

Why do salespeople fail?

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Mark W. Johnston, Joseph F. Hair, Jr., and James S. Boles, "Why Do Salespeople Fail?" *Journal of Personal Selling and Sales Management*, 9 Winter (no. 3, 1989), 53-58.
<https://doi.org/10.1080/08853134.1989.10754536>

This is an Accepted Manuscript of an article published by Taylor & Francis in *Journal of Personal Selling and Sales Management* on 24 October 2013, available online:

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Abstract:

The article discusses the reasons for the failure of salespeople in selling product, concept or services and also emphasizes on the method of selection criteria so as to match the need of the organization with that of individual's skill. According to the article, characteristics like enthusiasm, good organizational skills, ambition, persuasiveness, previous sales experience, ability to follow Instructions and sociability are required qualities in a sales personnel. Salespeople at the smaller companies consider inadequate product knowledge to be a more important contributor to failure than sales managers. The size of the organization does not appear to have a substantial impact on the salesperson's perceptions of the characteristics which can lead to failure. Salespeople in industrial selling believed that lack of initiative, and lack of personal goals were significantly more important factors in salesperson failure than did sales managers. The article suggests that sales managers need to consider spending more time assessing the personal and professional goals of the sales candidates they seek to hire.

Keywords: failed sales | salespeople | sales managers | hiring

Article:

Hiring the right individual for a sales position remains one of the most crucial aspects of a sales manager's job. The average cost of hiring and training a new sales recruit has risen dramatically in recent years, providing a strong impetus for selecting the correct individual for a sales career (Futrell and Parasuraman 1984; Sales and Marketing Management 1987). The cost of recruiting and training represents only part of the problem, however, as previous research suggests that turnover rates are highest among new employees (Bernadin 1977; Mobley et al. 1979; Weeks & Stark 1972). In addition, recent studies in the socialization of salespeople indicate new sales recruits will be more satisfied in their job, and therefore less likely to leave, when there is a good match between the needs of the organization and the individual's skills (Dubinsky et al. 1986). The common thread throughout all these studies is the need to recruit the right individual so as to enhance the possibility of salesperson and company success.

Current research suggests successful recruiting is a complex process by which the needs of the organization are matched with the skills of specific individuals (Anderson and Shackelton 1986; Dubinsky et al. 1986; Suszko and Breugh 1986). Unfortunately, organizational selection systems too often eliminate potentially good salespeople and hire individuals with a low probability of success (Anderson, Hair, and Bush 1988). This problem has forced many managers to engage in an almost endless search for new recruits.

Attributes for Successful Selling

Clearly, one of the most important elements in successful recruiting is the organization's ability to identify the necessary qualifications to be effective in a competitive sales environment (Johnston and Cooper 1981; Kurtz 1967; Moss 1978; Schuh 1973). In an effort to better understand what it takes to be successful, salesforce managers and researchers have concentrated much effort on identifying characteristics considered important for success (Lamont and Lundstrom 1977; Schuh 1973). The results of research to date, while not conclusive, suggest that certain personal characteristics do increase the probability of success. Among the characteristics frequently thought to enhance the chances of success in selling are:

1. Enthusiasm
2. Good Organizational Skills
3. Ambition
4. Persuasiveness
5. Previous Sales Experience
6. Ability to Follow Instructions
7. Sociability

While this list is certainly not exhaustive, sales managers consider these personal characteristics to be important indicators of sales success (Churchill, Ford, and Walker 1985; Moss 1978). However, although managers can identify factors which they believe enhance the probability of being successful, they do not appear to have an understanding of what characteristics lead to failure. This lack of understanding, if one exists, could influence job expectations and ultimately success or failure in a sales career. Given this dilemma this research seeks to identify personal attributes considered to be reliable indicators of failure by sales managers, and compares that information with data collected from salespeople and sales recruits, is warranted (Johnston and Cooper 1981).

Methods

Subjects for this study came from three diverse groups, sales managers, salespeople, and college students. A total of 192 completed responses were returned by sales managers from a mailing to 950 companies representing a variety of industries nationwide (20% response rate). Of those responding, 23 percent said their company marketed primarily industrial products, 35 percent consumer products, and 22 percent services. The remaining firms indicated that they sold an approximately equal mixture of consumer and industrial products.

The survey of salespeople was designed to obtain responses from individuals working for firms similar to those in the manager survey. Cooperation was solicited from sales managers who then distributed the questionnaires to their salespeople. Questionnaires were mailed directly back to the researchers. Of 256 possible respondents, 135 returned their surveys (53% response rate). As happened with sales managers, participants represented a wide range of companies across a variety of industries. Firm sizes ranged from less than five salespeople to companies with a nationwide salesforce of over 500.

Data from the third group, college students, were collected through surveys in marketing and management courses at a major state university. A total of 185 students completed the questionnaires and were included in the survey. Of this group, over 90 percent were juniors or seniors, while the remainder were MBA students. Business majors accounted for 80 percent of those students participating, with the remaining 20 percent coming from a diversity of fields such as journalism, psychology, and fashion merchandising. Nearly 20 percent of those included in the study claimed that they were almost certain to work in sales related jobs after graduation. Nine percent of those responding said they were virtually certain they would not be employed in a sales related area after finishing their degree. The remainder expressed varying degrees of interest in a sales position.

Survey

Each of the three groups were administered questionnaires concerning the selection and hiring of new salespeople. For managers and salespeople, the survey instrument asked for a response based on salesforce selection practices of their current company. Students were asked to respond with their general perceptions of failure in a salesperson.

Respondents across all three groups were asked to answer the question, "How would you rate the following factors as they contribute to the failure of a salesperson?". Respondents rated each attribute from 1 = very significant factor to 5 = not a significant factor. Mean responses were calculated for each group on each characteristic and then compared across groups. Thus, the lower the mean response the more significant or important the factor was to each group. The characteristics included in the survey were drawn from Moss (1978) and Anderson and Hair (1983).

Results

Sales managers and salespersons exhibited some differences in their rankings based upon the means (see Table 1). However, when statistical tests were used to assess differences in the mean values only three of eight were significant ($p < .05$). Specifically, salespeople believed lack of enthusiasm, inadequate product knowledge, and lack of proper training are relatively more significant contributors to failure than did sales managers. The groups agreed that lack of initiative and poor planning and organization are two of most important "failure" factors.

More differences were identified between students and salespersons, and particularly between students and sales managers. Students differed significantly from salespersons on five of eight factors, and from sales managers on seven of eight factors. Moreover, some factors were

perceived as less significant while others were considered more significant. Thus, overall students have numerous misperceptions about which factors contribute significantly to failure in a sales career, at least relative to those with experience in the field. This clear difference of opinion suggests that students may not be preparing properly for interviews and also may be asking questions that recruiters believe are less important. Such a situation could result in good recruits being rejected or overlooked in the sales hiring process.

Table 1. Factors Contributing to the Failure of a Salesperson

Factor	Sales Manager		Salesperson		Student	
	Mean	Rank	Mean	Rank	Mean	Rank
Lacks initiative	1.70 ^b	(1)	1.60	(1)	1.89 ^a	(5)
Poor planning and organization	1.88	(2)	1.99	(4)	1.98	(7)
Lacks enthusiasm	1.98 ^b	(3)	1.70 ^c	(2)	1.78	(2)
Lacks customer orientation	2.06 ^b	(4)	2.17	(8)	1.78 ^a	(3)
Lacks personal goals	2.18 ^b	(5)	2.01	(6)	2.48 ^a	(8)
Inadequate product knowledge	2.23 ^b	(6)	1.81 ^c	(3)	1.56 ^a	(1)
Lacks proper training	2.32 ^b	(7)	2.00 ^c	(5)	1.91	(6)
Unable to get along with buyers	2.37 ^b	(8)	2.11	(7)	1.80 ^a	(4)

1 = very significant factor, 5 = not a significant factor

^a significant at the .05 level between students and salespeople

^b significant at the .05 level between sales managers and students

^c significant at the .05 level between salespeople and sales managers

Further analyses were conducted to examine possible differences between the responses of salespeople and sales managers. This was done by comparing the differences between sales managers and salespeople along three dimensions: 1) salesperson experience, 2) company size (based on sales), and 3) product groups. In each analysis the mean rating for all sales managers was compared against the mean of each group of salespeople. For example, the mean sales manager response was compared against the mean of salespeople with less than 9 years experience, and 10 or more years of experience (see Table 2).

Table 2. Ratings of Factors of Salesperson Failure by Salesperson Experience: Differences Between Sales Managers and Salespeople

Factor	Sales Managers	Salespeople (years of experience)	
		9 years or less	10 years or more
Lacks initiative	1.70	1.63	1.54
Poor planning and organization	1.88	2.02	1.92
Lacks enthusiasm	1.98	1.65*	1.77
Lacks customer orientation	2.06	2.14	2.23
Lacks personal goals	2.19	2.02	1.98
Inadequate product knowledge	2.23	1.88	1.70
Lacks proper training	2.32	2.17	1.74*
Unable to get along with buyers	2.37	2.05*	2.21

1 = very significant factor, 5 = not a significant factor

* means are significantly different at $p < .05$ level between sales managers and salespeople in each category.

The results indicate that salespeople with greater experience consider lack of training to be a significantly greater contributor to failure than do sales managers (see Table 2). Less experienced salespeople, on the other hand, perceived personal factors such as lack of enthusiasm or inability

to get along with customers as relatively more important contributors than did sales managers. These differences suggest that sales experience does have at least some impact on the way salespeople view failure relative to sales managers.

While the findings indicate a number of differences between sales managers and salespeople with different levels of experience, the results do not suggest that organizational size has a major impact on the way in which salespeople perceive characteristics that lead to failure (see Table 3). Salespeople at the smaller companies (less than \$50 million) consider inadequate product knowledge to be a more important contributor to failure than sales managers. In general, however, the size of the organization does not appear to have a substantial impact on the salesperson's perceptions of the characteristics which can lead to failure.

Table 3. Rating of Factors of Salesperson Failure by Firm Sales Differences Between Sales Managers and Salespeople

Factor	Sales Managers	\$50,000,000 and Under Salespersons	Over \$50,000,000 Salespersons
Lacks initiative	1.70	1.54	1.66
Poor planning and organization	1.88	1.97	2.00
Lacks enthusiasm	1.98	1.70	1.70
Lacks customer orientation	2.06	2.23	2.11
Lacks personal goals	2.19	1.96	2.06
Inadequate product knowledge	2.23	1.67*	1.95
Lacks proper training	2.32	1.99	2.02
Unable to get along with buyers	2.37	2.09	2.14

1 = very significant factor, 5 = not a significant factor

* means are significantly different at $p < .05$ level between sales managers and salespeople in each category.

Table 4. Rating of Factors of Salesperson Failure By Product Group

Factor	Sales Managers	Firms Marketing Industrial Products	Firms Marketing Consumer Products	Firms Marketing Services
		Salespersons	Salespersons	Salespersons
Lacks initiative	1.70	1.36*	1.77	1.55
Poor planning and organization	1.88	1.76	1.95	2.21*
Lacks enthusiasm	1.98	1.85	1.74	1.55*
Lacks customer orientation	2.06	2.15	2.21	2.14
Lacks personal goals	2.18	1.78*	2.28	1.81*
Inadequate product knowledge	2.23	1.67	1.86	1.84
Lacks proper training	2.32	2.00	2.11	1.86*
Unable to get along with buyers	2.37	2.33	2.00*	2.10

1 = very significant factor, 5 = not a significant factor

* means are significantly different at $p < .05$ level between sales managers and salespeople in each category.

Finally, the nature of the products sold by the company was considered by placing each of the salespeople into one of three groups based on: 1) firms marketing industrial products, 2) firms marketing consumer products, and 3) firms marketing services (see Table 4). Salespeople in industrial selling believed that lack of initiative, and lack of personal goals were significantly more important factors in salesperson failure than did sales managers. Consumer products salespeople indicated that the ability to get along with buyers was a significantly more important

contributor to failure than sales managers. But, the most notable discrepancies were between managers and salespeople selling for service companies, where statistically significant differences were identified on four of eight failure factors. For example, service salespeople judged poor planning to be significantly *less* important in contributing to failure than did sales managers. In contrast, service salespeople perceived four other factors (lack of enthusiasm, lack of proper training, and lack of personal goals) as more significant contributors to failure than did sales managers. These differences suggest that the nature of the selling environment (i.e., selling of consumer products, industrial products, or services) does have an impact on the factors perceived by salespeople to influence failure.

Discussion

The selection process by which organizations recruit and hire new salespeople is important, complicated, and often misunderstood. This study sought to enhance our understanding of the selection process by focusing on which factors sales managers, salespeople, and a group of potential salespeople (college students) consider major determinants of failure. The findings suggest that the characteristics which are considered to be leading contributors to failure vary by salesperson experience, and the nature of the selling environment. In addition, results of the study have several implications for managers.

Look for "trainable" sales candidates

A consistent finding which emerged across all analyses was the significant difference between sales managers and salespeople as well as students with regard to the importance of training. While not always statistically significant, salespeople invariably considered a lack of training more important in its affect on failure than sales managers. The emphasis on training also is reflected in the importance of inadequate product knowledge as a contributor to failure. The results of the study indicate that students and, more importantly, salespeople believe inadequate product knowledge is a significant factor. These results suggest that sales managers may need to focus on assessing training needs in a sales candidate as well as personal characteristics.

Standardized training programs, which many companies employ, may not be flexible enough to accommodate the unique training requirements of each new salesperson. Consequently, while some new salespeople may be adequately trained, others may feel that they have not been properly prepared to face the customer. If this is the case the company is faced with two alternatives: 1) develop more flexible training programs tailored to fit individual training "needs" or 2), identify the training "needs" in the individual during the interview process. While the first alternative is certainly a worthwhile goal, and one which many organizations seek to develop, it is costly and inefficient. The more reasonable solution seems to work toward identifying the training capabilities of the individual during the process of selection in an attempt to hire sales candidates amenable to cost efficient training programs. Past research has shown, and this study confirms, that personal characteristics such as initiative and enthusiasm are important, however, managers may need to begin looking more closely at factors related to "trainability".

Identify sales candidates with strong personal goals

The importance of certain personnel characteristics such as enthusiasm were readily apparent to students. Indeed, they ranked enthusiasm as even more important in contributing to failure among salespeople than sales managers. When asked to evaluate what impact a lack of personal goals had on failure, students considered it significantly less important than either sales managers or salespeople. As noted earlier, ambition is an important element in success and ambition is built on personal goals. Consequently, sales managers may need to consider spending more time assessing the personal and professional goals of the sales candidates they seek to hire.

Identify sales candidates with a realistic view of the sales job

One problem which sales managers frequently encounter is the lack of understanding among sales candidates, especially those with little or no previous sales experience, regarding what a sales position really involves. Once hired the new salesperson experiences "shock" as his or her expectations of the job are vastly different from the reality of the position. This kind of shock is often considered to be a contributing factor in the high turnover rates among new salespeople (Johnston et al. 1987; Weeks and Stark 1972).

Results of the study suggest that students do differ significantly from managers and salespeople on which factors they believe contribute to failure. For example, students ranked a lack of initiative significantly less important in its affect on failure than either managers or salespeople. This inability to identify what factors lead to failure and conversely what characteristics a salesperson needs to succeed suggests that sales candidates, at least those with little or no sales experience, may need to be evaluated on their expectations about a sales position. In other words, does the sales candidate have realistic expectations about the position? Additionally, a preview of the sales job during the interview process may serve to enlighten the candidate about the demands of a sales position. Such a preview could take the form of a "day in the life" of a typical salesperson and consist of a day spent with a salesperson in the field. Some companies have already incorporated this idea as one element in their interview process.

Incorporate more experienced salespeople into the selection process

Sales managers should consider bringing experienced salespeople into the selection process. Results of the study suggest that more experienced salespeople have significantly different ideas on what leads to failure in sales than managers. Less experienced salespeople tended to consider personal characteristics such as a lack of enthusiasm more important, while more experienced regarded a deficiency in training or few personal goals as key factors for failure. These findings suggest that as salespeople gain more experience in the job their perception of what it takes to be successful changes. Unfortunately, managers often use newer, less experienced, salespeople rather than more experienced salespeople in the selection process. By incorporating more experienced salespeople into the selection process managers will be able to take advantage of proven success rather than relying on the evaluation of salespeople who may not yet have a clear idea of what factors lead to failure and conversely, success.

Don't eliminate good candidates because of lack of sales understanding

Findings of the study suggest that, while students, in general, have some awareness of factors that lead to failure they may still lack the kind of understanding which comes with experience. Consequently, students may not emphasize certain personal qualities because they are not aware of their importance. For example, while all three groups considered a lack of initiative as a critical antecedent to failure, students ranked it significantly less important than either sales managers or salespeople. If the student doesn't emphasize this personal characteristic in interviews, potentially good candidates may be screened out. Sales managers, therefore, need to be sure topics such as initiative, which could be represented by the amount of extra curricular activity in college, are covered in the interviewing process.

Selecting the right job candidate is a critical task and an important element in maintaining an effective salesforce. This study sought to examine that age old question, why do salespeople fail? In this context the perceptions among three key groups in the recruiting process, managers, salespeople, and sales candidates were studied to determine if differences between these groups existed. Results of the study suggest that these groups do view the antecedents of failure differently. By understanding these differences sales recruiters can work toward developing a better match between the requirements of the company and the goals and objectives of the sales candidate.

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