

Enhancing Sales Performance Through Emotional Intelligence Development



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Front line sales managers and sales representatives were put through a learning and development programme on emotional intelligence designed to enhance their sales performance. The emotional intelligence and sales revenue of participants was measured before and after the programme and compared to that of a Control Group who were only assessed before and after the programme (i.e., given no development). The emotional intelligence of the participants was found to improve by a mean of 18% while the Control Group decreased by 4%. In addition, the total sales revenue of the participants was found to increase by an average of 12% in comparison with the Control Group. While several studies have reported positive relationships between emotional intelligence and sales performance, this study is one of the first in the world to report improvements in sales revenue resulting from emotional intelligence development. The methodology of the programme is outlined and the way in which it could be adapted to improve other human capital variables, such as leadership and employee engagement, are discussed.

Keywords: Emotional intelligence, sales performance, learning and development

Introduction

Sales professionals who achieve mediocre performance typically suffer from poor interpersonal skills. Most of us at one stage or another have experienced

the sales person who: Does not listen or communicate effectively. Focuses on the sales process rather than the client responses. Focuses on the merits of the product rather than listening to and addressing clients' concerns.

Does not pick-up on the way their sales behaviour and approach is being perceived by clients.

These characteristics and behaviours, and others like them, often result from poorly developed interpersonal skills and are common amongst sales staff. A large number of sales development programmes focus on improving sales professionals' interpersonal skills.

In recent times, the concept of emotional intelligence (EI) has become popular as a medium to develop sales professionals' interpersonal skills and performance. This

rise in popularity can be attributed to a number of factors not least of which include a growing body of research studies on the relationship between emotional intelligence and sales performance. For example, the Consortium for Research on Emotional Intelligence (www.eiconsortium.org) reports that: Partners (in a multi-national consulting firm) with high EI produced \$1.2 million more profit from their accounts than their less emotionally intelligent peers.

At L'Oreal selecting a cohort of sales professionals on the basis of high EI led to a net revenue increase of \$2,559,360.00. New sales professionals at Metlife high in EI sold 37% more life insurance in their first two years than their less emotionally intelligent peers.

This and other research of its type has led leading authors in the area to postulate that EI may be a strong determinant of sales performance (Goleman, 1995). Indeed EI may be a better predictor of sales success than how much experience people have in sales; how bright sales people are (IQ); the behavioural preferences and styles they have (personality); and other popular measures

used in the recruitment of sales people such as the SPQ Gold, a measure of sales call reluctance (Bernstein, Dudley & Goodson, 2001). Despite this notion, few studies have examined whether EI can be developed and whether the development of sales professionals' EI results in enhanced sales performance.

We set out to answer these two questions with a large pharmaceutical company, namely, Sanofi-Aventis. To ensure the programme got a fair trial we took a best practice approach to implementation that included:

Using pre-and-post programme assessments (of EI, sales revenue and sales performance indicators).

Selecting a large cohort of sales people to participate who were similar only in terms of their pre-programme sales performance and experience.

Ensuring key executive buy-in, support and involvement in the programme.

Linking the initiative to corporate strategy.

Removing any competing learning initiatives.

Properly branding the initiative with appropriate logos and brand materials including note pads, drink bottles, pens and stress balls.

Sourcing external expertise to assist in the design and delivery of the programme.

Following an extensive vendor selection process the company selected Genos as their partners in the project. Genos were chosen to assist in the design and delivery of the programme over other vendors for three salient reasons:

1. The Genos model and measure of EI best aligned with purpose of the initiative.
2. Genos was able to provide examples of where they had designed and delivered similar programmes and the return on investment achieved.
3. Genos proposed a programme that involved a blend of their expertise in the assessment and development of EI with the company's expertise in pharmaceutical sales.

The emotional intelligence development programme

The programme was collaboratively implemented with Sanofi-Aventis's Learning and Development team, drawing on their expertise in learning mediums and approaches that were known to work well with company staff. Two versions of the programme were designed: 1) a Sales Manager Version; and 2) a Representative Version. Twenty Sales Managers each had two Sales Representatives from their team participate in the Representative Version (for a total of 40 Sales Representatives). Both programmes comprised a series of workshops, one-on-one and small group coaching sessions.

In the Manager Version, Genos coached Sales Managers on how to develop their own emotional intelligence. Sales Managers were presented with theory on emotional intelligence and behavioural rehearsal activities

to practice. In these sessions Sales Managers were also coached on how the theory and activities could be utilised to improve sales performance with their Sales Representatives in the Representative programme.

Coaching Sales Managers on how to develop emotionally intelligent sales skills in their Sales Representatives was a core component of the programme. This component was designed to ensure accountability for, and sustainability of, the learning and development programme.

In the Representative Version, Genos also coached Sales Representatives on how to develop their own emotional intelligence. In addition, their Sales Manager helped them construct and practice the implementation of emotionally intelligent selling techniques (as conceptualised by their Sales Manager in the Manager sessions). Both programmes were conducted over a period of six months with the flow and content of both programmes following the seven skills of the Genos model as diagrammed in Figure 1. The Genos model of emotional intelligence comprises a set of seven skills that define how effectively people perceive, understand, reason with and manage both their own and others' emotions. This is shown in Figure 1. These seven skills of emotional intelligence were identified from a large factor analytic study of other models and measures of emotional intelligence and represent a taxonomy of the construct (Palmer, Gignac, Ekermans & Stough, in Press). Drawing from Salovey and Mayer's (1990) original conceptualisation of emotional intelligence, the model also shows that in the workplace, as with other areas of life, moods, feelings and emotions influence people's decisions, behaviour, and performance. The Genos model purports that the skills of emotional intelligence help individuals deal effectively with their own and others' emotions and can be used to enhance decisions, behaviour and performance at work. According to this model the Managers programme involved (in order), the following activities:



Figure 1

1. Time 1: 360-degree Genos Emotional Intelligence Assessment of their emotional intelligence; Managers self-assessed and were also rated by their manager, several peers and all of their direct reports. These results were used to benchmark Sales Manager's EI at the start of the programme.
2. One-on-one feedback regarding their assessment results. Action plans were developed using these results.
3. A one-day programme launch (large group workshop).
4. Small group coaching sessions (5 x 2 hours conducted 2-3 weeks apart) covering the development of:
 - a) Emotional self-awareness—the skill of perceiving and understanding one's own emotions.
 - b) Emotional expression—the skill of effectively expressing how you feel.
 - c) Emotional awareness of others—the skill of perceiving and understanding the emotions of others'.
 - d) Emotional reasoning—the skill of utilising emotional information from one's self and others in decision-making.
 - e) Emotional Management and Control (self & others) —the skill of effectively managing and controlling one's own emotions and positively influencing the emotions of others.
5. Time 2: Re-assessment of their emotional intelligence using the Genos 360 Emotional Intelligence Assessment and the same raters as Time 1.
6. One-on-one feedback regarding their Time 2 assessment results. Action plans for sustaining developments and self-coaching were developed in this session.
7. One-day debrief workshop (large group workshop).

The Representatives programme was similar to this approach. It involved:

1. Time 1: 360-degree Genos Emotional Intelligence Assessment of their emotional intelligence; Sales Representatives self-assessed and were also rated by their managers and several peers. These results were used to benchmark Sales Representative's emotional intelligence at the start of the programme.
2. One-on-one feedback regarding their assessment results. Action plans were developed using these results.
3. A one-day programme launch (large group workshop) facilitated by Genos.

4. Emotionally intelligent sales coaching sessions with their Sales Managers (five sessions conducted 2-3 weeks apart) covering the same five skills as in the Manager programme but with a selling focus that included:
 - a) How to be emotionally self-aware in the sales environment.
 - b) How to effectively express yourself with clients to build rapport and trust.
 - c) How to effectively gauge your clients reactions using the skill of emotional awareness of others.
 - d) How to use emotional reasoning to make effective sales decisions and problem solve with clients.
 - e) How to use emotional management to manage your own emotions and positively influence the emotions of clients.
5. Time 2 (or re-assessment) of their emotional intelligence using the Genos 360 Emotional Intelligence Assessment and the same raters as Time 1.
6. One-on-one feedback regarding their Time 2 assessment results. Action plans for sustaining developments and self-coaching were developed in this session.

Results—Correlations

First we examined the relationship between emotional intelligence and Sales Representatives performance. The company measured the performance of Sales Representatives according to five variables:

1. Performance to budget, i.e., the actual amount of product sold measured in dollars per month.
2. Days on Territory, i.e., the number days per month spent on sales calls.
3. Long Call Average, i.e., the number of long sales calls made per month.
4. Short Call Average, i.e., the number of short sales calls made per month.
5. Call Rate Average, i.e., the average quality of sales calls, self-rated by the Sales Representatives.

Table 1 below, shows the relationships between Sales Representatives Total Emotional Intelligence, that is, the average emotional intelligence score across all seven skills as rated by others (manager and peer ratings) and these performance variables.

Total EI Performance

to Budget Total EI1	Days on Territory	Long Call Average	Short Call Average	Call Rate Average
Performance to Budget.43*1				
Days on Territory.05.32*				
Long Call Average.22.55*	1			
Short Call Average.08.27	.72**	1		
Call Rate.28.21	.78**	.86**	1	
	-.04	.65**	.65**	1

* = significant at the $p < .05$; ** = significant at the $p < .001$

Table 1: Emotional intelligence and sales performance

As shown in Table 1 Sales Representatives' total emotional intelligence as rated by others, was positively correlated with their Performance to Budget results ($r = .43, p < .05$). Consistent with previous research, this finding suggests sales people high in emotional intelligence are likely to achieve greater sales revenue than their less emotionally intelligent peers. Interestingly, emotional intelligence was not found to correlate with any other performance variable used to determine Sales Representatives performance. Furthermore, the only other sales performance variable found to correlate more strongly than emotional intelligence with sales revenue (performance to budget results), was Long Call Average. In other words, emotional intelligence was found to be a stronger determinant of Sales Representatives sales revenue than other measures of sales performance.

The relationship between emotional intelligence and sales revenue found in the current study is greater than that typically observed between IQ and sales performance (e.g., $r = .04$, Vinchur, Schippmann, Switzer & Roth, 1998); personality and sales performance (e.g., $r = .41$, with Achievement a component of Conscientiousness Vinchur et al.); and other popular measures used in the recruitment of sales representatives such as the SPQ Gold ($r = .15$, Bernstein et al., 2001). However, this finding requires replication in other studies before this notion can be more definitely claimed. Yet, it does lend weight to the assertion that emotional intelligence may be a better predictor of

sales success than how much experience people have in sales; how bright sales people are; the behavioural preferences and styles they have; and their tendency to be reluctant in making sales calls.

Results—Emotional Intelligence Development

To evaluate the efficacy of the learning and development programme (in terms of whether it improves individuals' emotional intelligence), pre- and post-programme 360 Assessment results were compared. Sales Representatives' results on the Genos Emotional Intelligence 360 Assessment Scale were compared to those from a 'Control Group' of Sales Representatives who undertook assessment only. The Control Group comprised 30 Sales Representatives matched to the participant group in terms of their sales performance and experience. Chart 1 below, presents the results for the participants in the Development Group and the Control Group respectively (average of ratings from others shown). Also presented is the industry benchmark and percentage of change in emotional intelligence assessment result assessments were completed in March 2006, three months after the completion of the programme. Percentile scores range from 1 to 99, with a population mean of 50.

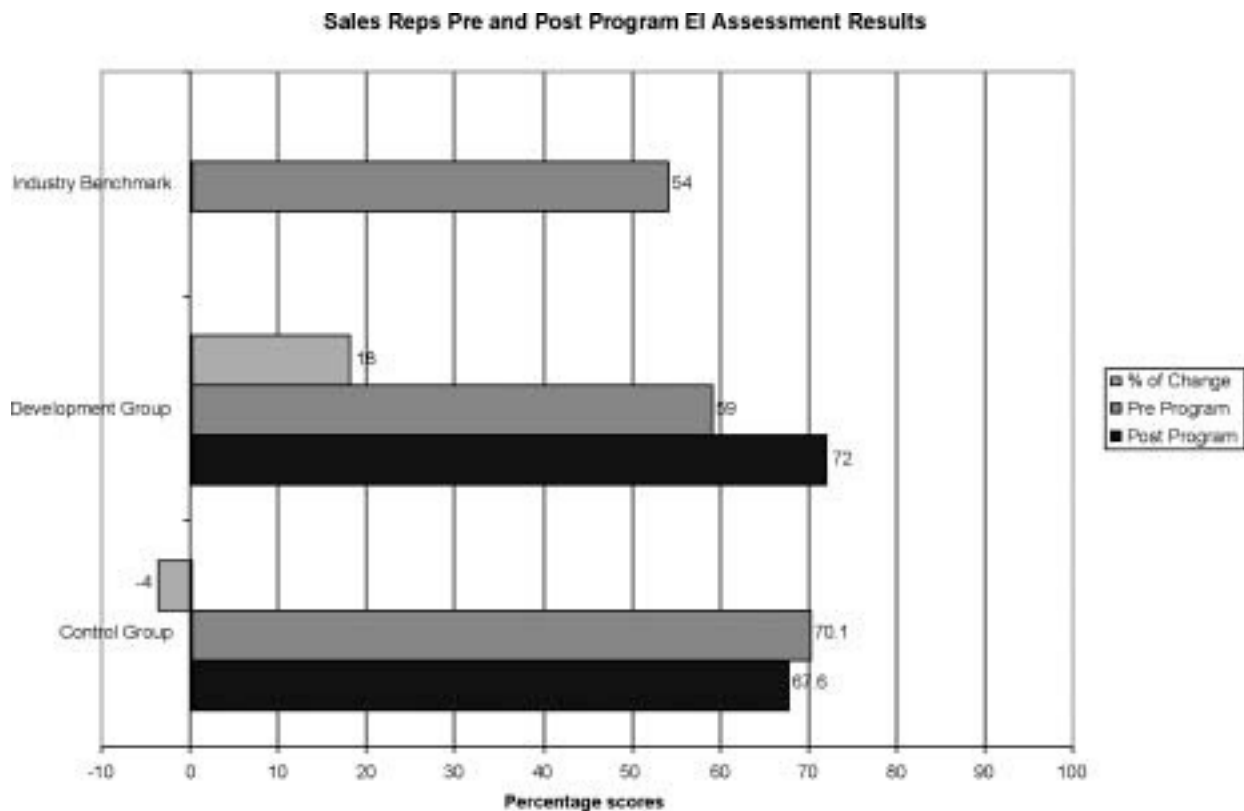


Chart 1: Pre and Post Program Emotional Intelligence 360 Assessment Results

Both the Development and Control groups were found to have higher mean levels of emotional intelligence than that found in the industry (i.e., Australian sales professionals' benchmark). The mean emotional intelligence of the Sales Representatives in the Development Group was found to improve by 18% as a result of the intervention programme. In contrast, the mean emotional intelligence of the Sales Representatives in the Control Group was found to decrease by 4% over the seven-month period of the programme. It can be confidently concluded that the emotional intelligence of sales professionals can be improved through the emotional intelligence training and development programme.

Chart 2 below, presents the pre- and post-programme 360 degree emotional intelligence assessment scores for the Sales Managers who participated in the development programme. Also shown is the industry benchmark and percentage of change in emotional intelligence assessment results.

As shown in Chart 2, the pre-programme mean emotional intelligence of Sales Managers who participated in the development programme was found to be above the industry benchmark. Sales Managers' emotional intelligence was found to improve as a result of the development intervention, however, not to the same degree as the Sales Representatives. Sales Managers' emotional intelligence was high at the outset of the programme and higher than that of Sales Representatives. This finding is consistent with previous research showing that EI is a key underlying

determinant of success and typically high in individuals that make it to management positions (Palmer, Gardner & Stough, 2003).

Results—Enhanced sales performance

To evaluate whether improved emotional intelligence results in enhanced sales performance, the average performance to budget sales figures of the Development and Control groups were compared. At the outset of the programme the sales performance of these two groups was approximately equal. The Control Group participants were chosen to match the Development Group in terms of their pre-programme performance to budget results and experience with the company. Chart 3 below shows a performance to budget comparison of the Development and Control Groups post the commencement of the programme.

As shown in Chart 3, the Development Group was found to be out performing the Control Group on average by approximately 12%. Following the November results major restructures of Sales Representatives occurred within the business and most participants changed territories, products and managers. As a result further comparisons were not possible. The finding would have been more conclusive if the trend in enhanced sales revenue continued for a greater period of time (e.g., during December and the fourth quarter of the financial year). The increase in sales

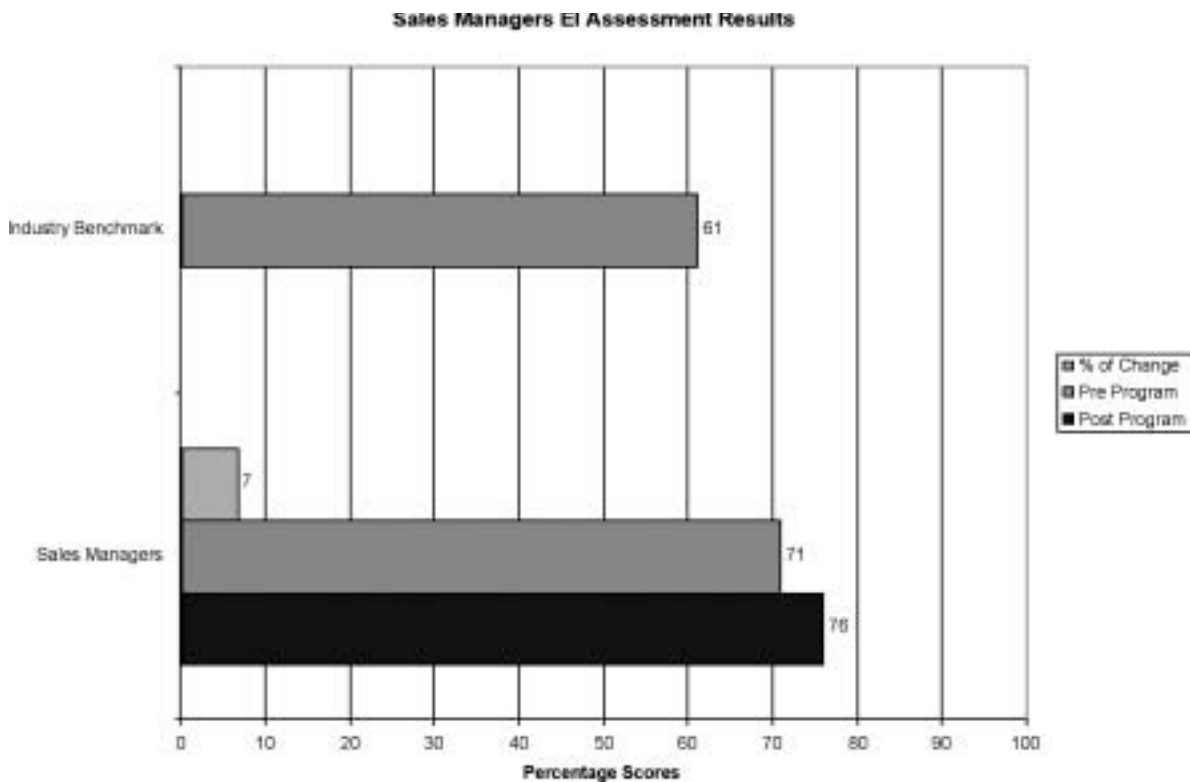


Chart 2: EI assessment scores for the Sales Managers

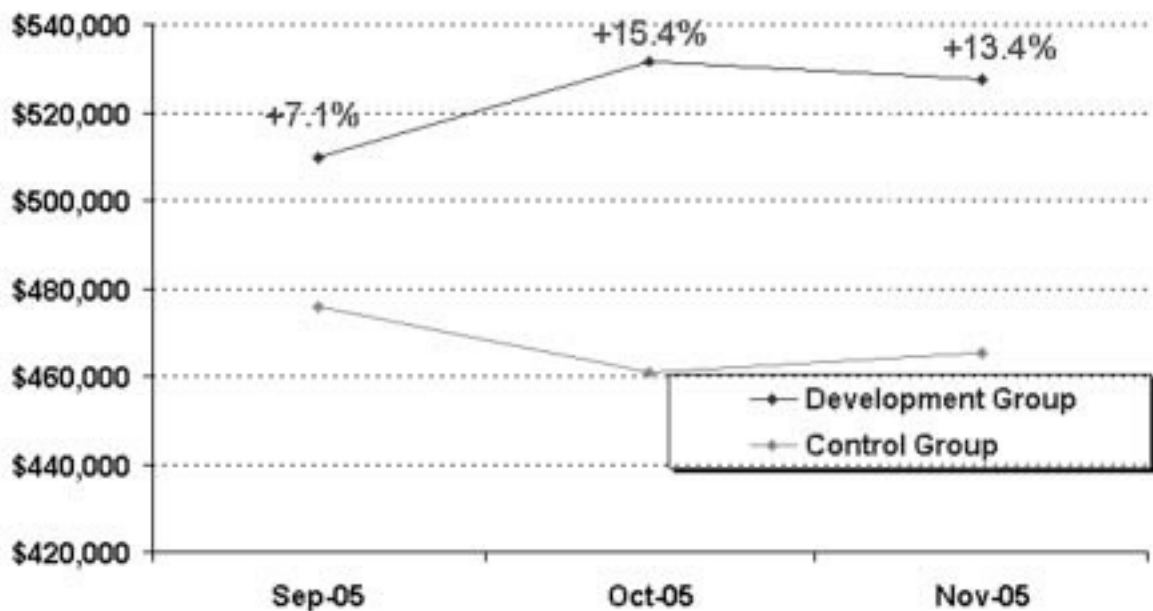


Chart 3: Performance to Budget Results Comparison

revenue meant that the programme returned approximately five dollars for every dollar invested in the programme within a six-month period. Furthermore, qualitative analyses of the programme made by the Development Group suggested that the programme was beneficial in improving: 1) Sales Managers leadership capability; 2) relationships between Sales Managers and Sales Representatives, and 3) and participants job satisfaction.

Results—Summary

This programme is one of the first in the world to show that improvements in emotional intelligence can lead to increased sales revenue. In summary, the study found that:

Emotional intelligence was significantly correlated with Sales Representatives sales revenue ($r = .43$, $p < .05$) explaining more than 18% of the variance in this objective measure of sales performance.

Mean levels of emotional intelligence were found to improve by 18% in the Development Group as a result of intervention and decrease in the Control Group by 4%.

The development programme was of significant benefit to those who participated in terms of performance and job satisfaction.

Conclusion

This study makes a significant contribution to our knowledge about the construct of emotional intelligence and its utility as a learning and development medium. A number of academic research studies have found emotional intelligence to be positively correlated with sales performance.

However, to-date there are no known studies or learning and development initiatives that conclusively show whether sales performance can be improved through emotional intelligence development.

There are a number of unique attributes regarding the design of the learning and development methodology that we feel led to the success of the programme and could be utilised to improve other human capital variables. Firstly, the programme utilised pre- and post-programme assessments of both the development medium (i.e., emotional intelligence) and the desired outcome (i.e., enhanced sales performance) to determine the return on investment. The use of assessment results like these provide:

Participants with insight into their pre- and post-programme level of skill and the amount of change achieved as a result of their efforts.

Accountability and responsibility on the part of participants and facilitators to achieve enhanced assessment results.

Facilitators and coaches with insight into individual's strengths and weakness allowing them to focus more time and attention on specific areas of need.

Insight into the relationship between the development medium and the outcome helping participants understand the intrinsic value of focusing time and effort in the programme.

We recommend the use of pre- and post-programme assessment results in learning and development programmes for these aforementioned reasons. The use of a Control Group also allowed us to more directly measure the impact the learning and development programme had on the desired outcome. Using a Control Group provided more conclusive evidence that the enhanced sales results were not simply a result of market influences.

A second factor that greatly contributed to the success of this programme was the use of Sales Managers in the development of Sales Representatives sales performance. We feel this component contributed to the success of the programme because:

It helped hold the Sales Managers accountable for their own development (i.e., “having to walk the talk” of what they were coaching their Sales Representatives on).

Sales Managers constructed meaningful and applicable development activities for their Sales Representatives. This so-called “blend of expertise” may be one of the factors that contributed not only to enhanced sales but indeed greater development in mean levels of EI amongst the Sales Representatives.

It contributed to enhanced working relationships between Sales Managers and Sales Representatives.

It provided Sales Managers with tools and techniques they could apply in the continued professional development of their Sales Representatives (e.g., presentation skills).

There is an old-age-adage that nothing teaches you something like having to teach it to others and we drew upon this knowledge in the design of our programme. The use of internal and external expertise could be similarly used in the development of other human capital variables such as leadership, customer service, and teamwork. Although not tested we also feel this approach may contribute to the sustainability of the development.

This research study requires replication with larger sample sizes and sales professionals from different industries, before it can be concluded that emotional intelligence development can contribute to improvement in sales revenue. We used an assessment of emotional intelligence that measures how often individuals display emotionally intelligent workplace behaviour rather than emotional intelligence as such. Although we showed improvements in emotional intelligence scores, that is, participants in our study more frequently demonstrated emotionally intelligent workplace behaviour, the question remains as to whether we developed our participants’ actual emotional intelligence. A multi-trait-multi-method study comprising different types of emotional intelligence measures (e.g., such as the MSCEIT, Mayer, Salovey & Caruso, 2000), would help answer this more academic and intriguing question.

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BIOGRAPHICAL NOTE

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