IMPACT OF EMOTIONAL INTELLIGENCE ON SALESFORCE MANAGEMENT: AN EMPIRICAL REVIEW

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ABSTRACT
No matter what grandiose strategies organizations may have, its success ultimately depends on the execution by the frontline, mainly the Salesforce. Selling and the related processes of an organization directly impact overall financial performances. As per empirical studies reveal, Salesforce has been transforming with digital edge. Integrating technology into Salesforce management has been a significant trend in the present world. One of the critical concepts applied in Salesforce management is emotional Intelligence (EI). But still arguments are found claiming the issues and challenges faced within when it refers to execution excellence of EI with Salesforce management strategies. In accordance, this paper followed an extensive literature review as the main instrument to address the purpose of investigating how EI interconnects with Salesforce management contexts. It further attempted to investigate the related concepts, theories and practices found within the scope of EI whilst specific attention is made on Salesforce. Paper followed literature review as the main research instrument and industry related insights and empirical contents were discussed accordingly. This study specifically refers different industries and country contexts to explain the relevance of EI in managing Salesforce for higher performances. Paper presents some empirical thoughts and discussions with explanations providing practice related decisional inputs for the managerial implications. Finally, it concludes future research directions denoting to industry specific matters and empirical suggestions.

KEYWORDS: Emotional Intelligence, Salesforce, Salesforce Management, Sales Performance

1. INTRODUCTION
Sales continues to be a top investment priority for businesses, according to the third annual LinkedIn State of Sales (2018) report. In the U.S. alone, companies spend $15 billion each year training sales employees and $800 billion on incentives to retain talent. Zoltners, Sinha and Lorimer (2016) place the annual spend on sales training in the US at US$ 20 Billion. Yet, the results of that spend are debatable considering the divergence in performance evidenced in the Salesforce of organizations. For e.g. Martin (2013) quotes the results from an extensive research project involving more than one-hundred vice presidents of sales at top technology companies (software, cloud, computer hardware, and telecommunications) which revealed that the overall average for percentage of salespeople that achieved one hundred percent of quota the previous year was sixty percent. However, the number of salespeople who achieved one hundred percent of quota varied greatly by sales organization. To make matters worse, attrition adversely affects the return on the above investment in addition to loss of sales.
and profits while waiting for the vacancies to be filled. Attrition rates among U.S. salespeople run as high as 27%, twice the rate in the overall labor force (Sunder, Kumar, Goreczny & Maurer, 2017). A timely needed focus on Salesforce relation with long term strategies has been mentioned with reference to Sri Lankan context since many industries find higher labor turnover among sales division compared to other functions (Wimalana, 2017). A better focus on internal strategies supported by strategic systems is required to address such issues (Jayampathi & Dissanayake, 2018). A breakthrough into improving the effectiveness of the Salesforce would therefore be a welcome development and the examination of Emotional Intelligence (EI) as a possible solution to the above issue, arises in this context. Interestingly, EI has recently been added by the World Economic Forum as one of the top ten skills needed for success in the 2020s. (Institute for Health & Human Potential – IHHP, Research, 2019).

1.1 Purpose of the Study:
The application of EI and the challenges it finds with reference to performance had been found as a researchable matter as per the empirical evidences claimed. Meanwhile, Salesforce motivation and performances are directly impacting to overall growth of an organization. However, companies tend to implement new strategies, techniques and skill development avenues to enhance the performance of Salesforce whilst EI has been one of the sought-after options within. Thus, paper attempts to investigate relevant theories and model that would guide application excellence of EI with reference to Salesforce management activities. Managing Salesforce against the challenges it faces with the competition and organization pressure is a widely attributed issue across the industries (Jayampathi & Dissanayake, 2018). This paper attempts to highlight the challenges faced by firms when managing Salesforce for performance whilst retaining strategies are also implemented. Therefore, this paper contributes industries to understand the use of EI when it administrates sales management processes with modern practice like EI.

1.2 Methodology:
The methodology used follows a deductive approach where arguments and explanations are supported by theories, models and empirical evidence. The literature review has been used as the main research tool and authors reviewed journal articles and models to examine how emotional intelligence and Salesforce effectiveness work hand in hand. Paper was developed as a conceptual review and authors included a discussion based on empirical insights found in the domain of emotional intelligence whilst incorporating them with sales management scope.

2. LITERATURE REVIEW: EMOTIONAL INTELLIGENCE:

Emotional Intelligence (EI) involves the ability to carry out accurate reasoning about emotions and
the ability to use emotions and emotional knowledge to enhance thought. (Mayer, Roberts & Barsade, 2008). According to Mayer, Salovey & Caruso (1999) emotional intelligence (EI) results from the interaction of intelligence and emotion. Cherry (2018) defined “Intelligence” as “the ability to learn and retain knowledge, recognize problems and put knowledge to use; and solve problems, taking the information one has learned and applying it to find solutions to problems they encounter in the world around them”.

Salovey, Bracket, & Mayer (2007) propose that emotions are organized responses crossing the physiological, cognitive, motivational, and experiential subsystems of the brain. Once viewed as “disorganized interruptions of mental activity that should be controlled or acute disturbances of the individual as a whole, emotions are now seen as “motivating forces which are processes which arouse, sustain, and direct activity” (Salovey, Bracket, & Mayer, 2007, p. 2). Bar-On (2002) defines EI as “an array of non-cognitive (emotional and social) capabilities, competencies and skills that influence one’s ability to succeed in coping with environmental demands and pressures”. Hein (2005) defines EI as the mental ability we are born with which gives us emotional sensitivity and potential for emotional management skills that help us maximize our long-term health, happiness and survival. EI refers to an individual’s capacity to understand and manage emotions (Cherry, 2018). The early theory of emotional intelligence described by Salovey and Mayer in 1990 explained that EI is a component of Gardner’s perspective of social intelligence (Gardner, H., 1983). Similar to the so-called ‘personal’ intelligences proposed by Gardner, EI was said to include an awareness of the self and others (Salovey & Mayer, 1990). One aspect of Gardner’s conception of personal intelligence relates to ‘feelings’ and this aspect approximates what Salovey and Mayer conceptualize as EI (Salovey & Mayer, 1990). What differentiates EI from the ‘personal’ intelligences is that EI does not focus on a general sense of self and the appraisal of others – rather, it is focused on recognizing and using the emotional states of the self and others in order to solve problems and regulate behavior (Salovey & Mayer, 1990).

According to Cherry (2018), EI has 5 components namely self-awareness, self-regulation, social skills, empathy and motivation. Self-awareness is the ability to recognize and understand one’s own emotions as well as one’s own strengths and limitations and to get a sense of how the actions, moods and emotions of others work. It is about being open to different experiences and new ideas and learning from social interactions. Self-regulation involves the appropriate expression of emotions including flexibility, adaptation to change and conflict management. Social skills are linked to good interaction with other people. It involves using an understanding of our own emotions and others to communicate and interact with others on a daily basis. Examples include - active listening, verbal and non-verbal communication skills, leadership and relationship development. Empathy is the ability to understand how others feel. It enables one to respond appropriately to others based on the recognition of their emotions. It includes understanding the dynamics of power and how it affects emotions and behavior, as well as being aware of situations in which the dynamics of power take effect. Motivation here refers
to intrinsic motivation. Supportively, Cherry (2018) explains that a person is motivated to meet personal needs and goals instead of being motivated by external rewards such as money, fame and recognition. Naturally motivated people have a need for achievement, seek opportunities for improvement, are more likely to take the initiative and be more committed.

Faltas (2017) argues that there are three major models of emotional intelligence – namely Goleman’s EI performance model, Bar-On’s EI competencies model and Mayer, Salovey, and Caruso’s EI ability model. According to Goleman & Boyatzis (2017), EI is a cluster of skills and competencies, which are focused on four capabilities: self-awareness, self-management, social awareness and relationship management. In addition, Bar-On (2006) proposed a model of EI consisting of five scales: self-perception, self-expression, interpersonal, decision-making, and stress management that drive human behavior and relationships. Mayer, Salovey & Caruso, (1999) proposed the four-branch model of EI which from emotion perception through to management, align with the way in which the ability fits within the individual’s overall personality. They claim that branches 1 and 2 represent the somewhat separate parts of information processing that are thought to be bound in the emotion system – whereas, emotion management (branch 4) is integrated into his/her plans and goals (Mayer et al., 1999). Also, each branch consists of skills that progress developmentally from more basic skills through to more sophisticated skills.

Based on the developments in EI research, Mayer, Caruso and Salovey (2016) updated the four-branch model. They included more instances of problem-solving and claimed that the mental abilities involved in EI do, in fact, remain to be determined (Mayer, et.al., 2016). Mayer and colleagues suggested that EI is a broad, ‘hot’ intelligence. Mayer, Roberts, and Barsade (2018) include practical, social and emotional intelligence in their understanding of ‘hot’ intelligences. So-called ‘hot’ intelligences are those in which people engage with subject matter about people (Mayer et al., 2016). Mayer et al. (2016) invite comparison of EI with the personal and social intelligences and they contend that EI can be positioned among these other ‘hot’ intelligences. It was argued that the specific abilities that EI consists of are specific forms of problem-solving (Mayer et al., 2016). The four-branch model can be measured using the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) (Kong, D. T., 2014) which is an ability-based test. MSCEIT was developed from an intelligence-testing tradition formed by the emerging scientific understanding of emotions and their function and from the first published ability measure specifically intended to assess emotional intelligence, namely Multifactor Emotional Intelligence Scale (MEIS). MSCEIT consists of 141 items and takes 30-45 minutes to complete. MSCEIT provides 15 main scores: Total EI score, two Area scores, four Branch scores, and eight Task scores. In addition to these 15 scores, there are three Supplemental scores.

Goleman and Boyatzis (2017) recommend comprehensive 360-degree assessments, which collect both self-ratings and the views of others who know the assessed well. This external feedback is particularly
helpful for evaluating all areas of EI, including self-awareness. The assessed can get a rough gauge of where his/her strengths and weaknesses lie by asking those who work with him/her to give feedback. The more people are asked, the better of a picture is obtained. Formal 360-degree assessments, which incorporate systematic, anonymous observations of behavior by people who work with the assessed, have been found to not correlate well with IQ or personality, but they are the best predictors of a leader’s effectiveness, actual business performance, engagement and job (and life) satisfaction (Goleman & Boyatzis, 2017).

“Skills - refer to a person's level of performance in a particular task or to the ability to do a job well that can be broken down into technical and behavioral elements” (Noe, Hollenbeck and Gerhart, 2015). The technical elements measure the “HARD” technical skills while communication elements measure "soft skills" that include attitudes and approaches that employees take towards their work, such as the ability to collaborate on team projects (Daud, Abidin, Sapuan and Rajadurai, 2012). According to Spencer & Spencer (1993), soft skill competencies are divided into two categories namely soft skill of personality and soft skill of cognitive style. Competencies of soft skills of personality consist of initiative, perseverance, performance, commitment and self-confident while soft skills of cognitive style consist of seeking information, efficiency, systematic planning, problem solving, persuasive skills, influencing others and assertiveness. So here again, soft skills seem to allude to EI.

Conclusively, highly evolved EI companies often have the most creative teams, in which employees openly and comfortably discuss new ideas and work together on difficult challenges. Well-developed EI companies also have dynamic cultures that are motivated by purpose beyond financials, a high degree of empowerment and risk tolerance, the essential components for stimulating innovation in products, services and customer experiences.

3. DISCUSSION ON EI AND SALESFORCE MANAGEMENT PRACTICES
According to Zoltners, Sinha and Lorimer (2009), Salespeople spend their days working on the front lines of business, solving client problems and generating revenue. Their mission-critical efforts impact the balance sheet and can delight management and shareholders. And yet as stated by these authors, the three leading scholarly journals in the marketing discipline devote just 4 percent of their space to sales force issues. Kotler (2000) stated that sales personnel serve as the company’s link to its customers and that the salesperson is the company to many of its customers since it is the salesperson who delivers information about the customer to the company. It highlights that any company’s survival and existence depend on the market and hence the sales force which maintains that link deserves the deepest thought in terms of setting objectives for it, strategy for it and structuring it. Additionally, Drucker (1963) famously stated that “Efficiency is doing things right
while effectiveness is doing the right things”. Effectiveness therefore essentially must be linked to organizational goals and company strategy. The above aspect has been reinforced more recently by Bronten (2018) who says that efficiency is not the same as effectiveness. As it defines “efficiency” as the rate at which you complete tasks, which says nothing about whether you’re doing the right tasks and states that a highly efficient team performing all the wrong tasks will still be a highly ineffective team (Bronten, 2018).

While measures of Salesforce effectiveness abound, the following summarize the main lines of thought. Edinger (2013) refers to a study that identified 306 different metrics that sales leaders used in their efforts to manage their business. These metrics fell into three broad categories: sales activities (things like the number of accounts assigned per rep, the number of calls made per rep, and percentage of account plans completed), sales objectives (like the number of new customers acquired, the percentage share of customers’ wallet, and percentage of customers retained) and the subsequent business results (revenue growth, gross profit, customer satisfaction).” Edgner (2013) highlights the importance of focusing on lead indicators rather than lag indicators as evidenced by his statement in the same article. Cespedes & Marsh (2017) express similar sentiments considering the results of a survey of key performance indicators (KPIs) being used by more than 800 sales teams across industries. Wins had been the most common metric used across sales roles and industries. On average, firms measured closed deals and rep production against quota monthly. The researchers asserted that while “making the number” should be the goal of any sales organization, “a closed deal” was an outcome and a lagging indicator; which can’t be used by the salesperson or sales manager to improve future outcomes. As such, they recommend leading indicators such as demos, web registrations, calls, or C-suite-level meetings as being often more instructive. Sri Lanka is noted as a service sector driven economy (Koththagoda & Dissanayake, 2017), and particularly financial service sector is highlighted in Sri Lanka as per the trend of marketing promotions whilst Salesforce turnover being reported as another managerial challenge within (Jayampathi & Dissanayake, 2018). In general, Salesforce turnover and management issues are a noted matter in Sri Lankan firms as against the intensive employment is still found in sales field (Wimalana, 2017). As per industry the opinions of experts and reports found with national level Salesforce recognizing forums, we also imply there are nearly three million of sales people operate in Sri Lanka, but still such Salesforce management issues are found with required skills and job commitment behaviors.

Meanwhile, Jordon (2014) refers to the results of a study conducted on the measurement and management of Salesforce by Vantage Point Performance and the Sales Education Foundation where thousands of data points were collected from sales leaders in various industries regarding which sales metrics they anxiously monitor on their dashboards, from top-line revenue growth down to the number
of sales calls made per month. While the research also revealed that some numbers can be managed, it was found that few organizations were actively managing the metrics that are manageable. Larsen (2019) identifies Sales Quota, Revenue and Conversion Rate (Lead Conversion) as three of the best sales metrics that can be used to measure effectiveness of the sales team. Of this, Sales Quota warrants special mention since it comes through as one the most relevant sales metrics to measure. Martin (2013) asserts that quota metrics are one of the most relevant sales metrics to measure. He claims that it is among the top key performance indicators that sales managers must track to measure their teams’ performance. Average quota attainment, percent of the organization reaching quota, quota attainment average, and average annual quotas for field and inside sales reps emerged as the top five metrics. Zoltners, Sinha & Lorimer (2008) developed a framework that captures the complexity of business functions. Conclusively, Salesforce strategies are attributed by many tech-savvy options in the present context providing new avenues for research works on their effectiveness across the industries.

Ferguson (2018) refers to how sales performance can take a hit with low EI, specifically by impairing a salesperson’s ability to handle rejection. He cites how professionals with low EI lack the agility to roll with the punches and therefore the fact that they cannot thrive nor stay in sales for very long. Other impacts highlighted include - eroding drive, making salespeople more impatient and how under challenging situations, professionals with low emotional intelligence will likely lack the incentive to rise above the situation (Ferguson, 2018). Self-motivation he claims is an integral element of emotional intelligence and therefore its absence will ultimately reflect on key metrics such as close rate and quota attainment. Also, salespeople with low EI tend to adopt a ham-fisted approach to customer engagement thus making poor decisions to push the deal through. It refers that building rapport and nurturing authentic relationships with peers and clients will be extremely difficult without empathy (Ferguson, 2018). Empathy enables sellers to listen actively and step into their customers’ shoes. Thus, eventually discovering their goals, priorities, and pain points.

In a research conducted in Dublin, Ireland to see if there is any relationship of emotional intelligence of salespeople with their performance, Ali (2018) states that there is a positive relationship between three emotional intelligence competencies and sales performance. Empathy results the most impact whilst Social management creates the second most impact and then Self-management. These results cannot be generalized everywhere but they are enough to suggest that emotional intelligence does have an impact on sales performance. Similarly, Shaban & Yadav (2018) conclude that the impact of Emotional Intelligence on Sales Performance is prevalent in Indian industries. Wisker and Poulis (2014) examined the impact of emotional intelligence on sales performance, where they proposed that the impact of emotional intelligence (EI) on sales performance was mediated by Adaptive Selling Behavior (ASB). Data was collected from 281 salespeople in the financial industries in Malaysia via
the WLEIS emotional intelligence scale and ADAPTS adaptive selling behavior scale and was quantitatively analyzed using structural equation modelling (SEM). While the results were in keeping with the model, the three domains of EI were not found to impact sales performance directly but through ASB. Martin (2011) refers to the results of interviewing thousands of top business-to-business salespeople who did Sales for some of the world’s leading companies where he’d also administered personality tests to 1,000 of them. His goal had been to measure their five main personality traits (openness, conscientiousness, extraversion, agreeableness, and negative emotionality) to better understand the characteristics that separate them from their peers. His findings revealed the following on the main key personality attributes of top salespeople which included modesty, conscientiousness, achievement orientation, curiosity, lack of gregariousness, lack of discouragement and lack of self-consciousness. Coleen Stanley (2012) cites American Express, Avon, L’Oreal, MetLife, Medtronic, 3M, Motorola, Honeywell, and Johnson & Johnson as companies that are successfully incorporating EI into their management and leadership training. Motorola manufacturing facility provided training in stress management and Emotional Intelligence resulting 93% of employees had an increase in productivity. In UK’s Whitbread group, restaurants with high EQ managers had higher guest satisfaction, lower turnover, and 34% greater profit growth (Bar-On & Orme, 2003). It said 75% of careers are derailed for reasons related to emotional competencies, including inability to handle interpersonal problems; unsatisfactory team leadership during times of difficulty or conflict; or inability to adapt to change or elicit trust. People who accurately perceive others’ emotions are better able to handle changes and build stronger social networks (Salovey, Bedell, Detweiller, & Mayer, 2011). As cited by Dalip Singh in his 2006 book titled – “Emotional Intelligence at Work – A Professional Guide”, (SAGE Publications), the reason for losing customers and clients are 70% EI-related (e.g., didn’t like that company’s customer service) (Forum Corporation on Manufacturing and Service Companies, 1989 – 1995). After supervisors in a manufacturing plant received training in emotional competencies, lost-time accidents were reduced by 50 percent, formal grievances were reduced from an average of 15 per year to 3 per year, and the plant exceeded productivity goals by $250,000 (Pesuric & Byham, 1996). Top performing salesclerks are 12 times more productive than those at the bottom and 85 percent more productive than an average performer. About one-third of this difference is due to technical skill and cognitive ability while two-thirds is due to emotional competence (Goleman, 1998). Emotions and reason are intertwined, and both are critical to problem solving (Damasio, 1997). Social and emotional abilities were four times more important than IQ in determining professional success and prestige (Feist & Barron, 1996 cited in Cherniss, 2000). At L’Oreal, sales agents selected on the basis of certain emotional competencies significantly outsold salespeople selected using the company’s old selection procedure by $91,370, for a net revenue increase of $2,558,360. Salespeople selected on the basis of emotional competence also had 63% less turnover during the first year (Spencer & Spencer, 1993; Spencer, McClelland, & Kelner, 1997), and it proved that those with emotional competencies earned 139% more than the lower
EQ partners. However, Tomas Chamorro-Premuzic & Yearsley (2017) argued about the downside of higher EQ highlighting the potential issues of higher level of EI causing lower levels of creativity and innovation potential.

4. CONCLUSION AND FURTHER RESEARCH DIRECTIONS:
It seemed an overwhelming case for the favorable impact of EI upon Salesforce effectiveness based upon the literature review and empirical review. As per the reviewed content of this paper, authors attempt to highlight the positive outcomes resulted by EI whilst industry specific cases were used to provide practice related insights. Future studies need to examine the effectiveness of EI towards Salesforce performance with respect to different industries. The operational nature of the industries requires EI in different manner in which organizational straggles should also be unique accordingly. Industries need to address the Salesforce management issues as per the dynamics of the industry practices (Ferguson, 2018; Shaban & Yadav, 2018; Wisker & Poulis, 2014). An additional research area to examine may be the impact of cultural dimensions to assess whether the impact of EI upon Salesforce effectiveness may vary according to the continental differences or country specific dynamics. We do propose to examine the behavior of sales staff with respect to emotional commitments like employee brand love towards the corporates in different industries. Concussively, future research works are invited to examine the role of EI, the main concept discussed in this paper, with reference to Salesforce performance in different industries since work atmosphere and Salesforce management strategies are unique in different sectors.

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