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Newly Hired Agents Who Fail Should Try, Try Again

Jeffrey Boichuk, PhD, Zachary Hall, PhD, and Michael Ahearne, PhD

Salespeople’s roles are far from failure-proof. In fact, approximately 50% of salespeople fail to reach their annual sales targets (Ahearne et al. 2012). With so much focus on quotas and making the numbers, it’s no surprise that salespeople have a difficult time remaining positive and ethical when times get tough. The result can be a phenomenon called learned helplessness.

What is learned helplessness? It occurs when (1) pessimism results in acts of helplessness and (2) repetitive, seemingly uncontrollable failure leads people to behave helplessly (Abramson, Seligman, and Teasdale 1978). The impact is profound for sales organizations. In particular, helpless salespeople are more likely to quit during their first year of work, exhibit little or no persistence during customer interactions, and engage in unethical sales behaviors.

Our Study

Our research aimed to answer three critical questions that can help sales organizations improve the performance of their new hires. First, when new hires face successive periods of sales performance failure, do their sales behaviors change? Second, if so, what behaviors do these salespeople perform and why is there a shift in behavior? Finally, can managers influence how salespeople perceive failure as well as salespeople’s behaviors?

To answer these questions, we conducted two studies. Study 1 involved salespeople hired by a furniture retailer in the southern United States. This company was ideal for our research because it had recently expanded its salesforce, enabling us to study 537 newly hired salespeople. Additionally, this business-to-consumer (B2C) context and the company’s commission-based incentive structure allows our results to be generalized to the residential real estate industry.

Study 2 involved business participants from Amazon.com’s Mechanical Turk system. Outside the realm of B2C sales (Study 1’s focus), this study investigated a business-to-business (B2B) sales context, allowing for our results to also be generalized to the commercial real estate industry. In total, 635 usable responses were gathered in Study 2. Participants were asked to imagine that they made a decision to join an insurance company’s salesforce on a full-time basis and that their initial goal was to make at least as much money per month in their new position as
they currently make. Subsequently, they were shown four passages related to their new employment situation.

Our research addresses a common fear in the real estate industry – failure. Facing failure head-on and avoiding poor habits that could result from failure is vital for real estate professionals to be successful in the long term. To be fair, it is not a question of whether real estate professionals will experience failure but when and how often bouts of failure will happen. So, let’s take a look at how our research provides insights for the real estate professional.

The Enduring Impact of Failure

In our first study, we sought to (1) examine whether cumulative periods of sales performance failure are associated with increased levels of pushy, sales-oriented behaviors and (2) understand the role of a supervisor’s leadership style on how new hires adopt a company’s prescribed sales process.

Assessing the first study’s results, we believe that sales managers can alleviate the deleterious effect that unmet sales goals have on newly hired salespeople’s pushy, sales-oriented behaviors initially. However, the efficacy of the leadership style we studied, which is termed core transformational leadership in the literature, seems to be fleeting. After four instances of sales performance failure, it no longer matters whether or not a sales manager is articulating a vision, leading by example, and fostering the acceptance of group goals. Newly hired salespeople adopt pushy, sales-oriented behaviors at the same rate after this threshold of sales performance failure, irrespective of their sales manager’s leadership style.

Study 2 provided greater support for the results we found in Study 1 and extended them in two notable ways. First, we found that perceived task difficulty explains the relationship between sales performance failure and pushy, sales-oriented behaviors. We also found another leadership style, termed error management in the literature, to be an effective approach that sales managers can use to restore the efficacy of transformational leadership during the salesforce socialization process. This additional leadership style focuses on framing errors and failure in a positive light, highlighting the instructional benefits that stem from failing and getting back on one’s feet.

In sum, the theory of learned helplessness proposes a sobering warning for the sales profession: newly hired salespeople are likely to adopt pushy, sales-oriented behaviors during the sales force socialization process because of the failure-prone nature of sales jobs. Our results suggest that cumulative periods of sales performance failure are associated with increased pushiness in the form of sales-oriented behaviors (e.g., stretching the truth about product features). Yet we also found that framing errors positively can unlock the value of well-articulated visions, role models, and team atmospheres, which gives sales managers a viable approach to enhance their new hires’ sales skills.
Implications for Real Estate Sales Professionals

What does this mean for real estate professionals? Seasoned real estate professionals are bound to be familiar with the daily challenges that the profession brings with it. However, the same may not be true for incoming agents with less exposure to failure.

We offer three key insights from our research that a real estate professional tasked with leading a team should find useful:

1. Set achievable sales goals for your new sales professionals.
2. Combine core transformational leadership with error management.
3. Downplay the stigma of missing sales goals during the sales force socialization process.

Setting Goals

While a supervisor is not responsible for setting a real estate agent’s goals, the sales leader can help new agents with the personal goal setting process. Goals provide clarity and help agents focus on the most valuable tasks at hand.

Goal setting need not be complex. In fact, according to Real Estate Champions, seven simple principles can help set clear, powerful goals:

1. Goals must be specific, detailed, and clear.
2. Goals must be measurable.
3. The best goals have deadlines.
4. Goals need to challenge an agent’s capacity or be beyond his/her current capacity.
5. An agent’s goals need to possess congruency with his/her values and beliefs.
6. An agent’s goals must have balance between his/her personal life, family, financial, spiritual, physical, mental, and business goals.

Error Management

As a leader of other agents, the ability to articulate a vision, lead by example, and foster acceptance of group goals is no doubt a valuable skillset. However, while core transformational leadership may be intuitively appealing, we found that its impact can be fleeting.
A new real estate professional wants to be viewed as experienced. However, for long-term success, salespeople must be willing to experiment and try new things early on to see what works best for them. As a sales supervisor or mentor to new real estate agents, you should encourage newly hired agents to not be afraid to make errors – even if they reveal that an agent is a novice.

**Missed Sales Goals**

Especially for new agents, the stigma of missed sales goals can be a heavy burden. New agents want to hit their goals, impress their colleagues, and start strong. However, if not careful, these new agents may miss out on valuable opportunities for growth that will set them up for even greater success down the road. Providing space for new agents to miss their sales goals while still learning valuable lessons is important for growth. Otherwise, we found that they are at risk of adopting pushy, sales-oriented behaviors, which customers detest.

**Conclusion**

Failure is an unavoidable component of the salesforce socialization process for new hires. While cumulative periods of sales performance failure are associated with pushy, sales-oriented behaviors, sales supervisors who support their agents via transformational leadership behaviors and error management techniques create enduring effects. Allowing oneself to make errors may be difficult – especially for aspiring real estate agents just beginning their careers – but the long-term benefits may outweigh the negatives and lead to better-prepared and more versatile agents.

**Recommended Reading**


**Additional Resources**


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Professor Boichuk's research interests include the areas of business-to-business marketing, marketing analytics, and sales force effectiveness. Published in the Journal of Marketing, Journal of Accounting Research, and Journal of Retailing, his current research portfolio addresses such questions as: “Why do salespeople use hard sell tactics?”; “What factors cause salespeople to misread customers’ interest levels?”; and “What do companies ask of the sales function when earnings are short of important targets?”. After graduating from the University of Houston doctoral program, Professor Boichuk received the inaugural American Marketing Association Emerging Scholar Award. He was also named the 2015 AMA Sales SIG Dissertation Award winner and an ISBM Business Marketing Doctoral Fellow for his dissertation work. Outside of academia, Professor Boichuk has professional experience with ZS Associates.

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Mike's textbook *Selling Today: Partnering to Create Customer Value* is the highest grossing professional selling textbook in the world, with copies being distributed in over forty countries. Paired with the many teaching awards he has won at the MBA and undergraduate levels in Sales, Sales Management, and Key Account Management, Mike has a proven track record of excellence when it comes to disseminating knowledge in his field. He has also had a significant impact outside of the classroom based on the reach of the Sales Excellence Institute, which is widely regarded as the worldwide leader in sales education and research. Mike was recently honored as the inaugural winner of the Sales Education Foundation's Research Dissemination Award for the impact of his research on business practice.

Before entering academia, Mike played professional baseball for the Montreal Expos and worked in marketing research and sales operations for Eli Lilly and PCS Healthcare. He actively consults in many industries including insurance, health care, consumer packaged goods, technology and transportation.