

Team and individual incentives foster a supportive and higher performing salesforce

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Managers who want to increase a salesforce's productivity should carefully employ incentives to reduce tension and foster a collaborative environment, research from the University of Mannheim finds.

According to Christian Homburg, Professor at the Chair of B2B Marketing, Sales & Pricing, individual incentives increase workers' competitiveness and likelihood of asking for advice. In contrast, team incentives boost collaboration and willingness to give advice, he says.

Analysing collected network data of 540 salespeople of a fastening and assembly technology firm, the researchers advocate a targeted approach to offering different types of incentives, to avoid creating workplace tension by simultaneously rewarding competition and cooperation.

"For instance, sales leaders can provide separate team bonuses or rewards to promote cross-selling or team-selling activities. This would facilitate the sharing of customer and product information, as well as colleagues exchanging advice in difficult selling situation. At the same time, performance on such occasions could be excluded from the overall leaderboard or contest, which would stay focused on individual achievements," says Professor Homburg.

The study also finds that salespeople who have worked in the same unit for a long time are less likely to share advice with colleagues.

The researchers recommend managers approach these individuals with opportunities for horizontal development to find natural offshoots of their current responsibilities.

This study was published in the Journal of the Academy of Marketing Science.

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