

Emotional Intelligence: The Impact on Sales Performance



Full Research Report
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1 Research Purpose and Aim

The aim of this study was to attempt to empirically demonstrate a positive relationship between emotional intelligence (EI) and sales performance, as well as attempt to identify a specific competency framework for sales skill development. The underlying hypotheses are that EI is significantly positively correlated with sales performance, and specific EI competencies can be used to improve specific sales functions.

2 Research Methodology

2.1 Participants

Participants were sourced from a variety of organisations nationally from a cross-section of industries. (See 3.1)

2.2 Assessment Measures

2.2.1 Emotional Intelligence Assessment

Participants' levels of EI were measured using the Genos Emotional Intelligence Test., developed by researchers at Swinburne University in Melbourne. It is a 64-item self-assessment questionnaire that measures five key emotional competencies specifically related to the workplace as shown in the table below.

Table 1: The Genos EI Competency framework

Competency	Definition
Emotional Recognition and Expression	The ability to identify one's own feelings and emotional states and the ability to express those inner feelings to others
Understanding Others' Emotions	The ability to identify and understand the emotions of others and those that manifest in response to workplace environments, staff meetings, literature, artwork etc.
Emotions Direct Cognition	The extent to which emotions and emotional knowledge are incorporated in decision making and / or problem solving.
Emotional Management	The ability to manage positive and negative emotions both within oneself and others.
Emotional Control	The ability to effectively control strong emotional states experienced at work such as anger, stress, anxiety and frustration.

(Palmer & Stough, 2001).

2.2.2 Sales Performance Assessment

Sales performance was measured by a questionnaire (Sales Performance Inventory (SPI), 15-item survey which utilises a 7-point likert scale to determine sales performance across a variety of factors, including: customer satisfaction; access to customers; lead times to closure; and handling rejection.

2.3 Assessment Procedures

Accepting participants were sent the questionnaires and instructions electronically. Each participant was assessed on levels of EI via a personal EI self-assessment, and on sales performance via the SPI self and manager ratings.

2.4 Data Analysis

Scores for each of the five EI competencies were collated and compared with each performance factor of the SPI using a Pearson correlation analysis to determine potential relationships between any of the factors. Cross comparisons between self and manager ratings of performance were also conducted.

3 Results

3.1 Questionnaire Response Rates

The response rates are as follows:

Table 2: Questionnaire response rates

Total number of questionnaire sets sent	236
Total number of full sets returned on time	100
Total percentage of returned sets	42%

3.2 Participant Demographics

One hundred participants (N=100) consisting of 53 female (53%) and 47 male (47%). Participants were recruited from 12 different companies across the following industries.

Figure 1: Participant industry sector break-up

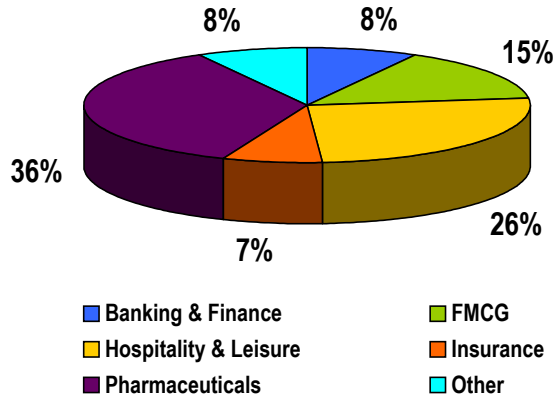


Figure 2: Participant state break-up

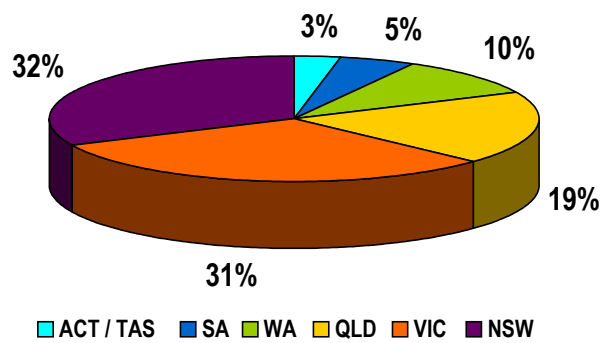
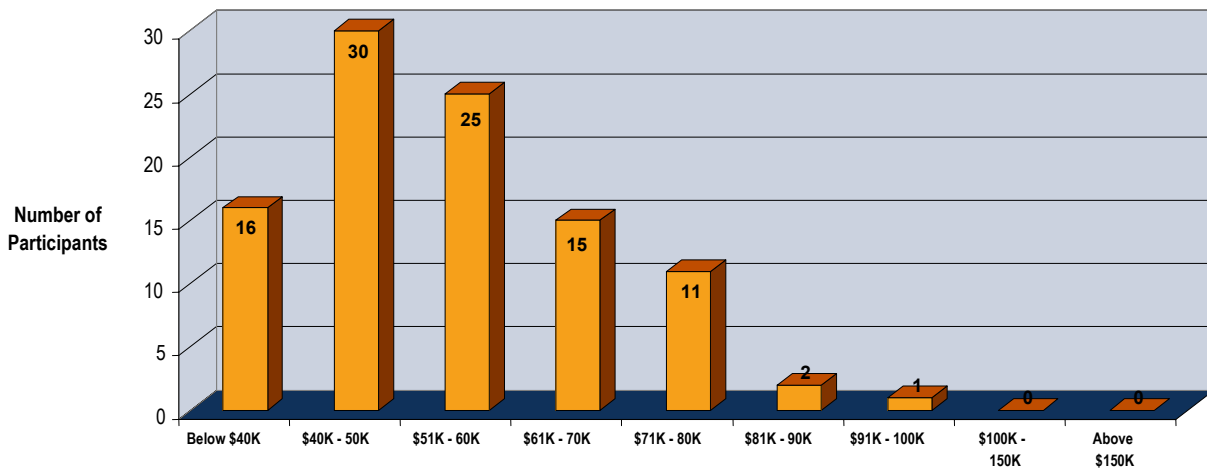


Figure 3: Participant salary distribution chart



3.3 Data Analysis

A Pearson correlation analysis was conducted between the SPI and the EI variables. Totals for each of the 15 SPI questions were compared to total levels of each of the five EI variables which were:

- Emotional Recognition and Expression (ERE);
- Understanding Others' Emotions (UE);
- Emotions Direct Cognitions (EDC);
- Emotional Management (EM); and
- Emotional Control (EC).

Separate correlations were performed between SPI self ratings, and SPI manager ratings.

The following table outlines where the questions from the SPI tool, both from a self rating and manager rating perspective, correlate with each of the 5 EI values.

The asterixed numbers shown in blue, identify where the question being answered in the SPI, by a salesperson or their manager, have a significant relationship to certain area's of EI competency.

For example in Q1 "I am able to establish sustainable relationships with customers" is seen to have a significant link to the EI competency of emotional recognition and expression (ERE).

Similarly Q15 of the SPI has a significant relationship with the EI area's of Emotional Recognition and Expression (ERE), Understanding Others' Emotions (UE) and Emotional Management (EM).

Table 2: Results of Pearson correlation analysis

		ERE	UE	EDC	EM	EC	Total EI	Q & B
Q1	I am able to establish sustainable relationships with customers	.213(*)	.174	-.019	.221(*)	.176	.219(*)	
B1	Manager rating	.151	-.005	-.028	.100	.063	.070	.218(*)
Q2	I am very reliable & responsive to customer needs	.195	.176	.026	.244*	.314*	.262*	
B2	Manager rating	.047	.030	-.119	-.075	-.026	-.034	
Q3	I am generally not able to remain optimistic for long	-.127	-.241*	-.162	-.249*	-.168	-.280*	
B3	Manager rating	-.208*	-.255*	-.108	-.116	-.037	-.230*	
Q4	My conversion rate to sales is low	.019	-.101	-.115	-.062	-.001	-.085	
B4	Manager rating	.049	.013	.012	.048	-.086	.017	
Q5	I am not well organised or efficient in sales activities	.001	-.095	-.080	-.129	-.234*	-.144	
B5	Manager rating	.109	.150	-.013	.187	.036	.145	
Q6	I am able to adapt my sales approach according to my customers personality	.064	.207*	.171	.095	.020	.179	
B6	Manager rating	.013	.124	.0129	-.067	-.057	-.008	
Q7	I am able to generate a large volume of sales from the accounts in my customer portfolio	-.021	.044	.099	.143	.021	.083	
B7	Manager rating	.199*	.213*	.283*	.166	.059	.277**	
Q8	I do not handle rejection well	-.245*	-.299**	.018	-.444**	-.507**	-.407**	
B8	Manager rating	.055	.010	.043	.044	.031	.049	
Q9	I am able to get customers to discuss their needs with me	.098	.127	.082	.145	.131	.167	
B9	Manager rating	.052	.048	-.124	-.036	-.022	-.015	
Q10	It takes me a long time to close a sale with a customer	-.069	-.174	.003	-.022	-.149	-.126	
B10	Manager rating	.048	-.035	.060	-.056	-.119	-.025	
Q11	My customers are generally satisfied with the quality of service I provide	.155	.111	-.029	.179	.168	.162	
B11	Manager rating	.148	.213*	.241*	.127	.079	.245*	
Q12	I am motivated to make an effort on all my sales activities	.094	.120	-.005	.199*	.221*	.172	
B12	Manager rating	.183	.092	-.008	.105	.103	.134	
Q13	I am able to find out which kinds of products or services would be most helpful to customers	.292*	.337**	.088	.283*	.196	.358**	
B13	Manager rating	.166	.151	.135	.040	.009	.144	
Q14	I am able to access high-priority customers	.309**	.293**	.140	.392**	.234*	.395**	
B14	Manager rating	.135	.135	.047	.083	-.007	.126	
Q15	I am able to listen effectively and empathise well with customer requests	.228*	.230*	.112	.208*	.165	.276**	
B15	Manager rating	.165	.249*	.196	.069	.078	.236*	

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

* Correlation is significant at the 0.05 level (2-tailed).

In an attempt to determine whether seniority/ sales experience had an impact on levels of EI, correlations were conducted between the EI variables and employees' sales experience (see Table 3).

Table 3: Results of correlations between EI and seniority variables

	ERE	UE	EDC	EM	EC	Total EI
Number of years with the organisation	-.240(*)	-.282(**)	-.095	-.145	-.057	-.257(**)
Number of years in a sales job	-.171	-.313(**)	-.026	-.038	-.003	-.193
Total pay	.122	-.156	-.072	-.061	-.026	-.041

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

* Correlation is significant at the 0.05 level (2-tailed).

4 Discussion

4.1 Results Summary

The results in Table 2 suggest very strongly that EI does significantly impact sales performance.

This study has confirmed that sales professionals high in emotional intelligence are generally more competent in:

- Establishing and sustaining relationships with their customers;
- Being reliable, responsive, organised and efficient;
- Remaining optimistic, motivated, and resilient to rejection;
- Adapting themselves to customers' personality and the ability to make accurate recommendations to address customers' needs;
- Empathising and responding to customers' reactions;
- Accessing high priority customers; and
- Generating satisfaction from their customers.

Other results suggest that longer serving employees are generally less emotionally expressive and are not as able to read and understand the emotions of others. Furthermore, the results also indicate that there is generally a large discrepancy between managers and employees' perception of sales performance.

4.2 Conclusion

The results of this study not only serve to confirm that EI is an important competency framework in sales development; it provides a specific platform for sales training programs. For instance, a sales team could have a requirement to change their sales approach from a product focus to relationship focus. Knowing that *emotional recognition and expression*, and *understanding others emotions* impact on the ability to establish and sustain relationships, a training program heavily based on these two EI competencies should be applied. Another example is the constant need that sales professionals have in developing skills to handle rejection and maintain optimism. We now know that by improving *emotional management* and *emotional control* we can improve the ability to handle rejection and remain positive.

Developing EI competencies can also be very cost-effective and does not necessarily involve tedious hours of one-to-one coaching. The overall implication to the sales function is that sales training can be more targeted and effective given the direct correlation with EI competencies.