



Fear and Productivity Among Professional Salespeople

Herb Kessner, Ph.D.

A Research Study With Implications for Sales Management and Revenue

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Importance of the Study, or Why Read This?

Individual salespeople react to fear and anxiety differently and fall into two distinct categories. There are important sales leadership implications in the findings; implications that can change the way leaders review, manage and motivate the sales force. The study shows how to assess and use this information to help increase productivity and revenue directly, and to decrease unwanted turnover and excessive training costs in the sales force.

ABSTRACT

Sales is the Tip of The Spear

Our financial markets are stabilizing and business in general is staging a comeback from the recent sharp downturn. But this is not happening uniformly. While some companies are well underway with new strategies and technology, many firms are still catching up.

Leaders are wondering how best to differentiate themselves and their firms to gain market share and profitability in the recovery. Among all this change, there is a critical window of opportunity, and concurrent demand on leadership, to build the organization's capabilities and effectiveness without massive amounts of investment.

The front line in generating revenue is the sales force, whether an entrepreneurial operation selling a unique product line or a Fortune 500 company like GE selling high-ticket turbines business to business. While the current conditions are more volatile than the norm, the effectiveness of the sales team and its productivity is still key to revenue this quarter, and viability in the long run.

Corporations that truly understand the motivations and the psychology of their sales force, with leaders that can link their sales management efforts to that motivation will succeed.

Why This Study? A First-Person Account

There have been countless studies of sales effectiveness over the years. We thought we understood all we needed to know. I thought so too, when I undertook this study, and I was proven, happily, wrong. I wanted to find out, scientifically, how anxiety and fear affected the day-to-day sales calls and production of the professional sales force. I chose to study the effects of fear and anxiety because I had experienced these effects, and the ways I and my colleagues coped, first-hand in my sales career prior to earning my doctorate and becoming a consultant.

I had been a mainframe salesman for IBM on Wall Street, a regional sales manager for NEC in San Jose and a corporate bond salesman for DLJ and Lehman in San Francisco. I have since consulted with other firms that were creating new sales divisions, struggling to break through stubborn revenue ceilings and get sales productivity up.

The Sales Leader's Dilemma

It is a given that a sales team's productivity metrics fit a bell shape curve. Some are outstanding, some not so good and many falling the middle. The job of the sales leader is to somehow skew this curve to the right and keep it skewed. Many implement a revolving door policy with low performers exiting and new salespeople being hired and trained continuously. The 2006 expenditure for sales training in the United States alone is estimated at \$4-6 Billion. It has increased since.

The spectrum of sales success varies from individual to individual, ranging from marginally successful to highly successful, despite the billions of dollars spent on sales training by corporations.

No other discipline received more attention from companies in 2006, with 20 percent to 30 percent of all training dollars earmarked for sales jobs, according to research firm Bersin & Associates. That represents spending of \$4 billion to \$6 billion.

Productivity of the typical sales team is adversely affected by the learning curve and client relationship-building lag time of its new members, plus the variation in productivity across the more seasoned team.

It is hoped that the insights gained by this study may serve to help sales leaders and sales staff resolve the “sales production ceiling” and productivity shortfall dilemma.

THE STUDY

Operational Basis

It is the intent of the author to explore ways in which psychological methodology may positively impact the field of business and revenue generation, via a specific, actionable application to the professional sales function.

Standard, widely used business textbooks and training methodology, even the most forward-looking remain focused primarily, or solely on skills training and appear to ignore the “internal” factors that are critical to, and leverage the sales effort. Focus on skills is necessary and not sufficient.

The gap between skills knowledge and ongoing productivity can be attributed to varying degrees and types of “call reluctance”, originating in the experience of fear and anxiety among sales professionals. Professionals handle this experience in different ways and with differing degrees of success.

The hypothesis of the study states:

- (a) Fear can be measured
- (b) Fear can be separated into individual types, or scales
- (c) Fear is related to productivity

In contrast to a “normal” corporate position, there is an experience of entrepreneurship that predominates in the sales structure and process and thereby attracts those who want a level of support but want the feeling of running their own business. The entrepreneurship has come, however, with relatively little structure compared with other corporate jobs, and the salesperson must create and maintain a large portion of the requisite motivation from “within”.

This study focuses on understanding the internal psychology of sales professionals and its effects on behavior.

The Test Instrument-Summary

The participants were sales team members of large corporations per agreement with their sales managers. The identities of these participants remain anonymous to

the author, and individual data was not shown to the managers. The instrument was developed and subjected to rigorous factor analysis and validity testing.

The demographics of the sample showed a relatively high-achieving “seasoned” sales profile based on calls completed and ongoing percentage of quota attained.

Part One: Self-Reported Fear

This part consisted of 60 items designed to measure **self-reported fear** and anxiety among professional outside salespeople. The subscales are listed below. Even the most highly productive subjects scored with some degree of agreement in each of these subscales. With the possible exception of physical symptoms, these are internal experiences of the subjects and may or may not be observable in behavior.

- Hopelessness
- Helplessness
- Feeling Overwhelmed
- “I can’t”
- Self-Labeling
- Undervaluing rewards
- Perfectionism
- Fear of failure
- Evaluating the outcome
- Fear of success
- Fear of disapproval
- Coercion & resentment
- Low frustration tolerance
- Guilt & self-blame
- Physical symptoms & stress

Part Two: Sales Productivity

This part of the instrument, consisting of four questions within each of a number of items, was designed to yield data on the subjects’ **sales productivity**, including:

- Percentage of calls completed
- Proposals closed
- Quota attainment
- Competitive wins
- Income levels
- Time in the sales function
- Degree of satisfaction with their job

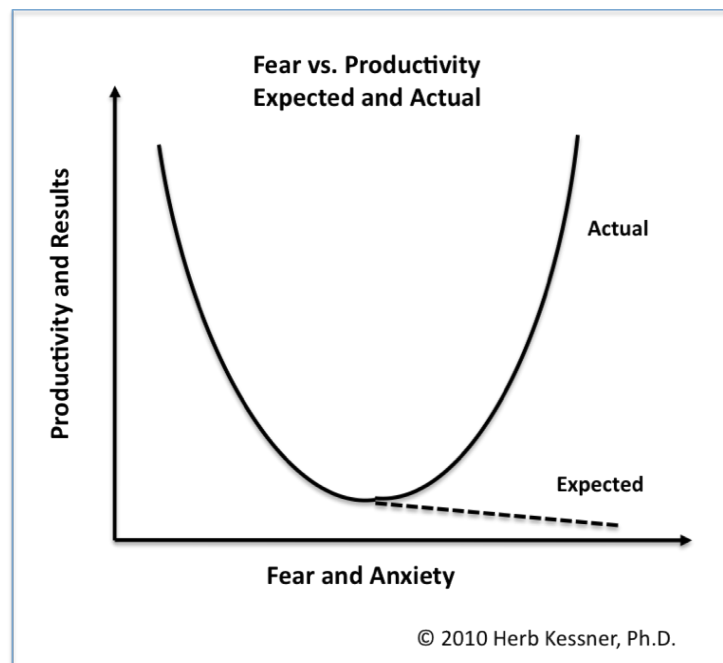
FINDINGS AND IMPLICATIONS

Expectations

It was expected prior to testing that the findings would follow a generally declining curve, with some measure of pressure being good for performance, and then declining as anxiety scores became much higher and counterproductive in the long term.

Results

The working assumption was proven wrong, however, with the actual results defining the curve below. Those with low levels of fear did correlate with high productivity as expected, but salespeople with very high fear and anxiety levels also scored much higher in productivity. There was a clear split-range of scores for high performers.



The Three Zones: Implications for Sales Leaders and Follow Up

There were three general zones of scores, two showing high productivity and one showing medium scores on both scales. These zones may point the way to more effective management approaches and behavioral sales training based on the individual's internal experience and position in a given zone.

Zone 1: Low Fear, High Productivity

Individuals with scores plotted in Zone 1 fell on the expected curve, where productivity declined as anxiety increased. Management may get best results by increasing the support and comfort levels of these performers, in effect moving them to the left.

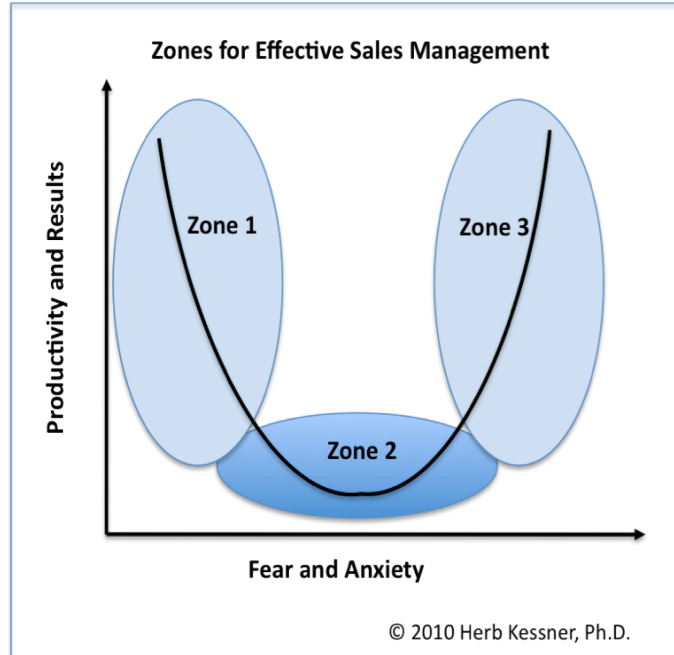
Zone 2: Medium Fear, Medium Productivity

Those with scores plotted in Zone 2 were good every day performers. Managers may choose to assess which edge of the Zone the individual is on and nudge them toward Zone 1 or 2 and engage them in an ongoing dialog.

Zone 3: High Fear, High Productivity

Other star performers fall into Zone 3. They can take on complex projects and challenging clients that would cause others to hesitate. A word of caution; since this is not designed as a longitudinal study wherein subjects are retested through time, no data is available regarding these individuals' ability to successfully maintain high levels of stress in the long-term.

In all three Zones, communication and support is key since all subjects reported some levels of stress.



CONCLUSIONS AND RECOMMENDATIONS

Hope of the Author

Although it is not the intent to generalize beyond the immediate sample and similar subjects, it is the hope of the author that this study has:

- (a) Increased the level and focus of understanding of the “internal” experiences and differences in behavioral effectiveness in professional salespeople. The split-score results obtained in the study are intriguing and further research into the area is indicated.
- (b) Provided a theoretical and practical basis for further investigation into the relationship between cognitive indicators of fear and productivity.
- (c) Provided a basis for more effective support, leadership and training methodology for professional sales teams.
- (d) Offered a link to follow-up action planning and execution.

Recommendations for Action

The split scores, and the implications that two diverse psychological profiles contribute to high productivity may suggest some changes in the training methodologies currently employed by sales organizations as well as outside training and consulting groups.

These changes may take the form of formal testing and assessment or simply in-depth personal assessment by the sales leader in order to ascertain individual Zone placement and to develop approaches that take these profiles into account.

New methodology and approaches may take place on the individual, organizational and leadership levels. Progress and goal metrics can be identified and established for behavioral effectiveness.

This interpersonal and Zone-based approach, coupled with classical sales skills development can leverage the success and revenue-generating capacity of the sales force.

ABOUT THE AUTHOR



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Herb is a Senior Consultant in Organizational Effectiveness and M&A based in the San Francisco Bay Area and CEO of Value Staging LLC, specialists in organizational change, leadership development and mergers and acquisitions. Herb also works with private equity portfolios and companies to increase their valuation for sale, growth, capital acquisition and IPO. He worked for General Electric and their Fortune 500 customers in the U.S., Europe, and Latin America, where Herb was certified to implement G.E. ‘@WorkOut’ and CAP (Change Acceleration Process) for Six Sigma. He has developed and implemented change management, organizational effectiveness, leadership and sales training, consulted in due diligence and merger integration, and facilitated the development of key marketing and sales strategies for a global list of clients and business leaders. He is currently working on Personal Power and Innovation.

Herb’s previous positions include senior consultant with the national Merger & Acquisition practice at Mercer Consulting, senior change management consultant and organizational psychologist with Drake Beam Morin (DBM), mainframe marketing representative with IBM in New York, and with DLJ, and Lehman Brothers in capital markets and institutional corporate bonds on Wall Street. He served as an adjunct Professor of Organizational Assessment, Leadership and Change Management at the University of San Francisco and the Dominican University of California.

Herb holds a BS degree in Electrical Engineering from New Jersey Institute of Technology, a Master’s degree in Industrial and Management Engineering from Columbia University, as well as a Master’s degree in Counseling Psychology from San Francisco State University, and a PhD in Psychology from Northern California Graduate University. He has shared his knowledge and experience of organizational effectiveness via numerous speaking engagements and published articles. He works with both people and process.

Herb is a Charter Member of the International Positive Psychology Association and an active member of the Association for Corporate Growth and the DaVinci Institute

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CONTACT US

Contact the author for additional information concerning the study, its implications, its application in setting sales strategy and for help in training and motivating the sales force and structuring a more effective sales and business process.

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