

The Secrets of Inspiring Sales Success

Renewed Insights Into Motivating and
Retaining Today's Top Performers

By Colleen O'Sullivan and Greg McDonald



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century workforce™

The sales team is often seen as the “lifeblood” of the organization—and with good reason: They are at the frontline of what keeps the organization alive, thriving and achieving success. So, figuring out what motivates your sales force is all-important in reaching for top-line success.

When business is good, meeting the motivational needs of salespeople may seem more straightforward than when the economy is shrinking or when budgets tighten. But no matter what the external reality, it pays—on many levels—to build and retain a motivated sales force.

With this in mind, AchieveGlobal reached out to sales professionals to figure out how organizations can build and maintain a motivated sales team. We wanted to know whether money is the only motivating factor, and how salespeople respond to recognition and respect. What’s more, we wanted to learn about differences between the generations of people working within sales teams.

The research brought to light important trends that may well help decode what motivates a sales force to excel and how this can be used to hold on to top sales performers.

The critical discoveries of this survey include:

1. Motivation and retention of salespeople are closely connected.
2. Money continues to be the primary motivator, but it is also the worst implemented incentive.
3. Money is also the most likely cause of defection: Salespeople who are most likely to leave are those who are most dissatisfied with shortfalls in their pay packets.
4. While money is a key motivator, of the top five motivators, the other four have nothing to do with money.
5. Salespeople from older generations place more importance on money than their younger colleagues.
6. Salespeople from younger generations place more importance on opportunities for promotion than their older colleagues.
7. Publishing of comparative sales results generally has a low impact on motivation and only really matters to those in very large organizations or those higher up in the hierarchy.
8. Salespeople perceive a shortfall between what actually motivates them and how organizations are implementing incentives and motivating salespeople.
9. The biggest gap between importance and application of incentives is in pay.
10. There are big gaps between importance and application for:
 - a. Monetary incentives (above and beyond basic pay and commission)
 - b. Opportunities to develop skills and the provision of resources
 - c. Support for salespeopleAll of the above are among the top eight motivators
11. Older salespeople feel they are not being offered sufficient opportunities for promotion, are given few opportunities to learn new things, and feel less secure in their jobs, which raises the question of whether ageism is a factor within sales teams.
12. Salespeople who value their work as interesting and feel like they are a part of the bigger organizational picture are more likely to want to remain with their present employer.

Connection Between Motivation and Retention

Our study polled 334 sales professionals. (See Appendix 1.1 for more detailed information about the participants.) Overall, the participants said that they are mostly motivated, with nearly 60 percent saying that they feel motivated in their work, 23 percent answering that they are indifferent, and 17 percent reporting that they do not feel motivated. (See Appendix 1.2.)

The survey clearly confirms the link between a salesperson's motivation and their plans to stay with their present employer or leave. Although almost 40 percent were considering leaving their job within the next two years, the more motivated a salesperson was, the more likely they were to plan to remain.

It stands to reason then that if organizations can do a good job of motivating their salespeople, then they will also succeed at holding on to their most valued employees, who may well fall into the 40 percent who are at risk.

The Motivation Factors

While many salespeople are motivated and want to remain with their present employer, a significant number are neither motivated nor content where they are and, as such, are planning to find more motivating or satisfying work.

With this in mind, we investigated which factors effectively motivate salespeople and how good organizations are at making use of incentives.

The top five motivators in order of rank were:

1. Good pay
2. Interesting work
3. Job security
4. Clear goals
5. Opportunities to develop skills

Money as a Motivator

Not surprisingly, this survey revealed that money is a great motivator, since “good pay,” “other monetary

incentives,” and “sales commissions” all ranked in the top 7 of 16 possible incentives. (See Appendix 1.3 for more information on how all of these incentives ranked.) This mirrors other existing research that points to money or a “drive to acquire” as being key in motivating employees¹.

When it comes to how good a job organizations are doing in using money as a motivator, there's disturbing news: Overall, the salespeople in our survey generally feel dissatisfied with their pay. This trend should worry sales leaders, since the one thing that most drives salespeople toward success is typically not being delivered on as an incentive in most organizations.

We also found that younger salespeople (born after 1980) are less likely than older salespeople to say “other monetary incentives” motivated them. Likewise, younger sales professionals are less likely than older workers to say “sales commissions” are important.

A recent examination of scientific research on motivation concludes that organizations should pay people enough to take money off the table as a source of dissatisfaction, rather using it to drive incremental performance improvements, as it is typically ineffective at doing this².

Particularly in times of economic downturn, increasing pay for salespeople might not always be a viable option, thus increasing the significance of non-monetary incentives.

Non-Financial Incentives

There's plenty of good news here: Money is not the *only* motivator, since other incentives like “interesting work,” “job security,” “clear goals,” and “opportunities to develop skills” are rated in the top five, and

¹ See for example, the July-August 2008 Harvard Business Review article, “Employee Motivation: A Powerful New Model” by Nitin Nohria, Boris Groysberg, and Linda-Eling Lee.

² “Drive: The Surprising Truth About What Motivates Us” by Daniel H. Pink, 2009

“resources and support that enable you to make progress,” “recognition,” and “opportunities to learn new things” come in the top ten.

This offers a lot of scope for sales leaders to motivate their salespeople without having to dig deep into the company’s coffers.

Doing “interesting work” ranked second only to “good pay” as a motivating factor.

The surveyed group also rated their organizations most effective at using “interesting work” as an incentive. Logically, if organizations can focus on making sales work as interesting as possible, then this in itself can be a motivating factor for salespeople.

Sales leaders can do this by providing details of strategic vision, giving salespeople the opportunity to play on cross-functional teams or contribute to organization-wide projects that don’t necessarily contribute to revenue, but will contribute the interest a salesperson finds in the work place.

Organizations that make employees feel like they are part of important organizational decisions have much more motivated salespeople and salespeople who are a lot less likely to be planning to leave the organization. A primary way for organizations to motivate and retain salespeople is to create camaraderie, and solicit and value feedback from their employees.

Nonmonetary incentives like gifts, vacations, and top sellers’ clubs are poor motivators for salespeople, and organizations that use these incentives do not do so effectively. Many other types of incentives are much more effective.

- Organizations can increase the motivation of salespeople by providing leadership and skills-based training to people at all ages and at all organizational levels. Indeed, employees in organizations that provide these opportunities are much less likely to plan to leave their organization than are employees in organizations that do not. Salespeople with a higher

role in their organization were more likely than lower-level salespeople to feel that their organization effectively provided opportunities to develop their skills and learn new things. This finding suggests that higher-level supervisors and executives greatly valued and benefited from leadership and skills-based training. More important, however, is the fact that lower-level salespeople value these opportunities as well, but were not receiving them.

Job Security as a Motivator

The backdrop of economic instability likely influenced participants’ ranking of incentives such as “job security,” with increased numbers of employees generally placing high value on having a job and keeping a job in an environment where job loss is higher than at other times.

Across the generations, sales professionals in our survey gave feedback on how important less tangible incentives like job security were to their feelings of motivation. Overall, job security ranked third.

Salespeople rank organizations as effective in using “job security” as an incentive. This discovery might suggest that companies are tapping into the reality of what most employees tend to value during an economic downturn. Future research could look more deeply at this trend.

Promotion as a Motivator

Although in general, promotion ranks toward the end of the list of motivators there are, however, some differences in how age groups tend to value promotion as an incentive:

Our survey found that younger salespeople (more than older salespeople) point to “opportunities for promotion” as being more important.

There are two possible explanations for this:

- Older salespeople may have already risen as high as they can go in their organizations, so promotion may no longer be an option, or

- Older salespeople may have more and larger immediate personal financial responsibilities (for example mortgage payments, childcare, or extra curricular expenses) as compared to younger salespeople. For this reason, long-term promotion opportunities may not be as important as an immediate and large paycheck for older generation salespeople.

Generally speaking, salespeople feel that their organizations were not effectively creating opportunities for promotion. In addition, older salespeople are more likely than younger salespeople to feel that their organization did not give real opportunities for promotion.

This points to a real insight: Organizations could likely benefit from creating an organizational structure where salespeople can rise to higher levels of management based on their sales volume, regardless of age differences.

Salespeople rate “nonmonetary incentives like gifts, vacations, top sellers club” as being second lowest in importance and not effectively used. This raises the question of whether monies spent on this category of incentives is being put to good use, or whether budgets in this area could easily be redirected to other incentives with bigger impact.

Are Organizations Being Effective?

It’s one thing for incentives to exist within an organization, but it’s entirely another for incentives to be put to good strategic use. For this reason, we asked sales professionals whether their organizations were effective in their use of incentives.

The survey gave us real insights into incentives that were rated as important, but were also rated as not being effectively used by organizations. The responses showed a significant gap overall in how effectively organizations were using incentives. Furthermore, these “discrepancies” point to three specific areas where there’s room for significant improvement in organizations. They include:

- The highest discrepancy existed between the importance of “other monetary incentives” and how effectively organizations were using “other monetary incentives.”
- Second highest in discrepancy was “good pay.”
- Third highest was “feeling of being in on things.”

If organizations improve their effectiveness in these areas, it’s likely to have a positive effect on overall motivation within the sales team.

See appendix 1.5 for full details of discrepancy scores.

The Reality of Ageism

There were several compelling trends that pointed to differences between how older and younger salespeople thought about the importance and effectiveness of different incentives. These differences should raise a red flag for organizations to assess any tendencies toward ageism in the offering of incentives.

For example, we found that older salespeople are more likely than younger salespeople to feel that their organization is not effectively providing opportunities to learn new things. This might be because of the false and ageist belief among executives that older people are less able or less willing than younger people to learn new skills. Interestingly, research shows that older salespeople are significantly more open to learning new things than their organization acknowledges. Perhaps even more significant is the idea that opportunities like this could themselves serve as key motivation to older salespeople.

We also found that older salespeople were more likely than younger salespeople to feel that their organizations did not effectively use job security as an incentive. This trend might be related to the association of job security being more important to older workers who likely have more financial responsibilities than younger people.

Conclusion and Implications

Highly motivated salespeople are more productive and more creative, add great overall value to the organization, and are critically important in deter-

mining an organization's competitive success. Sales leaders can play a key role in building and maintaining motivation among salespeople in a number of different ways.

Our survey makes it clear that salespeople are motivated by work that is both rewarding and fulfilling. A wide gap exists, however, between what sales professionals expect in terms of motivation and what their organizations are delivering. Therefore, organizations should take note of several important and specific discoveries that can help build and retain a motivated sales force:

The most motivational and important incentive for salespeople generally is good pay, whether that occurs across base salary, quota-related bonuses, sales commission, or other monetary incentives. Generally, salespeople who feel they are paid well for their work are much less likely to plan to leave their current employer. Further, good pay is especially important for older employees. In addition, salespeople who were most likely to consider leaving their organizations were predominantly from organizations that did not provide good pay.

Clearly, participants agreed that money is important, but so is the real value of doing stimulating work that offers security, is rationalized through goal-setting, and gives salespeople opportunities to grow.

Salespeople are highly motivated by interesting work, and employees in organizations that provide interesting work are a lot less likely to plan to leave. Organizations would likely benefit from maximizing the level of interest that their salespeople have in the work they perform.

The truth is that one salesperson's motivations may vary distinctly from what may motivate another, so the idea that there may be one approach that effectively motivates all sales people is a myth. On the contrary, now more than ever, with complex factors like economic shifts and generational diversity at play in the workforce, it's more important than ever that sales leaders invest time and resources in investigating what really motivates their salespeople, making the direct connection between what salespeople want, and how to effectively put incentives into use.

Organizations that position motivation and retention of their sales forces as a priority are certainly more likely to have salespeople who are more motivated and who ultimately play an integral role in increasing competitive position for the organization.

About the Study

Conducted in 2010, AchieveGlobal surveyed 334 sales professionals. Most of the respondents were either salespeople or sales managers, with a lesser number self-identifying as sales executives. Participants represented organizations of varying sizes having anywhere from 10 sales people or less, to organizations with over one thousand salespeople. The survey respondents were also representative of the four generations of employees now part of many organizations today. This report examines what motivates salespeople to perform and remain a vital part of their organization's success.

Appendix 1

1.1 About the Participants

The findings of our sales motivation research drew on a survey conducted among 334 sales professionals. Survey respondents were mostly salespeople (73.21 percent), but also included some sales managers (17.13 percent) and sales executives (4.05 percent). The participants represented a broad range of sales organization sizes, with the majority of participant organizations having between one and 100 salespeople (50 percent), while 22 percent of participants were from organizations having between 100 and 500 salespeople, and 28 percent had over 500 salespeople.

The participants were also representative of the four generations working in many organizations today (including Generation Y and Millennials, Generation X, Baby Boomers, and Traditionalists) with the highest percentages representing Baby Boomers (people born between 1947 and 1964: 34.58 percent) and Generation X (between 1965 and 1980: 36.14 percent). Participants also varied by the number of years that they had been in sales, with fairly even distribution from those having five years or fewer, all the way to those having over 21 years of experience in sales. See Figures 1, 2, and 3 for full detail of participant demographics.

Year of Birth	Percent
After 1980	19.94
1965-1980	36.14
1947-1964	34.58
Before 1947	9.35

Figure 1. Participant year of birth by percentage

Current Level	Percent
Salesperson	73.21
Sales Manager	17.13
Sales Executive	4.05
Other	5.61

Figure 2. Organizational level of participants by percentage

Number of Salespeople in the Organization	Percent
1-10	32.40
11-50	17.13
51-100	7.48
101-250	8.10
251-500	6.54
501-1000	7.17
1000+	21.18

Figure 3. Number of salespeople in the organization by percentage

1.2 Are You Motivated?

Asked to rate how motivated they were in their work on a 5-point scale (with 1 being “not motivated at all” and 5 being “extremely motivated”), the participants said that they were mostly motivated, with nearly 60 percent of respondents saying that they felt motivated in their work, while 40 percent reported that they were either indifferent to their work or did not feel motivated.

Motivation Rating	Percent
1 Not motivated at all	3.59
2	13.77
3	23.05
4	34.43
5 Extremely motivated	25.15

Figure 4. Rating of motivation by percentage of respondents

Related to the question of motivation, the survey also asked participants whether they were considering leaving their current employer. The findings indicate that, mostly, respondents have no plans to leave their current employer, while 39 percent said that they planned to leave within the next two years. Further analysis revealed, however, that salespeople who reported that they were more generally motivated tended to also report that they were planning to remain at their current job. See Figure 5.

Plans to Leave Employer	Percent
As soon as you find an alternative position	16.82
In the next 6-12 months	9.66
In the next 16-24 months	12.15
No plans to leave current employer	61.37

Figure 5. Plans to leave employer by percentage of respondents

1.3 Ranking Incentives

Our survey provided a list of 16 motivational incentives, and asked respondents to rate the top five incentives (using a scale of 1 “not important at all” to 5—“extremely important”) in order of importance in motivating them to make sales. The top five highest rated incentives were “good pay,” “interesting work,” “job security,” “clear goals,” and “opportunities to develop skills.” The three lowest rated incen-

tives were: “higher pay than others,” “nonmonetary incentives,” and “publishing of comparative sales results.” See Figure 6.

Type of Incentive	Average Response Rating
Good pay	4.32
Interesting work	4.23
Job security	4.15
Clear goals	4.11
Opportunities to develop skills	4.11
Other monetary incentives	4.10
Sales commission	4.05
Resources and support that enable progress	4.00
Recognition	3.99
Opportunities to learn new things	3.99
Feeling of being “in” on things	3.95
Quota-related bonuses	3.91
Opportunities for promotion	3.84
Higher pay than others	3.80
Nonmonetary incentives like gifts, vacations, top sellers club	3.51
Publishing of comparative sales results	3.40

Figure 6. Rating of types of incentives

Some noteworthy findings about participant rating of incentives include:

- Salespeople who said that having a “feeling of being ‘in’ on things” was important were less likely to want to leave their current employer.
- Salespeople who were at higher levels in their organizations were more likely to attribute importance to “Publishing of comparative sales results” than were salespeople with a lower role.

- Salespeople from organizations with more salespeople were more likely to attribute importance to “Publishing of comparative sales results” than were salespeople from an organization with fewer salespeople.

1.4 Are Organizations Effectively Using Incentives?

As part of the survey, salespeople were asked to rate the list of 16 motivational incentives, according to how well their organization made effective use of the incentives, on a scale from 1 (Not effective at all) to 5 (Extremely effective).

Type of Incentive	Average Response Rating
Interesting work	3.55
Job security	3.49
Clear goals	3.48
Sales commission	3.48
Good pay	3.42
Quota related bonuses	3.38
Opportunities to learn new things	3.38
Publishing of comparative sales results	3.33
Opportunities to develop skills	3.31
Recognition	3.31
Resources and support that enable progress	3.19
Other monetary incentives	3.17
Feeling of being “in” on things	3.10
Opportunities for promotion	3.04
Higher pay than others	3.04
Nonmonetary incentives like gifts, vacations, top sellers club	2.86

Figure 7. Organizational effectiveness in incentive use

Responses to the survey revealed that “interesting work” was rated as the sales incentive most effectively used by organizations. Rounding out the top 5 were “job security,” “clear goals,” “sales commission,” and “good pay.” See Figure 7.

There were a few other key findings arising from the ranking of organizational effectiveness in using incentives, including:

- Salespeople with a higher role in their organization were less likely than lower-level salespeople to feel that their organization effectively used “Publishing of comparative sales results” as an incentive.
- Salespeople with a higher role in their organization were more likely than lower-level salespeople to feel that their organization effectively provided opportunities to develop their skills and learn new things.
- Salespeople from organizations with a greater number of salespeople felt that their organization was more effective at recognizing employees, providing resources and support to make them progress, and providing opportunities to develop their skills. Additionally, salespeople from smaller organizations want these opportunities and feel that the opportunities would motivate them to make sales.
- Salespeople who were most likely to consider leaving their organizations were, first and foremost, those from organizations that did not provide good pay. The second and third largest predictors, respectively, of whether employees were considering leaving was whether their organization provided them with interesting work and whether their organization made them feel like they were “in” on things. The other major predictors were whether their organization provided them with opportunities to develop their skills with resources and support to make them progress and with opportunities to learn new things.

1.5 Comparison of Importance of Incentives and Effectiveness at Using Them

Discrepancy scores were calculated between the degree to which salespeople attributed importance to a type of incentive and the degree to which they felt their organization was effectively using that incentive. The following table summarizes these discrepancies, and the higher the score, the larger the discrepancy:

Overall, the average discrepancy score for the entire sample across all 16 discrepancy scores (0.73) suggests that, across the board, there's room for significant improvement in how organizations make use of incentives.

Type of Incentive	Average Importance-Effectiveness Discrepancy
Other monetary incentives	0.98
Good pay	0.92
Feeling of being "in" on things	0.87
Opportunities for promotion	0.84
Opportunities to develop skills	0.83
Resources and support that enable progress	0.80
Higher pay than others	0.80
Sales commission	0.76
Nonmonetary incentives like gifts, vacations, top sellers club	0.73
Recognition	0.70
Interesting work	0.70
Job security	0.67
Clear goals	0.64
Quota-related bonuses	0.62
Opportunities to learn new things	0.62
Publishing of comparative sales results	0.15

Figure 8. Ranking of discrepancy scores

About the Authors

Colleen O'Sullivan, Executive Consultant

Colleen is an experienced corporate executive and consulting practice leader. Her expertise and competencies include strategy clarification, assessment, design and implementation of service quality, process management, leadership, and change management. She is experienced at helping organizations leverage their most valuable asset: their people.

Her expertise and insight led to her selection as a consultant to the Salt Lake City Olympic Organizing Committee in creating innovative strategies for the delivery of customer service and leadership training programs for the 35,000 game volunteers and local businesses. Colleen's consulting experience covers the government, health care, utility, retail, insurance, and financial industries.

Representative customer organizations include U.S. Navy Recruiting Command, Federal Emergency Management Agency, U.S. Department of Agriculture, Kaiser Permanente, Blue Cross Blue Shield, Wells Fargo, Aetna, U.S. Department Of Energy, Bath and Body Works, Office Depot, Bank of America, Travelers Insurance, Michelin, Legal & General Insurance, American Automobile Association, Florida Power & Light, Smith & Nephew, MGM Grand, Travelocity, Pacific Gas and Electric, and United Healthcare.

Colleen is a nationally in-demand keynote speaker, presenting at conferences such as the American Gas Association, Mid-Sized Pension and Management Conference, National Customer Support Services Conference, and International Quality and Productivity Center (IQPC) Call Center Conference. She has been quoted in publications such as the *Wall Street Journal*, *Business Week*, *ASTD's Training and Development* magazine, and *Sales and Marketing Management* magazine.

Colleen earned degrees at the University of Hawaii and the University of Tampa. Her professional affiliations include The American Society for Training and Development, the Organizational Development Network, American Marketing Association, International Society for Performance Improvement, and Instructional Systems Association.

Greg McDonald, Executive Consultant

With broad experience as a manager and sales executive, Greg has extensive expertise in the following areas: strategic planning and consulting, leading and coaching sales teams, presentation and facilitation skills, and customer relationship management.

His experience includes eight years at AchieveGlobal, serving as an Account Executive, Strategic Resource Business Development Executive, and as Regional Director for the Atlantic and Federal Government markets. His achievements at AchieveGlobal include developing, managing, and expanding key relationships with major accounts, developing presentation and format for consistent explanation and implementation of field sales force and prospects, and orchestrated strategic account planning to achieve revenue targets.

During his tenure at Acclivus Corporation, he designed a strategic message and presentation that shifted the organization's focus from product to outcome sales for the Service line of business. While at Siebel Systems, Inc., he managed Fortune 500 accounts and key partner relationships.

He has a Bachelor of Arts from Wittenberg University in Springfield, Ohio.

About AchieveGlobal

In the 21st century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills, giving companies the workforce they need for business results.

Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally, and locally.

We understand the competition you face. Your success depends on people who have the skills to handle the challenges beyond the reach of technology. We're experts in developing these skills, and it's these skills that turn your strategies into business success in the 21st century.

These are things technology can't do. Think. Learn. Solve problems. Listen. Motivate. Explain. People with these skills have a bright future in the 21st century. AchieveGlobal prepares you for that world.



World Headquarters
8875 Hidden River Parkway, Suite 400
Tampa, Florida 33637 USA
Toll Free: 800.456.9390
www.achieveglobal.com