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US organizations invest more in sales training than they do for any other employee group. Annual investments average over \$2,000 per salesperson,<sup>i</sup> amounting to more than \$100 billion each year.<sup>ii</sup> The reasons are obvious, good training can increase performance and sales. This issue of Academic Research in Action offers insights into incentives that succeed in encouraging participation in sales training, and types training that improve performance and ROI.

Effective training of the sales force has significant benefits for organizations. Research has long established that regular skills upgrading is essential for the success of workers, including the salesforce. Training is important to increase sales force productivity and future value.<sup>iii</sup>

### **At-a-Glance**

- Selective incentives are an effective tool to encourage participation in training and earning of certifications. Decades of research confirm that rewards can significantly enhance motivation and engagement in learning activities. By offering incentives and recognition – preferably non-monetary – for completing training and earning certificates, firms can encourage salespeople to actively participate and strive for success in their development programs.<sup>iv</sup>
- Well-designed and well-executed training and certification programs equip salespeople with the necessary skills and knowledge to boost performance and sales volume. Training programs have been shown to increase employee motivation, self-efficacy, and overall performance.<sup>v</sup> By rewarding salespeople for completing training and achieving certifications, firms can encourage continuous skills development and foster a culture of excellence.
- Workplace training is undergoing a transformation, sales training included. Online learning, micro-learning content, just-in-time learning, algorithms and, potentially, generative AI, can be combined to deliver the right amount to learning to workers on a personalized basis, at their time of need.<sup>vi</sup> These tools are currently revolutionizing education, especially in the workplace. By providing salespeople the learning they need, when they need it, firms can accelerate skills-building at lower costs.<sup>vii</sup>

### **Incentives to Encourage Salespeople to Participate in Training**

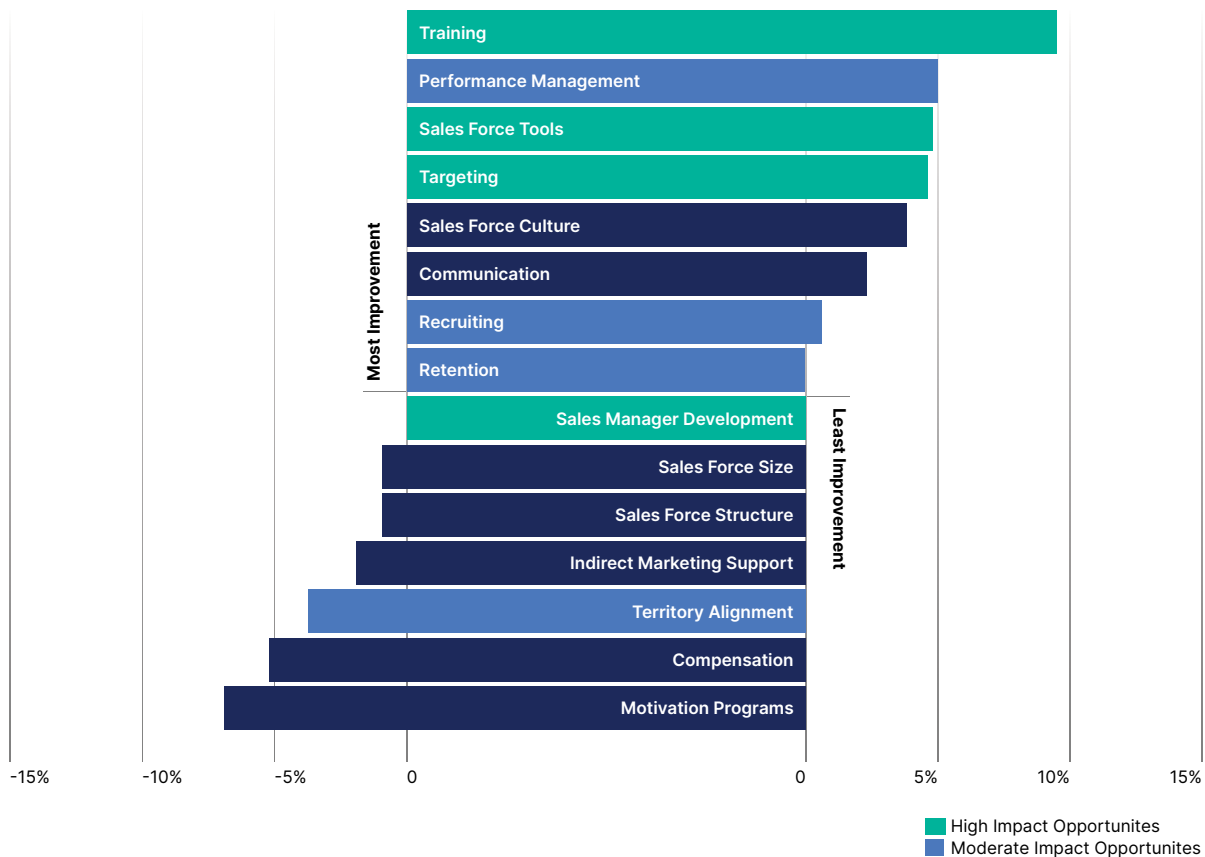
Experiments conducted as far back as 2000 indicate that incentives encourage individuals to invest more time and effort in learning, enhancing their chances of developing and employing innovative strategies often needed to excel in complex decision-making tasks and sales environments.<sup>viii</sup> These rewards can come in various forms, including cash and non-cash rewards, or a combination of both, depending on the firm's objectives and resources. While monetary rewards are effective, a growing body of research suggests that non-monetary recognition and rewards can be equally or even more motivating.

For example, in 2020, researchers investigated the effects of varying feedback frequency and performance-based bonuses on learning and performance outcomes. They found that frequent feedback combined with performance-contingent bonuses lead to improved learning and better overall performance.<sup>ix</sup> A 2009 study by Harvard professor Ian Larkin showed that software salespeople in the Fortune 100 firm he examined, were willing to sacrifice the equivalent of \$30,000, on average, to reach the annual “top 10%” club. Those who earned their way into the club participated in a group incentive travel trip and were issued business cards that noted their accomplishment. Larkin concluded that the recognition and status these rewards conferred were incredibly powerful motivators for the firm’s highly competitive sales team.<sup>x</sup> These and other studies emphasize the importance of incorporating peer recognition and status into incentive design, both to drive sales and foster continuous learning.

### Learning and Skills-Development Boost Performance and Sales

A growing body of research concludes that well-trained salespeople outperform and generate higher revenues than their less-trained counterparts.<sup>xi</sup> This may not be surprising, but the results of a study published in the Journal of Personal Selling and Sales Management in 2008 demonstrates that of 15 interventions designed to improve sales performance, training is among the three most effective (Figure 1). More recent research demonstrates that training can boost creative thinking among salespeople, particularly when combined with incentives that include peer recognition.<sup>xii</sup>

**Figure One: Effectiveness of Initiatives Designed to Improve Sales Performance**



## Sales Training That Attracts Learners and Drives Results

Traditional training programs often fail salespeople for the same reasons they prove ineffective for others: information overload, low knowledge retention, lost productivity during classroom training, and lack of opportunity to practice what is learned on-the-job.<sup>xiii</sup> Moreover, factors such as evolving technology, job roles, cost-cutting measures, and time constraints have reduced the effectiveness of these programs.<sup>xiv</sup>

Salespeople may especially dislike time away from productivity as it can impact their compensation through reduced sales and commissions. A week-long, instructor-led classroom course on solutions sales, for example, is grossly inefficient when a salesperson may need only a short, peer-produced video on overcoming a specific type of customer objection. Through gamification, the use of mixed media and other techniques, leveraging technology can also make training more engaging and improve learning outcomes.<sup>xv</sup>

Thus, there is a growing need for sales training design effectiveness, focused on individualized, tailored, and flexible programs.<sup>xvi</sup> Though traditional classroom training still has a role in some circumstances, online and automated training minimizes time away from work, enables frequent updates, accelerates learning through brief but precise content, and can provide personalized material in the time of need.

### Conclusion

Rewarding salespeople for completing training and achieving certifications is a strategic approach to enhancing the skillset of the sales force and fostering a culture of continuous learning. By offering recognition and non-monetary rewards, firms can effectively and inexpensively incentivize their sales teams to invest in their professional development, ultimately leading to better performance, increased adaptability, and long-term success.

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