

Influence of Sales Incentives on Medical Representative Performance in the Pharmaceutical Industry

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Abstract- Sales teams are very important to the pharmaceutical industry because they help sell products and build strong relationships with healthcare providers. Medical Representatives (MRs) connect pharmaceutical companies with doctors by sharing scientific information about drugs and encouraging doctors to write prescriptions. Companies often use sales incentive programs to motivate their salespeople and improve overall results because there is a lot of competition.

The current study seeks to investigate the impact of sales incentives on the motivation, productivity, and ethical conduct of medical representatives within the pharmaceutical sector. The study utilized a descriptive research design, gathering primary data via a structured questionnaire administered to 335 Medical Representatives employed across various pharmaceutical companies. The questionnaire comprised demographic inquiries and Likert-scale statements to assess the impact of incentives on employee motivation, job satisfaction, and sales performance.

Using Jamovi statistical software, we looked at the data we had collected using statistical methods like frequency analysis, percentage distribution, and mean score analysis. The results show that giving employees incentives to sell more is a big part of boosting their motivation and productivity. The results show that incentive programs help Medical Representatives reach higher sales goals and build better relationships with doctors. The study also finds moderate worries about the stress of work and the ethical problems that come with incentive systems that are based on meeting goals.

The study finds that well-thought-out and open incentive policies can greatly improve the work of Medical Representatives and help the organization grow. So, pharmaceutical companies should use balanced incentive systems that encourage productivity while also making sure that marketing is done ethically and that employees are happy.

Keywords- Sales Incentives, Medical Representatives, Pharmaceutical Marketing, Sales Performance, Employee Motivation, Pharmaceutical Industry

I.INTRODUCTION

The pharmaceutical industry has become one of the most dynamic and competitive sectors, making a big difference in both healthcare and the economy. The pharmaceutical industry in India is a major player on the world stage because it makes high-quality medicines that are also cheap. (Kotler, 2016)

In this field, the sales and marketing department is very important for making sure that pharmaceutical products get to healthcare professionals and patients in a useful way. Medical Representatives (MRs) are the main link between pharmaceutical companies and doctors. They do this by sharing scientific information, explaining the benefits of treatments, and swaying doctors' decisions about prescriptions. (Dessler, 2017) (Shirsat, 2025)

Pharmaceutical companies rely heavily on their sales teams to meet business goals because competition is getting tougher and expectations for performance are rising. Companies use different sales incentive programs to make Medical Representatives more productive and motivated. These rewards are meant to do more than just reward good work; they are also meant to make sure that employees' work is in line with the company's goals.

Sales incentives can be monetary, like bonuses and commissions, or non-monetary, like praise, chances to move up in the company, and travel rewards. These incentives can greatly increase motivation and productivity, but if they aren't set up well, they can

make work more stressful and raise ethical questions about marketing practices.

Consequently, it is imperative to analyze the impact of sales incentives on the conduct, motivation, and efficacy of Medical Representatives. This study seeks to furnish a thorough comprehension of the efficacy of incentive systems and their ramifications for employee welfare and organizational achievement.

II. LITERATURE REVIEW

Over the past few decades, the pharmaceutical industry has seen big changes in how it markets its products and manages its sales. Companies now use sales incentives as a key way to motivate their workers and boost overall productivity. Numerous researchers have examined various facets of pharmaceutical marketing, employee motivation, and the correlation between incentive systems and employee performance.

Srivastava and Singh (2018) looked at both good and bad practices in pharmaceutical companies and stressed how important it is to follow ethical standards in pharmaceutical marketing. Their research underscored that aggressive marketing tactics and an excessive emphasis on sales objectives can result in unethical conduct. The authors proposed that pharmaceutical companies should create policies that promote ethical behavior while still being able to compete in the market. (Srivastava, 2018)

Bandi, Dey, and Rao (2024) carried out a study on the variables affecting doctors' prescription practices in the pharmaceutical sector. According to their research, interactions between doctors and Medical Representatives have a big impact on prescription decisions. The study also showed that stronger relationships between pharmaceutical companies and healthcare professionals are a result of effective communication, product knowledge, and promotional strategies. (Bandi, 2024)

Shirsat, Ingawale, Bavkar, Rathod, and Salunke (2025) examined contemporary pharmaceutical sales and marketing tactics and talked about the growing significance of ethical promotion and digital marketing in the pharmaceutical industry. The authors stressed the importance of salespeople in informing healthcare professionals about products and fostering

trust. According to their findings, companies should prioritize both ethical promotional practices and performance incentives. (Shirsat, 2025)

Peterson, Gordon, and Krishnan (2015) examined the connection between organizational performance and the alignment of sales and marketing. According to the study, efficient collaboration between the marketing and sales departments boosts worker output and improves overall company performance. The authors looked at ethical issues in pharmaceutical pricing and marketing and emphasized how clear performance goals and reward systems can have a big impact on employee motivation and job satisfaction. (Peterson, 2015)

Parker-Lue, Santoro, and Koski (2014) Their study highlighted the necessity of regulatory oversight, ethical standards, and transparency in pharmaceutical marketing practices. The authors made the case that businesses should guarantee ethical marketing initiatives that put patient care and public confidence first. (Parker-Lue, 2014)

Julian Ungar-Sargon (2025) They also criticized profit-driven practices like data manipulation and the creation of marginal innovations. Provides case study examples (such as Nexium and Vioxx) to highlight pricing distortions. Suggests reforms that aim to synchronize industry goals with public health needs. (Julian Ungar-Santoro, 2025)

Hariom Rajput, Aman Kumar Gupta (2023) The Indian pharmaceutical distribution system, including CFAs, stockists, and procurement types, is thoroughly discussed. Identifies regulatory compliance and logistical difficulties as the main problems. Discusses sales hierarchies and organizational structures. (Hariom Rajput, 2023)

William D. Saved off (2011) describes a set of standards for evaluation and presents the traits of effective healthcare governance. Compares and contrasts the ideas of performance indicators and governance determinants. Suggests tools for analyzing how governance affects the outcomes of the health system. (Savedoff, 2011)

Hariom Rajput, Aman Kumar Gupta (2023) The article describes the roles of CFAs, stockists, and sub-stockists in India's pharmaceutical supply chain. The

purchase processes and sales hierarchies are also covered in the report. The influence of trade associations has been demonstrated in a number of ways. (Hariom Rajput, 2023)

Hariom Rajput, Aman Kumar Gupta (2023) The article describes the distinctions between private procurement procedures and those used by the federal and state governments. It points out the tender systems, bulk purchasing, and transportation of medicines as some of the highlighted features. (Hariom Rajput, 2023)

Hariom Rajput, Aman Kumar Gupta (2023) The article's main focus is on how organizations like the AIOCD regulate pharmaceutical trade practices. The objectives, dispute resolution procedures, and implications for pricing and distribution are outlined in the paper. Additionally, it illustrates how group action maintains high standards and safeguards member interests. (Hariom Rajput, 2023)

Hariom Rajput, Aman Kumar Gupta (2023) The hierarchy of pharmaceutical sales, from medical representatives to national heads, is described in this article. It discusses decision-making authority, communication flow, and the impact of composition on performance and interaction. Additionally, the study highlights the distinctions between small, medium, and large organizations. (Hariom Rajput, 2023)

The role of incentive programs and employee motivation in enhancing organizational performance has also been the subject of numerous studies. Sales-driven industries frequently use incentive programs to motivate staff to reach greater productivity levels. However, researchers have also noted that if financial incentives are used carelessly, they may lead to work pressure and lower employee satisfaction.

According to earlier research, incentive-based reward programs can boost worker commitment, motivation, and output. However, employees may experience work-life imbalance, job stress, and ethical dilemmas as a result of poorly designed incentive programs.

Few studies have explicitly looked at the effects of sales incentives on the performance and professional conduct of Medical Representatives in the Indian pharmaceutical industry, despite the fact that

numerous studies have examined pharmaceutical marketing strategies and physician prescribing behaviour. Therefore, the present study aims to bridge this research gap by analysing how incentive systems influence MR motivation, productivity, and ethical practices.

III. RESEARCH METHODOLOGY

Research methodology is a system or framework that provides an organized approach to data collection, analysis, and interpretation to achieve the purpose and objectives of the research. The research for the present study intends to investigate the impact of sales incentives on the motivation, productivity, and professional behavior of Medical Representatives in the pharmaceutical industry.

Research Design

The research adopts a descriptive research design to analyze the relationship between sales incentives and the performance of Medical Representatives. Descriptive research is significant in understanding the relationships between variables in a given population. In the context of the research, it would be significant in assessing the impact of various incentive programs on employee motivation and productivity.

Sources of Data

The study adopts both primary and secondary data sources.

Primary Data:

Primary data were collected directly from the medical representatives employed in various pharmaceutical companies. A structured questionnaire was employed to obtain responses from medical representatives regarding sales incentives, employee motivation, job satisfaction, and ethical concerns related to incentive-based targets.

Secondary Data:

Secondary data were collected from various sources related to pharmaceutical marketing, sales management, and employee motivation through various sources such as research articles, journals, and books.

Sampling Design

The target population for the study was Medical Representatives working in pharmaceutical companies across India. The stratified random sampling technique was adopted for the study to cover different organizations and experience levels.

The sample size for the study comprised 335 respondents, which is a reliable sample for the study to analyze the effect of sales incentives on the performance of employees.

Data Collection Instrument

A structured questionnaire was used for the study as a primary data collection tool. The questionnaire was divided into two parts:

Demographic Information:

This section of the questionnaire was designed to obtain information about the respondents such as gender, age group, work experience, and the type of pharmaceutical company.

Perception and Attitude Statements:

This section of the questionnaire was designed to obtain the perceptions and attitude of the respondents towards sales incentives, motivation of employees, job satisfaction, and the level of productivity and ethical considerations.

The responses were measured using a five-point Likert scale, where:

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Neutral
- 4 – Agree

5 – Strongly Agree

This scale allowed respondents to express their level of agreement with each statement.

Data Analysis Techniques

The collected data has been analyzed using statistical techniques with the help of Jamovi statistical software. Following are the techniques used to analyze the collected data:

Frequency and Percentage Analysis:

Used to analyze the demographic characteristics of the respondents.

Mean Score Analysis:

Used to analyze the perceptions of the respondents regarding sales incentives and employee performance.

Reliability Analysis:

Cronbach's alpha reliability coefficient has been used to test the reliability of the questionnaire.

Correlation and Regression Analysis:

These statistical techniques have been used to find the relationship between sales incentives and Medical Representative performance.

Ethical Considerations

The ethical considerations have been maintained throughout the research. The research subjects have been voluntarily selected for the study. The subjects have been made aware of the purpose of the research. Confidentiality and anonymity of the research subjects have been maintained. The data collected has been strictly used for academic and research purposes only.

IV.RESULT

The demographic analysis of the research subjects provides insight into the characteristics of Medical Representatives. In total, 335 research subjects from different pharmaceutical companies have participated in the research.

Variable	Category	Frequency (N)	Percentage (%)
Age Group	Below 25	69	20.6%
	25–30	130	38.8%
	31–35	90	26.9%
	Above 35	46	13.7%

Variable	Category	Frequency (N)	Percentage (%)
Gender	Male	133	39.7%
	Female	202	60.3%
Experience	Less than 1 year	63	18.8%
	1–3 years	128	38.2%
	3–5 years	79	23.6%
	Above 5 years	65	19.4%
Company Type	Indian Pharmaceutical Company	224	66.9%
	Multinational Pharmaceutical Company	111	33.1%

The demographic analysis indicates that the majority of respondents fall in the age group of 25-30 years. This indicates that the pharmaceutical sales workforce comprises young professionals in the field.

Frequency and Percentage Distribution of Incentive Perception Statements (N = 335)

Survey Statement Score 1 Score 2 Score 3 Score 4 Score 5

MOTIVATION & PERFORMANCE

| Incentives increase enthusiasm to achieve sales targets | 5% | 10% | 28% | 38% | 19% |

| Incentives improve overall sales performance | 4% | 9% | 26% | 41% | 20% |

| Incentives increase commitment toward company goals | 6% | 12% | 31% | 34% | 17% |

JOB SATISFACTION

| Fair incentive structure increases job satisfaction | 4% | 11% | 25% | 39% | 21% |

| Non-monetary incentives motivate me to perform better | 6% | 14% | 29% | 34% | 17% |

RELATIONSHIP BUILDING

Table 1: Correlation Analysis

Correlation Matrix			
		Motivational score	Productivity score
Motivational score	Pearson's r	—	

| Incentives encourage stronger relationships with doctors | 3% | 8% | 24% | 42% | 23% |

| Incentives improve communication with healthcare professionals | 4% | 9% | 27% | 38% | 22% |

WORK PRESSURE & ETHICAL ISSUES

| Incentive targets create work pressure | 8% | 16% | 30% | 31% | 15% |

| Incentive-based competition affects work-life balance | 10% | 17% | 33% | 26% | 14% |

The results indicate that the majority of Medical Representatives agree that incentives improve motivation and performance. A high percentage of respondents agreed that incentives help in building a better relationship with doctors. A small percentage of respondents agreed that incentives might create work pressure in achieving incentive targets.

Objective 1

To analyze the relationship between sales incentives and MR performance.

To study the relationship between sales incentives and MR performance, correlation and regression analysis were conducted.

Correlation Matrix			
		Motivational score	Productivity score
	df	—	
	p-value	—	
Productivity score	Pearson's r	0.254	—
	df	333	—
	p-value	<.001	—

The results indicate that there is a positive correlation between sales incentives and MR performance. This indicates that as incentives improve, so does the performance of Medical Representatives.

Table 2: Regression Analysis

Model Fit Measures			
Model	R	R ²	Adjusted R ²
1	0.221	0.0488	0.0459

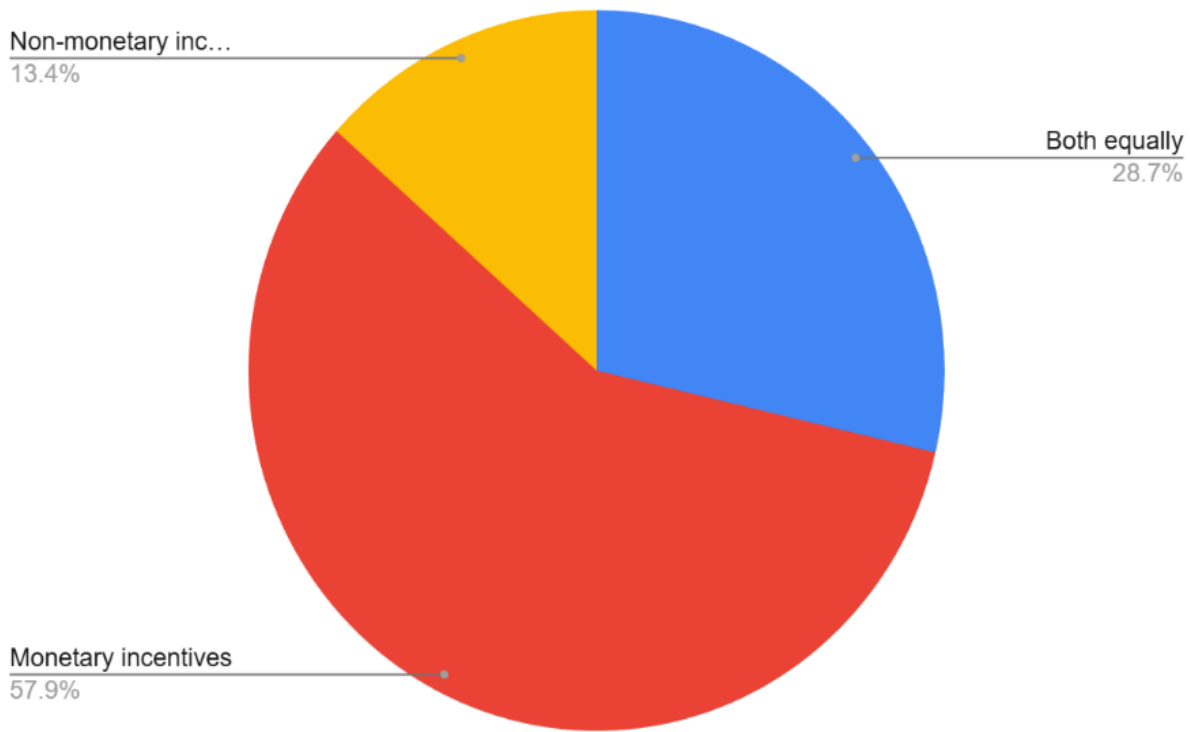
Note. Models estimated using sample size of N=335

The results also indicate that there is a significant positive relationship between sales incentives and MR performance using regression analysis ($p < 0.05$). This confirms that incentives play a crucial role in enhancing employee productivity.

Objective 2

To identify different types of sales incentives provided to Medical Representatives.

Incentive Type	Frequency	Percentage
Monetary Incentives (Bonus / Commission)	194	57.9%
Non-Monetary (Recognition / Promotion)	45	13.4%
Both equally (Travel Rewards / Gifts)	96	28.7%



The results indicate that monetary incentives are the most common type of reward provided to Medical Representatives in the pharmaceutical industry. A high percentage of respondents received financial incentives in the form of bonuses or commissions on sales performance.

Objective 3

To examine the impact of incentives on motivation and job satisfaction among Medical Representatives.

Statement	Mean Score	Interpretation
Incentives increase enthusiasm to achieve sales targets	3.16	Positive influence
Incentives improve job satisfaction	3.37	Positive influence
Incentives increase commitment toward company goals	2.99	Moderate influence

The analysis of the mean score shows that incentives play a significant role in motivating Medical Representatives. The respondents agreed that incentives motivate them to attain higher sales targets and improve job satisfaction. The incentive-based reward system increases the employee’s dedication towards attaining higher organizational objectives.

Objective 4

To analyze the relationship between sales incentives and the performance of Medical Representatives.

Factor	Mean Score	T-Statistic	P-Value	Interpretation
Motivation	3.42	18.72	<0.001	Significant positive relationship
Sales Performance	3.53	19.85	<0.001	Significant positive relationship
Job Satisfaction	3.37	16.94	<0.001	Significant positive relationship

For evaluating the relationship between sales incentives and employee performance, a one-sample t-test has been conducted. The results of the study show that incentives significantly impact employee motivation, productivity, and job satisfaction for Medical Representatives. The p-value is less than 0.05; hence, the results are statistically significant. The findings of the study confirm that incentives positively impact employee performance and help organizations attain higher productivity.

Objective 5

To evaluate the ethical and psychological effects of incentive-based targets.

The findings of the study show that even though incentives improve employee motivation and performance, some challenges may arise in the organizations that implement incentive systems. The respondents reported moderate levels of work pressure due to incentive systems that provide targets for higher incentives. The competitive incentive systems may impact employee work-life balance and promotional behaviour.

Summary of Results

Overall, the findings of the study indicate that sales incentives significantly influence the motivation, productivity, and performance of Medical Representatives in the pharmaceutical industry. Monetary incentives were identified as the most preferred reward system among respondents. Incentive programs encourage employees to achieve higher sales targets and strengthen professional relationships with healthcare professionals. However, the study also highlights moderate concerns related to work pressure and work-life balance associated with aggressive target-based incentive systems. (Peterson, 2015)

V.CONCLUSION

The objective of the present study is to examine the impact of sales incentives on the motivation, productivity, and professional behavior of Medical Representatives in the pharmaceutical industry. Medical Representatives have a significant role to play in the marketing of pharmaceutical products. They are considered to be the primary interface between pharmaceutical companies and doctors. Hence, it

becomes important to examine the impact of incentive programs on their performance.

The findings of the study revealed that sales incentives have a significant positive impact on the motivation and performance of Medical Representatives. The majority of the respondents agreed that incentive programs have a positive impact on their enthusiasm to achieve sales targets and their overall performance. Incentives also lead to higher levels of job satisfaction and encourage employees to develop stronger relationships with doctors and other healthcare professionals.

The results also revealed that monetary incentives are the most popular form of incentive among Medical Representatives. Financial rewards have a significant impact on motivating employees to achieve higher productivity. Incentives also encourage employees to develop stronger relationships with doctors and other healthcare professionals. Other forms of non-monetary incentives also have a positive impact on motivating employees, but to a relatively lower extent.

However, there are also certain challenges identified in relation to target-based incentive systems by this study. There are moderate levels of work pressure and imbalance between work and life, which are attributed to competitive incentive systems. It is evident from this study that though incentives act as motivational factors, excessive use of aggressive target-based incentive systems might lead to psychological stress among employees.

Thus, this study concludes that an effective incentive system is crucial in enhancing the performance and productivity of Medical Representatives. It is advisable for pharmaceutical companies to design an effective incentive system, considering both monetary and ethical marketing practices, to improve the performance of their employees, namely Medical Representatives. This, in turn, is likely to help them succeed in the pharmaceutical market.

VI.LIMITATIONS OF THE STUDY

Though this study is very useful in understanding the impact of sales incentives on the performance of Medical Representatives, there are certain limitations to this study.

First, In this research, data was collected from 335 Medical Representatives, and it is limited to this sample population of respondents.

Second, the research is based on self-reported data, and it is possible that the respondents gave their answers based on their own perceptions or experiences.

Third, this research is based on a limited perspective, focusing on the relation between sales incentives, motivation, and performance, while ignoring other factors that might affect employee productivity, such as culture, management style, and market rivalry.

Finally, this research is based on a general scenario of the impact of incentive systems in general pharmaceutical sales environments, while ignoring differences in incentive policies in various pharmaceutical companies, which might affect the outcome of this research and, therefore, its generalization.

VII.FUTURE SCOPE OF THE STUDY

The current research provides a variety of opportunities for further research in the field of pharmaceutical sales management and employee motivation.

Future research might include a larger and more diverse sample of data from various regions and pharmaceutical companies, and might compare the incentive policies of domestic and international companies to better comprehend differences in sales management styles.

Future research might also investigate other factors affecting the performance of a Medical Representative, such as training programs, digital marketing, leadership style, and culture, which might offer a better understanding of ways to improve employee productivity and motivation.

Researchers may also investigate the long-term effects of incentive programs on the level of satisfaction and retention of employees and ethical marketing behavior. As the use of digital technologies is increasing in the field of pharmaceutical marketing, future research may focus on the effects of the use of digital technologies in the process of selling and incentive systems for the performance of the company.

This research may help pharmaceutical companies to improve the effectiveness of incentive systems that not only contribute to the performance of the company but also to ethical marketing behavior.

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