Retaining high-performing salespeople

✏ Sarah Edge

Research findings uncover what high-performing salespeople want from their organizations and, just as importantly, what they don't want. Understanding both categories is critical for organizations and leaders who want to create affective commitment and ultimately retain their best-performing salespeople.

As a successful salesperson and a manager of salespeople, I am passionately interested in how high-performing salespeople can be engaged and ultimately retained by businesses.

High-performing salespeople are in short supply and high demand (Boles et al, 2012; Weber, 2015; Wren et al, 2014). Retaining this valuable resource is key to business success (McGrath et al, 2016), but this is a minimum objective. Employees need to be engaged and motivated to make their best contribution.

When conducting the interviews for this research, I realised that high-performing salespeople take a lot of personal pride in achieving. However, whilst these high performers consistently work hard, this doesn't mean that they are committed to staying with their employer. A recent study of US professionals by Indeed.com, the world's highest-traffic job website, claims that 91% of people are either openly looking or open to a new job (Fernández-Aráoz et al, 2016).

Affective commitment is defined as the employee's positive emotional attachment to the organization (Meyer and Allen (1991). There is a clear link between affective commitment and job retention, engagement and job performance (Boles et al, 2007; Eisenberger et al, 2010). It was for this reason that I made affective commitment central to my research..

Objectives and literature review

The fundamental question in my research is: **How can businesses retain high-performing salespeople?**

Organizational commitment and specifically affective commitment is at the heart of my enquiry, based on the principle that people who are committed to an organization are less likely to leave (Allen and Meyer, 1990). The questions that I address in relation to retaining salespeople are:

1. What are the key factors that create affective commitment?
2. Are there any trends in the hierarchy of importance of these factors?
3. What causes affective commitment to decline and is it possible to bring back lost affective commitment?

Cost of losing high-performing salespeople

A high-performing workforce should be viewed as a source of competitive advantage in today's knowledge-based economy, particularly as other sources of competitive advantage are perhaps not so important as they once were (Pfeffer, 1994; Thomas, 2009). Working within the mobile phone industry, I have seen this first hand. Companies cannot innovate quickly enough and there is often little differentiation between competitors' products. As the competitive landscape becomes more challenging in many industries, retaining high-performing salespeople is becoming a significant cause for concern for leaders and HR professionals (Frank, 2004; Steward, 2009).

The cost of losing salespeople has not been fully evaluated, but there is wide spread acceptance that the costs are considerable, especially when factoring in the recruitment and training costs of the replacement employee (Boles et al, 2012). Richardson (1999) breaks down the costs as direct cost of sales losses, indirect dimensions of separation costs, replacement costs and training expenses. Griffeth et al (2000) estimate the direct costs associated with hiring and training an employee as 200% of salary.

Sales growth is also negatively affected as the replacement employee faces a learning curve (Batt, 2002) and takes time to "ramp up" (DeConinck et al, 2009). Studies also demonstrate that team morale and motivation are negatively impacted with the resignation of a key member of the group (Kwon et al, 2010; Lucas, 1999). Additionally, when high performers are lost to competitors, knowledge and often clients are taken with the salesperson (Cappelli, 2000; Pfeffer, 1994).

When salespeople leave, replacing them is also a serious concern for companies. Manpower, the US-based recruiting and workforce development firm, has consistently ranked sales as one of the hardest positions to fill (Fogel et al. 2012). Part of the challenge is that, within the technology sector, the sales approach needs to be analytical, creative and consultative. Salespeople need to create value for their customers, often by defining the problem that they are trying to solve and assembling a solution (Haas et al, 2012; Ladimeji, 2012). A far wider skill set is required from salespeople, and unfortunately for organisations, high performers have more employment options and are more likely to leave (Trevor, 2001).

Dysfunctional turnover

For most organizations there is an acceptance that functional turnover, where an unproductive or disruptive salesperson leaves, is a positive thing (Allen et al, 2010). It is also worth noting that some employees leave because of "shocks": significant events that greatly impact the individual. Lee and Mitchell (1994) explore this phenomenon in their Unfolding Model and suggest that more than 60% of voluntary turnover is because of the employee experiencing a "shock" event. Shocks can be expected or unexpected and can be the result of an event within a business (eg, negative interaction with a line manager), personal (eg the relocation of a spouse) or external (eg, a job offer from an external company). Some voluntary turnover is due to a "shock" that cannot be managed, but others

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can be proactively managed if employees' job satisfaction is already high (Mitchell et al, 2001).

Every organisation should want to prevent dysfunctional turnover, which is the loss of valued high performers (Chambers et al, 1998; Rathi et al, 2015). Key to this is for organisations to provide an ethical work climate where sales teams are supported, trained and given fair sales targets (DeConinck, 2011).

Methodology

In an attempt to understand how organizational commitment is created, maintained and potentially renewed, I planned to investigate the importance and impact of the following factors on organizational commitment (**Figure 1**):

JOB SATISFACTION
- Job scope
- Autonomy
- Manager support

ORGANIZATION
- Leadership
- Culture
- Ethics
- Justice

SUPPORT FRAMEWORK
- Mentoring
- Coaching
- Networks

REWARDS
- Pay and bonuses
- Transparency & fairness
- Additional rewards
- Development opportunities

ORGANIZATIONAL COMMITMENT

Testing the elements of organizational commitment

Figure 1: Factors in organisational commitment.

As far as I am aware, there is no current retention research that tests how these multiple factors link to organizational commitment in salespeople. Changes to organizational commitment over time is a topic that I also planned to explore in my research.

Bentein et al (2005) point to a shortfall in commitment literature for focusing on a static moment in an employees' career. I agree that since the publication of Sheridan and Abelson's (1983) research, there appears to be a gap in the research into the withdrawal process. Bentein et al (2005) believe that more research is needed to better understand the changing attachment to the organisation over time and the subsequent impact on employee behaviour.

The authors' research demonstrates that a steep downward trajectory of change in organizational commitment significantly increases the risk of voluntary turnover with an increased likelihood that the employee leaves the organisation within nine months. Whilst I believe that the research has some limitations around the sample size and research duration, the study does successfully highlight that reducing turnover requires a sustained effort over time with particular emphasis during dramatic times of organizational change.

Research approach

I decided that a multi-research approach was the right one

for me. Qualitative research would be crucial in helping me to understand the emotional elements of organizational commitment and also key to understanding changing perceptions over time. However, as I wanted to investigate multiple elements behind organizational commitment, I believed that an element of quantitative data in the form of a survey would be useful in helping to validate the output of the qualitative research. I also hoped that this data would enable me to test the qualitative research, which might expose trends and ambiguities. As my sample size would be relatively small, I was conscious that my quantitative data in its own right might not be statistically viable (Grix, 2004).

I decided to use Grounded Theory ("GT"). The researcher goes out to the field and collects data and then analyses this before returning to the field and repeats this process as much as is feasible and necessary. Robson (2011:148) states that "visits continue until the categories found through analysis are 'saturated'. Or, in other words, you keep on gathering information until you reach diminishing returns and you are not adding to what you already have."

I planned to use a semi-structured interview style. I needed the interviews to help answer my research questions, but I didn't want to adopt an overly structured style. The topic that I am researching is emotive in nature. To gain rich insights, I needed to allow for the interviews to progress organically (Grix, 2004).

As I planned to investigate multiple determinants of organizational commitment in relation to retention and voluntary churn, I decided that a survey would be useful when testing my conclusions from the interviews and to ultimately triangulate the results to ensure that they were as robust as possible.

I planned to use a self-completion Internet survey because of the ability to reach a wider audience in a timely manner. I distributed the survey to the same people that I interviewed to help with the triangulation of results. I also planned to email this to a wider group of salespeople from my LinkedIn network by selecting people who had started a new sales job in the past 12 months.

Literature was crucial in making my research credible. As turnover research is a highly researched topic, I needed to test and triangulate my findings against previous research.

Data sample

I originally sent my survey to 18 sales professionals: ten people responded and each survey was fully completed. I went on to interview five people who had completed my survey, together with a further five people who didn't respond to the survey. Everyone I interviewed worked as a sales professional in the telecoms and technology sectors. Ten of the 15 people involved in the research also managed salespeople; 11 of the salespeople were British; the remaining participants were from Greece, Spain, Columbia and Germany. Out of 15 people involved in my research, three had recently joined new companies and a further nine expressed their intention to leave their current employer. Intention to leave is considered to be a conscious desire to leave and is considered to be the final part of a sequence in the final withdrawal cognition process (Mobley et al, 1978).

Conclusion

I set out to try and understand how businesses can retain high-performing salespeople. I specifically wanted to understand how affective commitment is created in sales employees, knowing that employees who have this state of mind are engaged, motivated and loyal to their organizations (Allen et al, 1990).

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What are the key factors that create affective commitment?

I discovered that there isn't one thing that accounts for creating affective commitment. I also discovered that the elements that impact affective commitment differ at the stage of one's career.

The factors that I identified as particularly significant in creating affective commitment amongst high-performing salespeople are:

- Leadership
- Culture
- Manager support
- Career development
- Mentoring
- Salary
- Job satisfaction
- Belief

Are there any trends in the hierarchy of importance of these factors?

As my research progressed, the importance of belief increasingly stood out. I started to appreciate that belief is at the heart of affective commitment and is created from the connection of key elements. I have summarised this is in **Figure 2**.

It was clear that the elements were interconnected and some were more important than others depending on the stage in one's career. Whilst **leadership** wasn't a driving factor of affective commitment for those at the early stages of

agenda when discussing affective commitment. .

Mentoring featured far more strongly as a driver of affective commitment, which may have been because some salespeople had positive past experiences of being officially mentored.

Ethics also didn't feature strongly in any of the interviews.

It was particularly interesting to discover that **salary** and bonuses were not driving factors for affective commitment once salespeople were established in their roles. However, compensation did feed into a need for people to feel that they were being rewarded fairly and that their contributions were recognised. Key also to this was that sales targets were fair and based on reality. This was also a significant contributor to job satisfaction and **job satisfaction** had a strong link to affective commitment.

Manager support and interactions were important for everyone whom I interviewed at all stages of their careers. Managers' styles and support (or lack of) significantly impacted affective commitment. I also uncovered that managers of country regions were creating their own mini sub-cultures. The challenge with this is when certain manager's styles are not in line with corporate values. I also discovered that some of the country managers were sharing their lack of belief in the future of the organization. This low supervisor's organizational embodiment (Eisenberger et al, 2010) had a hugely negative impact on the affective commitment of those people reporting into these managers. This demonstrates the importance of educating managers about their responsibility to their people.

Culture was a central topic during many of the interviews and key to affective commitment. Corporate culture is shaped by leadership, purpose and people.

Creating Effective Commitment

Leadership
I believe in the vision for our future and believe that we get there.

Culture
I work for a company that I believe in. I'm engaged, inspired and motivated.

Mentoring
I have a mentor who supports and believes in me. I feel valued.

My belief in the organization

Job Satisfaction
I believe in the significance of what I do and I have the tools to be able to achieve.

Salary
I believe that I am paid fairly for the contribution I make.

Manager Support
I believe in my manager and the organization. My manager motivates and empowers me.

Career Development
I believe that I have a future and that the company believes in me.

Figure 2: Importance of belief in creating affective commitment.

joining new companies, leadership soon becomes one of the key drivers of affective commitment, particularly as effective leadership drives the mission of the organisation, which in turn helps to shape the culture. It was also apparent that the more of these elements that are put in place, the higher the likelihood of creating affective commitment amongst the sales force.

Some factors which I set out to test and thought might be important to affective commitment were simply not that relevant to those that I interviewed and surveyed. In particular, **training** and **coaching** were very low down on people's

Regional differences also significantly impact corporate cultures (Hofstede, 1994). However, creating a culture that creates affective commitment and the resulting benefits to businesses is extremely difficult to define. Culture was one of the key elements that had prevented many high-performing people from leaving; however, issues with leadership and a lack of direction meant that a strong company culture could negatively change over time. The need for leaders to nurture and protect the corporate culture, particularly during challenging business times is crucial to retaining employees.

In summary, I have used a diagram **(Figure 3)** that I've adapted from Maslow's (1943) Hierarchy of Needs to demonstrate the hierarchy of importance of each of the

core elements that create affective commitment. For those salespeople who are past the early stages of joining an organization, all had core needs that needed to be fulfilled by leadership, culture, manager support and compensation. All salespeople then needed to feel valued and esteemed by the organization, which is represented by career development,

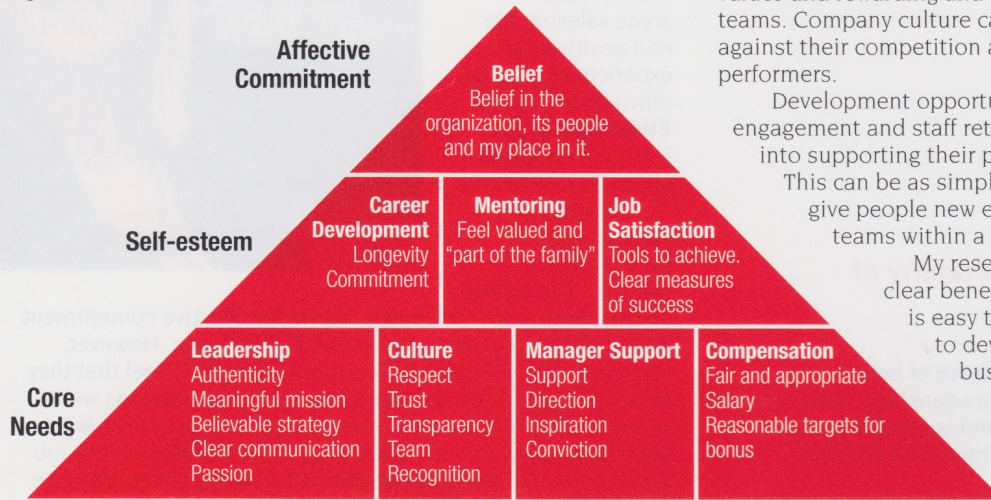**Hierarchy of needs in creating organizational affective commitment**

Figure 3: Hierarchy of needs in creating organizational affective commitment.

mentoring and job satisfaction. The outcome of these elements aligning was the creation of belief in the organization, its people and one's place in it, which is ultimately the definition of affective commitment.

What causes affective commitment to decline and is it possible to bring back lost affective commitment?

Once salespeople feel that some of the elements that create affective commitment are not working as they should, belief is negatively impacted and affective commitment is reduced. Once enough affective commitment has been eroded, people make a conscious decision to leave and it is then extremely difficult for organizations to retain these people.

I also discovered that many salespeople claim to be committed but in fact they aren't. Some of the salespeople whom I interviewed claimed to "feel part of the family" within their company which is a key measure in affective commitment (Meyer et al, 1997). They also claimed to feel committed most of the time. However, they still wanted to leave due to a loss of belief in the company's leadership and direction.

This discovery demonstrates the fragile nature of commitment in the corporate world and leadership's responsibility to make employees believe in the business and the direction for the future. This helps people to find meaning in their work, which is essential in creating affective commitment.

How the research can be used

The measure of success for any leader of salespeople is to have an engaged and high-performing team. The additional result of this is that salespeople will be more inclined to stay.

To create these teams, leaders need to ensure that they effectively communicate company goals and strategy and most importantly that they translate this into clear direction for their people. People need to understand what success looks like and

it is a leader's responsibility to empower their people by giving them the support and tools that they need to be successful. Salespeople also need their leaders to motivate them and this comes from a leader being passionate and delivering messages with conviction. My research demonstrated that leaders also need to be willing to listen to their people and to demonstrate integrity in order to be trusted and truly respected. . .

Company culture is an important motivator and leaders play a crucial role in personally demonstrating company values and rewarding and encouraging the same values in their teams. Company culture can truly help businesses to stand out against their competition and plays a key role in retaining high performers.

Development opportunities are crucial to long-term engagement and staff retention. Leaders need to put time into supporting their people to build development plans. This can be as simple as assigning projects which help to give people new experiences and exposure to different teams within a business. .

My research shows that mentoring delivers clear benefits. This is a low-cost initiative that is easy to implement and it should be central to development plans for people who businesses want to retain.

It is crucial that salespeople find meaning in what they do and salary is only one small element of this. Finding meaning in the business mission, feeling personally respected and adequately rewarded are all key in the creation of belief which ultimately creates affective commitment.

Leaders need to give all of these elements serious consideration when thinking about their people. For those who get this right, the rewards will be significant.

- **There is an extensive list of references to accompany this paper, which could not be accommodated due to space constraints. Please contact us via editor@journalofsalestransformation.com if you would like to receive a list of references.**

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About the author

Sarah Edge is General Manager, UK & Ireland for HMD Global, a start-up that designs and delivers trusted and innovative products under the iconic Nokia brand. Prior to that she was an account director at Sony Mobile and Head of Business Development at Orange.