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Competitiveness, Coachability, and Context as Key Determinants of Sales Performance
Kirby L.J. Shannahan, PhD, Rachelle J. Shannahan, PhD, and Alan J. Bush, PhD

The real estate industry is fiercely competitive. Since the 1990s it has not only been a competition between individual agents but one between agents and realtor teams (Greene 2014). For agencies utilizing a team structure, recruiting and retaining top performing sales agents is a key concern given that more than 50% of sales agents who are National Association of REALTORS® members have been with their current agency for no more than five years (National Association of REALTORS® 2014).

Who Makes a Good Sales Team Member?

With the underlying assumption that, to some extent, good salespeople are born, sales force hiring practices often target individuals with competitive backgrounds (Plotkin 1987). However, on its own, the personality trait of competitiveness has been able to account for only a small amount of the variance in sales performance. In fact, neither strictly personal factors like competitiveness nor strictly situational factors like leadership style have been particularly strong or reliable indicators of sales performance. Accordingly, some have suggested we focus on “influence-able” determinants of sales performance – things like “selecting, motivating, coaching and training by sales managers” (Churchill, Ford, Hartley, & Walker 1985, p. 117).

Salesperson coachability is one influence-able aptitude factor (see Verbeke, Deitz, & Verwaal 2011) particularly relevant for the realtor team context. Coachability is indicated by the extent to which salespeople are open to seeking, receiving, and using external resources to increase their sales performance in a personal selling context (Shannah, Bush, & Shannah 2013). Observable and coachable behaviors include: 1) a salesperson’s willingness to learn from the sales manager or sales coach, 2) provide information to the sales manager, display trust in and respect toward the sales manager or sales coach, 3) demonstrate flexibility and adaptability to changes in routine, and 4) willingly seek and deal with feedback and information from other sources so as to improve his or her own sales performance. The potential outcomes of such observable coachable behaviors include enhanced interpersonal relationships and/or sales performance.
What is the Right Context?

Salesperson coachability is an individual personality difference that relies on both the competitive context of personal selling as well as the salesperson–sales manager exchange to be elicited and manifested. Achievement motivation theories suggest that task-involvement and ego-involvement goals exist in achievement situations (Nicholls 1989). Individuals who are more task-oriented tend to focus on task involvement, personal improvement, working hard, and being immersed in the activity, gauging their success in terms of improvement relative to their own past performance. Individuals who are more ego-oriented are highly concerned with displaying superior competence in relation to others, defining success and competence as defeating others in a competitive situation.

Personal selling is an achievement situation in which the salesperson’s coachability is a display of task orientation in that it is the manifestation of proactively working to get better at selling. Salesperson trait competitiveness is an ego-orientation since it is concerned with the desire to win or keep a customer’s business from competitors in a competitive market environment. Further, personal selling is an achievement situation that can be greatly influenced by the sales manager since the manager creates the context in which salespeople are managed, in which they perform, and in which their coachable characteristics are brought to light. While salesperson coachability can be elicited by a sales coach or manager’s emphasis, priorities, values, and means of communication, it is the coach or manager’s leadership style and associated behaviors that are the key contextual features eliciting or inhibiting the level of coachability of a particular subordinate (Giacobbi 2000).

Our Study

Our two-part empirical study first adapted a measure of athletic coachability (Giacobbi 2000) and applied it to salespeople in a business-to-business sales context. We then explored the relationships among salesperson trait competitiveness, salesperson coachability, sales manager leadership style, and sales performance by surveying 271 outside sales representatives. Given that managers practicing transformational leadership impact sales performance by being “coach-like” and working to develop their subordinates (Grant 1981; MacKenzie, Podsakoff, & Rich 2001), we expected transformational leadership to positively influence sales performance by triggering their subordinates’ coachable characteristics. Since salesperson coachability can impact sales performance when elicited, we expected salesperson coachability to be the mechanism through which transformational leadership influences sales performance relationships.

What Did We Find?

In the achievement of personal selling, we identified that competitive individuals can realize performance gains through being exposed to and open to the developmental coaching process.
We demonstrated that the effect of salesperson trait competitiveness on sales performance is in part transferred through salesperson coachability. We also determined that sales manager leadership style works entirely through salesperson coachability to impact sales performance. Our results suggest that sales performance is significantly more positive when salespeople are high in trait competitiveness, high in coachability, and when the sales manager’s level of transformational leadership is high.

Discussion

Real estate sales are based on overt competition between individual agents or agencies for the business of a particular customer. Our findings highlight the importance of recruiting and retaining coachable salespeople while fostering the kind of environment that allows a salesperson’s coachable characteristics to thrive. Potentially, highly coachable salespeople may be less effective if their sales managers do not create an environment that facilitates coachability. Alternatively, sales managers employing a developmental, coach-like leadership style may be ineffective if salespeople are low in competitiveness and coachability.

Our measure of salesperson coachability could be used by sales managers to assess their sales force as well as discern which dimensions are lacking in poor performing salespeople, allowing sales managers to focus sales training on overcoming any coachability weaknesses (i.e., working with others, becoming more open to feedback and criticism). Given the high cost of training new recruits, salesperson coachability may be a useful criterion in the selection process. Being able to identify coachable qualities in salesperson candidates such as, inquisitiveness and openness to criticism or coachable behaviors (like reading sales-related books in their spare time and working well with others in the past) can easily be incorporated into the interview process.

Recommended Reading


References


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