	Very High
Efficiency	4.60	0.57	Very High
OVERALL Sales Performance	4.63	0.51	Very High

A study by [10] implied that goal setting led to a 30% increase in sales performance among real estate agents, as it provided them with a clear direction and a sense of purpose. The results validate that real estate agent's productivity and efficiency signifies very high which indicates that the indicators are always implemented. Thus, these factors are significant in real estate sales agent's sales performance.

The data signifies that majority of the real estate agents performed significantly in enhancing client happiness, increasing profitability, gaining a competitive advantage, and establishing a better work-life balance. Thus, Real estate agents who valued efficiency can handle more transactions, provide better client service, and ultimately achieve more professional success.

4.4 Significant Difference on the Motivational Factors when grouped based on Demographic Profile

The analysis of variance (ANOVA) on the level of motivation factors, grouped by demographic profiles, revealed that gender, monthly income, and years of service did not significantly influence motivation levels, as indicated by the F-ratio and p-values that led to the failure to reject the null hypothesis (H_0) for these categories.

Specifically, the mean motivation scores for gender, monthly income, and years of service profiles showed no significant differences with p-values of 0.559, 0.715, and 0.799, respectively. However, significant differences were found in motivation levels based on experience in the real estate industry and educational level, leading to the rejection of H_0 for these categories, with p-values of 0.016 and <0.001, respectively. This indicates that motivation levels vary significantly with experience in the real estate industry and educational attainment. This also emphasizes that the level of motivation is highest when the sales agents are on their 5-10 years. And, their motivation increases as they reach higher educational attainments.

Table 8. ANOVA on the Level of Motivation Factors when grouped according to their Demographic Profile

Profile		Mean	F-ratio	Sig. (P-value)	Decision on H_0 : reject if $p \leq \alpha$
Gender	Male	4.49	0.586	0.559	Fails to reject
	Female	4.63			
	LGBTQ	4.56			
Monthly Income	20,000-50,000	4.54	0.455	0.715	Fails to reject
	51,000-80,000	4.56			
	81,000-100,000	4.74			
	100,000 and above	4.70			
Marital Status	Single	4.59	0.336	0.799	Fails to reject
	Married	4.55			
	Separated	4.40			
	Widowed	4.78			
Experience in Real Estate Industry	Less than 1 year	4.23	3.273	0.016	Reject
	1-3 years	4.67			
	3-5 years	4.62			
	5-10 years	4.82			
	10 years and above	4.47			
Educational Level	Secondary School level	3.69	18.170	<0.001	Reject
	Diploma or Degree Level	4.55			
	Master or Doctor Level	4.68			

4.5 Significant Difference on the Sales Performance when grouped according to Demographic Profile

The analysis of variance (ANOVA) on the level of sales performance when grouped by demographic profiles, indicated that gender, monthly income, and years of service did not significantly affect sales performance, as the F-ratios and p-values led to the failure to reject the null hypothesis.

Table 9. ANOVA on the Level of Sales Performance when grouped according to their Demographic Profiles

Profile		Mean	F-ratio	Sig. (P-value)	Decision on H_0 : reject if $p \leq \alpha$
Gender	Male	4.56	0.459	0.633	Fails to reject
	Female	4.65			
	LGBTQ	4.73			
Monthly Income	20,000-50,000	4.58	0.779	0.509	Fails to reject
	51,000-80,000	4.62			

	81,000-100,000	4.85			
	100,000 and above	4.80			
Years of Service	Single	4.62	0.094	0.963	Fails to reject
	Married	4.67			
	Separated	4.50			
	Widowed	4.65			
Experience in Real Estate Industry	Less than 1 year	4.24	4.778	0.002	Reject
	1-3 years	4.60			
	3-5 years	4.70			
	5-10 years	5.00			
	10 years and above	4.68			
Educational Level	Secondary School level	3.67	19.886	<0.001	Reject
	Diploma or Degree Level	4.72			
	Master or Doctor Level	4.78			

The mean sales performance scores across these demographic profiles showed no significant differences. Conversely, significant differences were identified in sales performance based on experience in the real estate industry and educational level, leading to the rejection of H_0 for these categories, with p-values of 0.002 and <0.001, respectively. This suggests that sales performance is significantly influenced by both the level of experience in the real estate industry and the educational attainment of individuals.

4.6 Significant Relationship of Motivational Factors to Sales Performance

The correlation analysis between motivational factors and sales performance among sales agents reveals significant positive relationships across all dimensions. Monetary factors are strongly correlated with productivity ($r = .829, p = .000$), efficiency ($r = .743, p = .000$), and overall sales performance ($r = .823, p = .000$). Non-monetary factors show an even stronger correlation with productivity ($r = .853, p = .000$), efficiency ($r = .852, p = .000$), and overall sales performance ($r = .895, p = .000$).

Table 10. Correlation on the Motivational Factors and Sales Performance among Sales Agents

		Productivity	Efficiency	OVERALL Sales Performance
Monetary Factors	r-value	.829**	.743**	.823**
	p-value	.000	.000	.000
Non-Monetary Factors	r-value	.853**	.852**	.895**
	p-value	.000	.000	.000
OVERALL Motivational Factors	r-value	.873**	.829**	.893**
	p-value	.000	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

When considering overall motivational factors, the correlations with productivity ($r = .873, p = .000$), efficiency ($r = .829, p = .000$), and overall sales performance ($r = .893, p = .000$) remain highly significant. These findings imply that both monetary and non-monetary motivational factors are crucial in enhancing sales agents' productivity and efficiency, which in turn boosts their overall sales performance. Organizations should therefore invest in comprehensive motivational strategies that address both financial incentives and other forms of motivation to optimize sales outcomes.

5. Conclusion

The study concludes that motivational factors, both monetary and non-monetary, play a significant role in enhancing the sales performance of real estate agents in Davao City. Experience in the real estate industry and educational attainment significantly influence motivation and sales performance. Organizations should develop comprehensive motivational strategies addressing both financial and non-financial incentives to optimize sales outcomes.

6. Recommendation

The following recommendations are specified:

Tailored Motivation Strategies. Develop personalized motivation strategies catering to the unique needs and preferences of sales agents, including monetary incentives and non-monetary rewards.

Emphasis on Experience and Education. Prioritize hiring and retaining experienced sales agents and provide continuous learning and skill development opportunities.

Comprehensive Motivational Strategies. Organizations should develop and implement comprehensive motivational strategies that include both financial incentives (e.g., bonuses, commissions) and non-financial incentives (e.g., recognition, career development opportunities).

Supportive Work Environment. Create a supportive work environment that fosters motivation and engagement among real estate agents, leading to improved sales performance.

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