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Advice to New Real Estate Agents: “Be Proactive”

Michael L. Mallin, PhD

Proactive sales behavior allows individuals to intentionally and directly change current circumstances that impact their situations, personally and professionally (Bateman and Crant 1993). These behaviors can be broadly characterized as an active facilitation of meaningful personal or environmental change (e.g., Bateman and Crant 1993; Grant and Ashford 2008) and impact individual job performance and satisfaction (Thomas et al. 2010). Sales professionals demonstrating proactivity deliver value to clients as they affect change based on a clear understanding of client needs.

Sales managers have a vested interest in hiring, developing, and retaining sales professionals who have a propensity to be proactive since research shows proactive behaviors among salespeople as a key factor in generating higher levels of sales performance (Morris et al. 1990; Pitt et al. 2002). However, managers face challenges in finding and retaining proactive sales professionals especially when many of their new hires tend to be younger and inexperienced. In addition, since little is known about the specific drivers of proactivity among younger sales professionals, a manager may not know what personal characteristics to look for. This issue has implications in the business-to-business commercial real estate industry, as brokers would be well served in identifying indicators of proactive real estate agents during the interview and hiring process.

To explore and address this issue, we developed and tested a model of key personal characteristics thought to define an individual as proactive and two sales outcomes of proactive behavior among a sample of younger business-to-business salespeople. We modeled sales outcomes identified in selling performance research that are critical in developing long-term customer relationships (i.e., behavior performance and job involvement).

Individual Characteristics and Proactive Behavior

A dispositional construct, proactive behavior identifies differences among people in the extent to which they take action to influence their environments (Bateman and Crant 1993). In a sales setting, proactivity serves to establish, build, and maintain buyer-seller relationships as such behaviors center on taking action to affect change and solve customer problems. In the domain of professional sales, seminal research investigating the determinants of performance over the past three decades centers on salesperson individual characteristics as an important set of variables impacting performance both indirectly and directly (Churchill et al. 1985). Three particularly important variables are intrinsic motivation, task confidence, and risk aversion.
Intrinsically motivated sales professionals should be more proactive. Intrinsic work motivation is defined as the “motivation to engage in work primarily for its own sake because work itself is interesting, engaging or in some way satisfying” (Amabile et al. 1994, p. 950). The psychology literature reinforces that individuals will behave in a proactive manner when they find their tasks intrinsically interesting and enjoyable. As such, proactivity increases challenge and fulfills an individual’s basic need for competence and autonomy (Parker et al. 2010). In the context of selling commercial real estate, intrinsically motivated sales agents will seek more creative solutions to their customers’ real estate needs because they enjoy the challenge, find it interesting, and feel pride of their sales accomplishments. They view initiative as a proactive way to assess a sales situation and execute behaviors to affect change in the customer’s environment.

Task-confident sales professionals should be more proactive. Task confidence considers peoples’ beliefs in their capability to exercise some measure of control over their performance and environment. Unless people believe they can accomplish their objectives, they have little incentive to act or persevere in the face of difficulties (Bandura 2001). Task confidence has been shown to increase an individual’s persistence and willingness to overcome obstacles – which are determinants of proactive behavior (Bandura 1997; Frese and Fay 2001). In the context of selling commercial real estate, such initiative may be viewed as a means for agents to take proactive measures to assess a situation and execute behaviors to affect change in the customer’s environment.

Sales professionals more willing to take risks should be more proactive. As calculated risk takers, salespeople will engage in proactive behavior to the extent that it supports their goals. For example, a commissioned-based commercial real estate sales agent is at high risk of not bringing home a paycheck if he/she does not make any sales. However, he/she may be willing to take on a certain degree of risk knowing that the upside of commission sales is uncapped earning potential. To realize these benefits, proactivity is necessary for uncovering sales opportunities (e.g., prospecting), taking action to confirm appointments (e.g., cold calling), and proposing solutions to affect change (e.g., closing).

Proactive Behavior and Outcomes

Proactive sales reps should possess a higher sense of job involvement and achieve higher levels of sales performance. Job involvement is a state of psychological identification to which an individual values the work and personal investment in their job (Marshall et al. 2004). Individuals who display high levels of job involvement consider their work to be a very important part of their lives. Research shows that a salesperson’s degree of job involvement is a result of effort and willingness to engage in certain job behaviors, such as: problem-solving, relationship-building, taking action to correct deficiencies, and team-building (Chonko 1986). Proactive behavior aligns with job involvement, suggesting a positive relationship between the two. Proactivity centers on the extent to which people take action to influence their environments by taking action to affect change. For salespeople, proactivity translates into the sales behaviors required to establish, build, and maintain buyer-seller relationships, suggesting a positive relationship between proactivity and sales outcomes.
To test the relationships (in bold type) noted above, we tapped a cross industry sample of 278 newer business-to-business sales reps, where the sample was relatively young (28 years of age, on average) having little over 5 years of selling experience. We included items that measure intrinsic motivation, task confidence, risk aversion, proactivity, sales behavior performance, and sales involvement.

**Proactivity Matters**

Overall, our results confirm that younger sales reps tend to engage in proactive behaviors when they are *intrinsically motivated, confident in the tasks of selling, and willing to take risks.* Proactive behavior, in turn, resulted in high levels of *behavioral performance* and *job involvement.* The model summarizes these relationships.

**Proactive Behavior of Salespeople**

From a commercial real estate viewpoint, this study provides some useful guidelines to help agency managers and broker recruit, hire, develop and retain new proactive sales reps.

**Focus Effort on Recruiting and Hiring Proactively-Oriented Real Estate Agents.** Finding and hiring proactive sales agents is a good thing since proactivity impacts selling performance. Agency managers and brokers might specifically attempt to identify a prospective agent’s proactive behavior characteristics during the interview process. Asking candidates for examples
that demonstrated their proactive nature (e.g., the situation, task, actions, and results) might give a hiring manager good insight as to whether the agent is likely to demonstrate proactive behaviors in the selling role. Questions to reveal the important antecedent characteristics (e.g., motivation – “tell me why you like selling?” confidence – “how would you go about asking directly for the sale,” risk-taking – “describe how you would market a property for your biggest client?”) can give a manager or broker further insight into whether a younger candidate has the internal make-up to demonstrate proactive behaviors.

**Coach and Mentor New Real Estate Agent to be More Proactive.** Developing and fostering the proactive nature of your sales agents can help maximize their job involvement and sales results. Coaching is one of the key areas where managers can accelerate and reinforce these benefits. Newer sales agents typically are in the exploration stage of their careers. A top concern of a new sales person is finding an occupation in which he/she can grow as an individual and professional. Therefore, it is important for a manager to recognize what motivates these new sales representatives. For an intrinsically motivated agent, demonstrating how being proactive may appeal to their sense of affecting change and being a problem-solver can connect the dots between proactive behavior and positive selling outcomes like performance and job involvement. Discussing the difference between calculated risk taking and haphazard risk taking could serve to head off costly mistakes that newer agents are prone to making.

**Retaining Proactive Real Estate Reps.** A key issue in organizations is retaining high performing salespeople. Aside from the high cost of replacing a salesperson (time and expense), the cost is felt via disruptive client relationships, unattended sales territories, and opportunity costs of not pursuing new business. Thus, retaining a high performing proactive salesperson is even more critical. Given that proactive agents tend to be intrinsically motivated, providing these individuals with rewards that appeal to their sense of pride, accomplishment, and job growth is important. Highlighting a new agent’s success or big sale can feed his/her need for achievement or self-actualization. Rewarding an agent’s risk-taking actions (e.g., advertising in a new form a media, creative property pricing or financing, etc.) may also signal an appreciation for proactive behavior.

**Conclusion**

Our research shows that proactive behavior among newer salespersons can have positive sales outcomes. Therefore, it is important for managers to be able identify key characteristics indicative of a proactive selling approach. In the industry of commercial real estate, this is especially beneficial for all stakeholders. For the client, an agent’s proactive selling approach can lead to creative solutions that address complex business problems. For the selling agent and broker/selling organization, proactivity can affect sales performance, job involvement, and potentially longevity in a real estate sales career.
Recommended Reading


References


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Michael Mallin is a Professor at The University of Toledo's Edward H. Schmidt School of Professional Sales. He holds a PhD in Marketing from Kent State University, an MBA from The University of Dayton, and a BS in Computer & Information Sciences from The Ohio State University. He teaches and researches in the area of sales and sales management. His research interests include salesforce leadership, motivation, and performance issues. His research has appeared in the *Journal of Personal Selling & Sales Management, Journal of Selling & Major Account Management, Direct Marketing - An International Journal, Journal of Entrepreneurship Education, American Marketing Association Educators Conference Proceedings*, and the *National Conference for Sales Management Conference Proceedings*. Prior to joining the University of Toledo, his industry experience includes positions as Sales Director for The SBC Corporation, Sales & Marketing Manager, and Account Executive for AT&T Corp.