

Abstract

After completing a three-year study at Amadori, a leading supplier of McDonald's in Europe, researchers further explored the relationship between emotional intelligence (EQ) and the performance of the Amadori sales force. Performance data for members of Amadori's sales department were combined with results from the Six Seconds' Emotional Intelligence (SEI) and Brain Talent assessments (information on Six Seconds' EQ models and assessments can be found at www.6seconds.org). Extensive analysis revealed that specific EQ competencies were present in the top performers and were major drivers of performance for the sales force.

We started with a total of 68 people, but filtered only for 2014 results and eliminated any outliers in which the data distribution did not comply with the reference sample. This generated a final sample of 51 people to analyze. We focused on 2014 to allow us to evaluate more recent performance of the sales people analyzed.

Introduction

The human resources division of Amadori has worked with management at every level over the past several years to promote a profound improvement in processes and people. This has been done through development projects that use the company's own highly pragmatic models in such way as to value the culture of Amadori while taking best market practices into account. Measuring achievement and calculating return on investment were common denominators of all projects carried out at Amadori. The Amadori Academy, in fact, promotes the development of key competencies for the organization in an innovative way and, consistently over time, aims to homogenize corporate culture and develop people's skills.

With the aim of initiating a personnel development system, in 2009 Amadori enrolled 18 company managers in a training entitled Six Seconds' EQ Certification - Developing Managerial Intelligence." Participant satisfaction was very high and the company was thrilled with the pragmatic focus. The results of the training were measurable, with the return on investment of the project positive. The key to success was the Six Seconds' approach to leadership. Today, seven years later, 38 managers and 120 people from intermediate managers to salespeople to high potential leadership trainees have taken part in the Six Seconds courses.

An important positive result was the drastic reduction in turnover of agents, as measured in years. Extension of the sales force skills development system to 300 people throughout Italy, implementation of the manager-coach model, and attendance at the Six Seconds courses by the sales coordinators have reduced sales force turnover from 40.9% in 2010, to 19.3% in 2012, to 15.3% in 2014, and to a projected rate of 11.8% for 2016.

Attention has now shifted from development of area leaders to a focus on sales agents. As part of a continuous improvement effort aimed at developing sales force management skills, Amadori in 2015 confirmed its leadership in the area of employee training with the "Apprendi e Riprendi" ("Learn and Resume") project. For this initiative, the company won the HR Innovation Award, a prestigious recognition conferred by Politecnico di Milano. "Apprendi e Riprendi" ("Learn and Resume") was an innovative e-Learning method that enabled company business performance indicators to be diffused to active employees throughout the territory, conveying results in real time. The project started on an experimental basis in December 2014, with about 40 sales people in different parts of Italy, and then spread to the entire sales force of 350 tablet-equipped agents by April 2015. The focus was the reactivation of dormant customers with whom a relationship had already existed. This was a project, explained HR Director Paolo Pampanini, in step with technological innovation: "The basic idea exploited the fact that agents throughout the area were already equipped with hand-held devices to support work activities. For this

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reason, the Personnel department, in collaboration with the Sales department, the Organization Management department, IT, and Transformation Planning, designed e-Learning training content to spread, in a thorough and homogeneous manner, the best business practices and reach employees who, in number and distance, would be difficult to reach through traditional methods."

In conjunction with the roll out of the "Apprendi e Riprendi" ("Learn and Resume") project, in the early months of 2015 Amadori continued the collaboration with Six Seconds and worked on research that helped profile the emotional intelligence of commercial agents. This research established the winning profile for Amadori sales people by identifying the key determinants of performance. Research results could be used for both the selection of new sales agents and for the development of existing training programs.

In particular, this study sought to uncover and understand the relationship between the emotional intelligence of sales people and their performance. The analysis focused on three questions:

Q. Does EQ influence the performance of sales people?

Q. What are the key EQ competencies of the top performers?

Q. What are the key competencies to look for in a sales person during the selection process?

What is emotional intelligence?

Emotional intelligence, as defined by Six Seconds, is a set of competencies that enables people to apply thinking and feeling to make optimal decisions. While many people have been taught to "leave their emotions at the door," the premise of the Six Seconds' model is that emotions are essential to effective decision making and motivation. Effective use of EQ facilitates the ability to influence others, communicate effectively, and stay focused on the critical path. This is why Harvard Business Review says that emotional intelligence has become a key leadership skill for achieving professional success. (Ovans, A. (2015) How emotional intelligence became a key leadership skill. *Harvard Business Review*, 4)

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The variables investigated and Tools used

The following tools were utilized to measure soft people skills and hard sales performance targets:

SEI Assessment

The Six Seconds' Emotional Intelligence (SEI) assessment was designed for adults age 18 and over. Typical uses include learning and development, coaching, selection, and metrics for strategic planning and cultural transformation. The SEI has undergone three rounds of validation testing and has been used in several significant research studies. It measures:

1. Eight competencies of emotional intelligence

Competency	Definition
EEL: Enhance Emotional Literacy	accurately identifying and interpreting both simple and compound feelings
RP: Recognize Patterns	acknowledging frequently recurring reactions and behaviors
ACT: Apply Consequential Thinking	evaluating the costs and benefits of your choices
NE: Navigate Emotions	assessing, harnessing, and transforming emotions as a strategic resource
EIM: Engage Intrinsic Motivation	gaining energy from personal values & commitments vs. being driven by external forces
EO: Exercise Optimism	taking a proactive perspective of hope and possibility
IE: Increase Empathy	recognizing and appropriately responding to others emotions
PNG: Pursue Noble Goals	connecting your daily choices with your overarching sense of purpose

2. Four performance Success Factors

Mix of
*Influence and
Decision
Making:*
The capacity
to generate
results



Effectiveness



Quality of life

Mix of
*Achievement
and Satisfaction:*
The capacity to
maintain
balance and
satisfaction

Mix of
*Network and
Community:*
The capacity
to build and
maintain
networks



Relationships



Wellbeing

Mix of *Balance
and Health:*
The capacity to
maintain
optimal energy
and functioning

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3. Eighteen Brain Talents

The brain has certain capabilities. Six Seconds uses the metaphor of a smartphone App: a “Brain App” is like a tool for the brain; it represents the capability to apply an important talent. The 18 Brain Apps describe unique, powerful capabilities to create positive change. Grounded in research, these Brain Talents are essential to flourish in complex times – at work, in school, and in life.



Data Mining



Modeling



Prioritizing



Connection



Emotional Insight



Collaboration



Reflection



Adaptability



Critical Thinking



Resilience



Risk Tolerance



Imagination



Proactivity



Commitment



Problem Solving



Vision



Design



Entrepreneurship

In addition, Amadori's Performance Management System was utilized to identify key company metrics. For sales, the Amadori performance system includes various parameters. The two most important, and the ones selected for analysis, are:

1. Number of clients served
2. Kilograms of product sold

Performance objectives are established quarterly and results are communicated to each agent on a daily basis.

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The research

The participants completed the SEI assessment questionnaire and we utilized various methods to analyze the results and answer the following three research questions:

Q1. Does EQ influence the Success Factors of sales people?

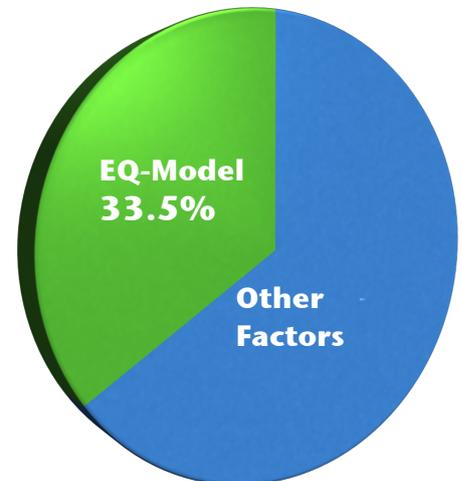
To reach a clear answer to this question, two detailed statistical analyses using multi-variable linear regression were applied.

Analysis 1 (A1) EQ and Success Factors

The SEI assessment gives normed scores for the eight EQ competencies, as well as for the four Success Factors of Effectiveness, Relationships, Wellbeing, and Quality of Life.

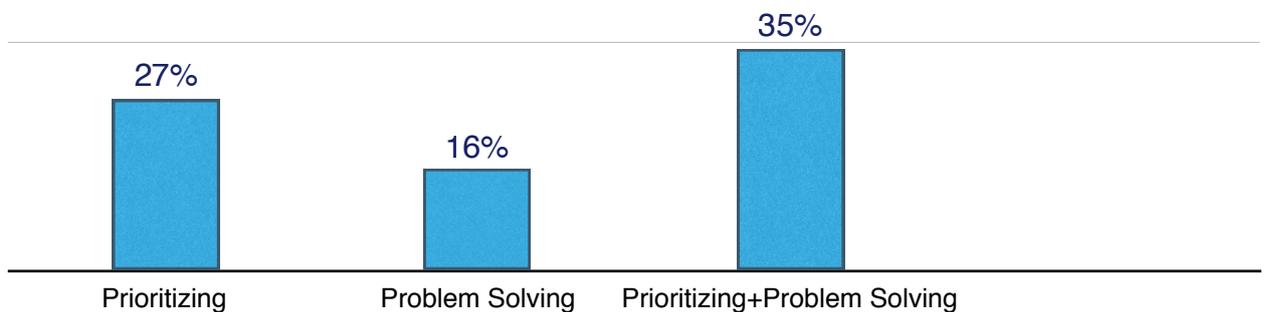
Multi-variable linear regression found that the eight competencies explained 33.5% of variation in Effectiveness (Influence + Decision Making).

The competency of Recognize Patterns, in particular, showed an 8.5% impact on the Effectiveness of sales people.



Impact on Success Factors

A similar analysis compared Brain Talents and Effectiveness, showing that Prioritizing and Problem Solving accounted for 35% of the variation in Effectiveness.



These competencies, which relate to setting priorities and a general analytical attitude plus a capacity to find solutions, are the key elements that influence the performance of sales people at Amadori.

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Analysis 2 (A2) EQ and objective performance data

Objective performance data were derived from the company's sales volume indicators, reported as kilograms sold per client (kgs/clients).

More effective sales people sell a higher volume of product per client. The analysis revealed that total EQ (all 8 competencies) accounted for 16% of performance variation (red circle below).

Riepilogo del modello									
Modello	R	R-quadrato	R-quadrato corretto	Deviazione standard Errore della stima	Variazione dell'adattamento				
					Variazione di R-quadrato	Variazione di F	df1	df2	Sig. Variazione di F
1	,531 ^a	,282	,160	26,6229183	,282	2,305	8	47	,036
a. Predittori: (Costante), Pursue Noble Goal, Apply Consequential Thinking, Recognize Patterns, Navigate Emotions, Exercise Optimism, Enhance Emotional Literacy, Increase Empathy, Engage Intrinsic Motivation									

In particular, we found that one EQ competency, Exercise Optimism, explained 10% of the impact on performance.

This suggests that, on average, every 1 point increase in Exercise Optimism produces a 1.141 increase (red circle below) in kgs/clients. Considering that a sales person delivers an average of 3120 kgs/year, multiplying 3120 by 1.141 indicates that a 1 point increase in Exercise Optimism would lead to an increase of 3560 kgs sold annually by a typical sales person.

By focusing on the optimism of sales people, we can create a significant improvement in performance. Looking at performance data across the Amadori sales force, we find an average Exercise Optimism score of 102.5, with a standard deviation of 10.1. For the entire sales force, Amadori sells 223,741 kgs of product annually. If we increase Exercise Optimism by 10 points, a reasonable target given the standard deviation, the increase in kilograms sold would be 35,600, 16% more than current sales.

Coefficienti ^a											
Modello		Coefficienti non standardizzati		Coefficienti standardizzati		Sig.	Correlazioni			Statistiche di collinearità	
		B	Deviazione standard Errore	Beta	t		Ordine zero	Parziali	Parziali indipendenti	Tolleranza	VIF
1	(Costante)	74,645	50,350		1,483	,145					
	Enhance Emotional Literacy	-,828	,399	-,326	-2,072	,044	-,181	-,289	-,256	,616	1,624
	Recognize Patterns	,455	,294	,248	1,548	,128	,094	,220	,191	,595	1,680
	Apply Consequential Thinking	,148	,274	,072	,541	,591	,065	,079	,067	,856	1,168
	Navigate Emotions	-,358	,315	-,184	-1,139	,260	-,212	-,164	-,141	,584	1,714
	Engage Intrinsic Motivation	-,588	,493	-,233	-1,191	,240	-,204	-,171	-,147	,399	2,508
	Exercise Optimism	1,141	,437	,397	2,610	,012	,162	,356	,323	,660	1,514
	Increase Empathy	,304	,282	,171	1,711	,094	,026	,242	,211	,563	1,777
	Pursue Noble Goal	-,500	,377	-,242	-1,326	,191	-,150	-,190	-,164	,460	2,174

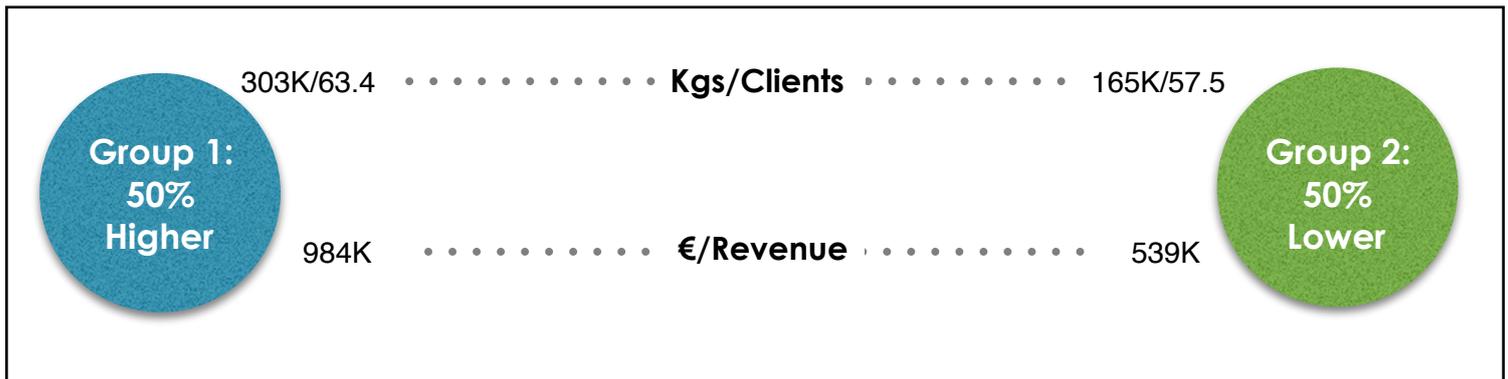
a. Variabile dipendente: KG/CS(anno)2014

To understand the impact of EQ competencies and Brain Talents on sales person performance, agents were divided into four quartiles based on sales performance. The EQ competencies and Brain Talent scores of those in the top-performing quartile were compared to the scores of the lowest-performing quartile. The following research questions describe this analysis.

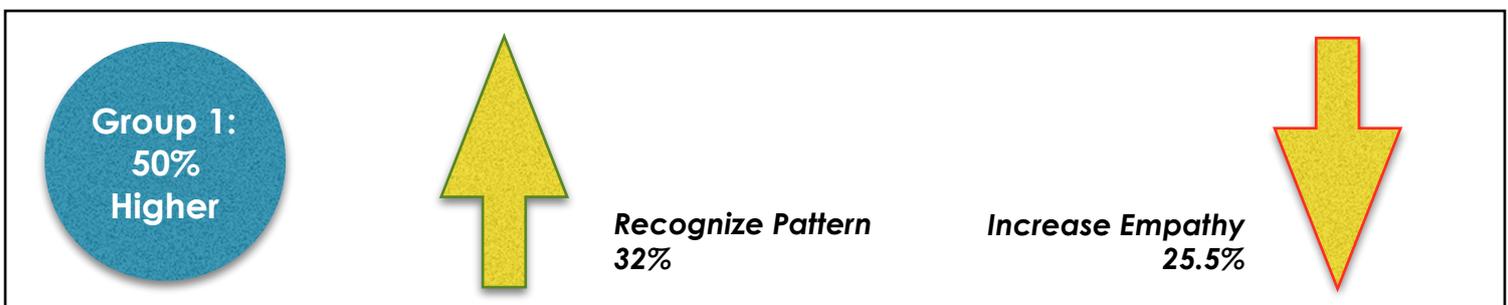
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Q2. What are the key EQ competencies of the top performers?

The next analysis sought to identify the key EQ competencies present in the high performers that set them apart from the low performers. This analysis considered all the sales people, comparing the 50% of higher performers (Group 1) to the 50% of lower performers (Group 2). Performance data provided by Amadori for each sales type (kgs of meat sold in 1 year/number of clients in 1 year), revealed that Group 1's sales average was 303K kgs/63.4 clients and Group 2's was lower at 165K kgs/57.5 clients. Group 1's revenue in 1 year was €984,000, substantially higher than Group 2's at €539,000.



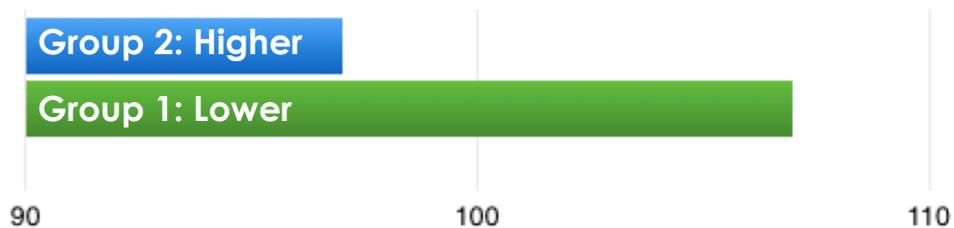
Within Group 1, two specific EQ competencies had a considerable impact on sales performance. Linear regression of Recognize Patterns versus sales showed 32% of sales variation was predicted by this competency. Increase Empathy showed a negative relationship with sales; 25.5% of the variation in sales was predicted by lower empathy scores.



These results indicate that a more analytical competence (Recognize Patterns) wins over a more emotional one (Increase Empathy). Winning, of course, is in the context of sales performance and it may be that decreased empathy has a negative impact on other aspects of the higher performers' lives.

Warning on Wellbeing?

Although statistically a difference between the scores exists, the people in Group 1 have a score of 97, which is close to the average score of 100. The significantly higher wellbeing scores of the people in Group 2, however, suggest a link between performance and self-sacrifice to achieve their success. The low performers may also be choosing a better lifestyle over organizational performance. This important area may be worthy of further examination to ensure that success is sustainable given the apparent negative impact on wellbeing.



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Q3. What are the key EQ competencies/Brain Talents to look for in a sales person during the selection process?

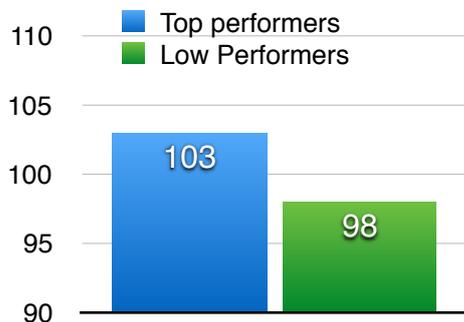
The next step was to merge the results of the 1st and 2nd analyses to understand the key factors that Amadori can use to improve the selection process. The criteria used to find these factors were:

- the competency must have a statistically significant connection to performance data (Effectiveness for A1 or kgs/clients for A2)
- the same competency has to show a link with performance in the other analysis (A1 or A2) even if the link is not statistically strong. This secondary information is only a confirmation.
- if a competency has a statistically strong link with performance data (A1 or A2), but in the other analysis the link with performance is not confirmed, the competency will be not considered.

Below are the four key competences identified as important and the one rejected:

1. *Prioritizing* - to decide what's important, you evaluate options and consider the best results against constraints.

Variation in Prioritizing scores predicted 27% of the variation in Effectiveness as perceived by the sales person. This impact is statistically significant, as shown in Q1.



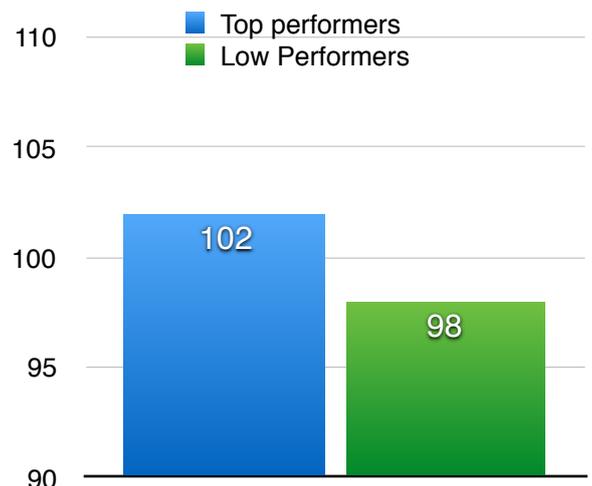
In Analysis 2 (A2), we saw a gap between the 25% high performers and the 25% low performers.

The top performer had a score of 103 in this Brain Talent compared to 98 for low performers. This gap, even though it was not statistically significant, is good confirmation within A2 of the importance of Prioritizing for sales people at Amadori.

2. *Problem Solving* - to get results fast you focus both on the present and future and create the emotional energy to go forward.

Variation in Prioritizing scores predicted 16% of the variation in Effectiveness as perceived by the sales person. This impact is statistically significant, as shown in Q1.

In this second analysis (A2), we saw a gap between the 25% high performers and the 25% low performers. The top performers had a score of 102 in this Brain Talent compared to 98 for low performers. Although this gap was not statistically significant, it is good confirmation within A2 of the importance of Problem Solving for sales people at Amadori.



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3. Exercise Optimism - Taking a proactive perspective of hope and possibility.

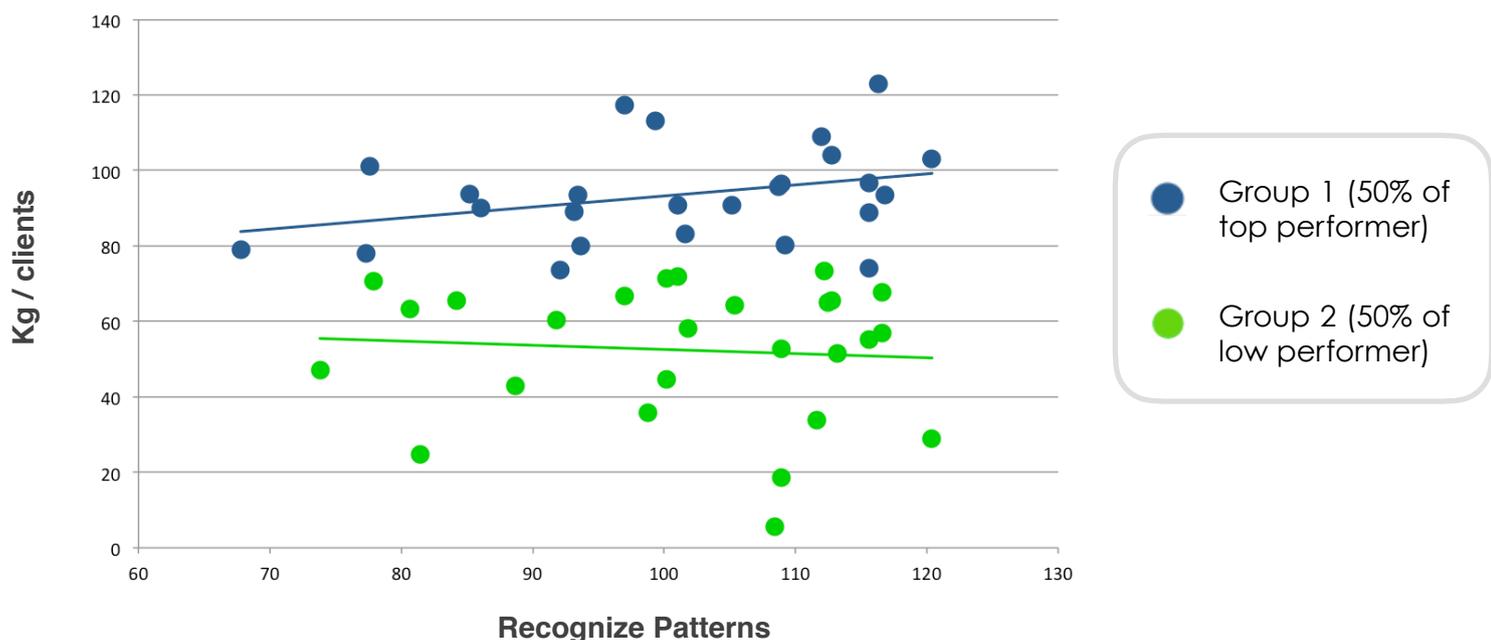
In A2, the variation in scores on Exercise Optimism predicted 10% of the variation of sales person effectiveness.

In addition to the findings in A1, the top performers had an Exercise Optimism score of 105 compared to 101 for the low performers. Although this gap was not statistically significant, it is a good confirmation of the importance of this competency at Amadori.

4. Recognize Patterns - Acknowledging frequently recurring reactions and behaviors.

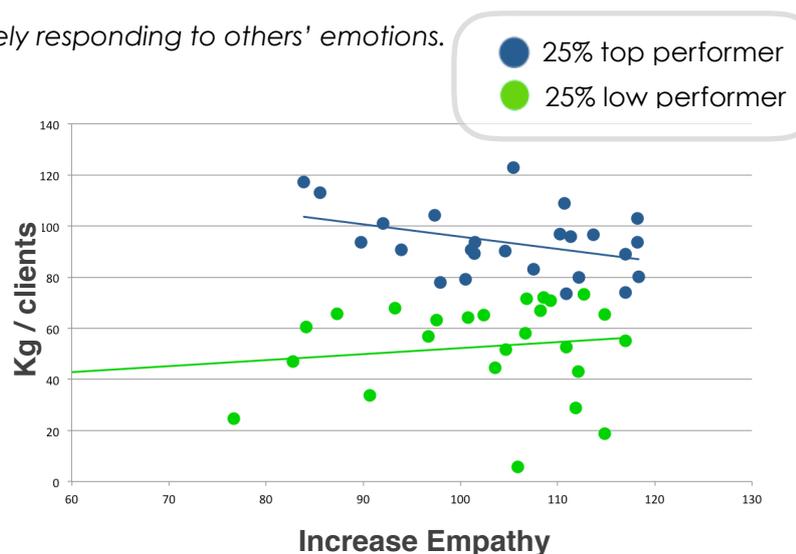
Recognize Patterns is another key competency that can be assessed and considered for the selection process. The reasons are:

- In A1, this competency had a statistically significant 8.5% impact on Effectiveness as perceived by the sales people.
- In A2, Recognize Patterns in Group 1 had a statistically significant impact of 32% on sales person performance (kgs/clients).



5. Increase Empathy - Recognizing and appropriately responding to others' emotions.

Although the top 25% had a higher score on Increase Empathy than the low 25%, from a business perspective we would not recommend using it as a selection criterion since it showed a negative relationship to performance (kgs/clients) within Group 1. See also the A2 analysis in Q2. Increase Empathy might be worth further examination, since it does correlate positively with the top group, to understand its effect on managing customer contact, a key task of a successful sales person.



The conclusion

The research has shown that analytical skills (Prioritizing and Recognize Patterns) and practices (Problem Solving and Optimism) have a significant impact on sales effectiveness and results. Deciding what is important, assessing obstacles and options, and quickly responding to current needs, seem to be the skills that best predict sales performance at Amadori. Pampanini explains that, "In light of these results, it is clear that our ideal agent is a practical and rational operator, a problem solver focused on achievement, and able to prioritize, to choose from several options rapidly and with care and attention. This agent is optimistic, pro-active, and not, as we thought at the beginning, an entrepreneur geared towards the long term."

This awareness has had a very important role in defining the contents of a new training program called "Trasforma il tuo tempo in denaro" (Turn Your Time into Money). After the experience with "Apprendi e Riprendi" ("Learn and Resume"), the Amadori Academy has developed, together with the digital division of the Organization Management department, IT, and Transformation Planning, a new app and several study modules. The focus of these modules was based on the description of the ideal Amadori sales person that emerged from the research. Pampanini explained it in this way: "'Trasforma il tuo tempo in denaro" (Turn Your Time into Money) wants to help people organize their work even better, to increase productivity and trigger economic advantage through a win-win process. To do that we have borrowed the best from what has been learned in "Apprendi e Riprendi" ("Learn and Resume"), preparing video material that is easy, fast, and innovative, but focusing on two issues: how to strategically plan for achievement of the agent's goals and how to manage customer contact in the here and now. The latter focus, based on the research results, was the one privileged."

The practical implication of the research was a significant improvement in the selection process for Amadori agents and the creation of an app that provided detailed help to (a) quickly make the right decisions before contacting the customer, (b) decide on the priorities of the seller, and (c) analyze results through daily updates. As Pampanini concluded, "Human capital is of strategic significance and represents an essential factor in understanding the future path to be taken based more and more on the enhancement of skills while taking into account the digital transformation."