

The Impact of Emotional Intelligence on Business to Business  
Software as a Service Sales Performance

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Submitted to the National College of Ireland, August 2019

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## ABSTRACT

### THE IMPACT OF EMOTIONAL INTELLIGENCE ON BUSINESS TO BUSINESS SOFTWARE AS A SERVICE SALES PERFORMANCE

JULIANNE LYNE

Emotional Intelligence (EI) has been found to positively impact overall work-performance, however, there is no clear consensus on impact of EI on sales performance. The business-to-business (B2B) Software as a Service (SaaS) industry is one of the fastest growing of the 21<sup>st</sup> century, much of this growth is driven by SaaS company's salesforce. The purpose of this study is to explore the relationship between Emotional Intelligence and sales performance in the B2B SaaS industry. The participants involved in this study are sales representatives from a B2B SaaS company based in Dublin, Ireland. The participants sell into either the UK/Ireland or French markets. Each participant took the GECO, a new ability-based Emotional Intelligence test which measures overall Emotional Intelligence scores as well as scores in the areas of Emotional Regulation, Emotional Understanding, Emotional Management and Emotional Recognition. These results were compared with each participants actual sales performance over the previous 6-months. Briefly, evidence from this study shows that overall Emotional Intelligence levels do not impact sales performance. However, for participants working in the French market, Emotional Management levels are shown to have a direct negative impact on sales performance. Implications and areas for future research are discussed.

## DECLARATION

I declare that that the work being submitted for examination is wholly my own work and that all materials consulted and ideas garnered in the process of researching the dissertation have been properly and accurately acknowledged.

Julianne Lyne

## ACKNOWLEDGEMENTS

The completion of this thesis could not have been possible without the help and support of many people. Their contributions are sincerely appreciated and gratefully acknowledged.

In particular I would like to acknowledge my thesis supervisor, Robert MacDonald of the National College of Ireland for his ongoing support, guidance and feedback during this process, his help has been invaluable.

I would also like to acknowledge Marcello Mortillaro and Katja Schlegel of the Université de Genève for granting me access to the GECO for the purpose of this research.

Finally I would like to thank my family and friends for all their encouragement and support.

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## INTRODUCTION

Emotional intelligence (EI) can be described as the ability to understand and regulate our own emotions as well as the capacity to recognize and manage the emotions of others (Goleman, 1995; Salovey & Mayer 1997; Wisker and Poulis, 2015; Ogilvie, Rapp, Agnihotre, and Bachrach, 2017). It has been widely reported in research that high emotional intelligence has a positive impact on job performance (Harris, Mirabella, and Murphy, 2012; Giorgi, Mancuso, and Fiz Perez, 2014,) and it has been suggested that EI is an even greater predictor of success than IQ (Goleman, 1998; Wisker and Poulis, 2015).

After a period of neglect, emotional intelligence has garnered significant interest from the research community in several domains of psychology including organizational psychology (Giorgi et al., 2014; Schlegel and Mortillaro, 2018). With advances in computer technology and artificial intelligence, serious change to the landscape of human employment in the near future is becoming increasingly probable. According to an in-depth study done by Frey in 2013, about 47 per cent of total US employment is at risk of automation in the next two decades (Frey, 2013). The immanence of widespread artificial intelligence may be one reason for the recent increased interest in EI, as tasks that require intuitive and empathetic intelligence (areas strongly associated with EI) are more difficult for AI programmes to complete (Huang, 2018). In a world where the vast majority of mechanical and analytical jobs will be performed by robots or computer algorithms, the importance for honing and emphasising our most human skills cannot be underestimated.

The sales profession involves heavy human interaction, communication and connection, all of which are areas with strong connections to emotional intelligence and for which the role of EI should play a huge part. There have been a number of studies done on the role EI plays on sales performance, some of which indicate that there is a positive correlation between high levels of EI and individual sales performance (Deeter-Schmelz & Sojka, 2002; Law, Wong & Song, 2004; Giorgi et al., 2014). However there is a consensus that the literature is lacking and more studies would be beneficial to our understanding of the area (Wisker and Poulis, 2015; Kadic-Maglajlic, Vida, Obadia, and Plank 2016).

Past studies in relation to sales performance and EI include professionals from the medical, media, furniture and automotive and banking industries but there are few studies available on sales reps in the Software as a Service (SaaS) industry. According to the Market Watch 2018 report, the global SaaS Market size is expected to reach \$185.8 billion by 2024 (Market Watch, 2018) and 73% of organizations say nearly all (80%+) of their apps will be SaaS by 2020 (BetterCloud, 2017). The Business to Business (B2B) software sales processes can be complex, requiring sales professionals to deeply understand their prospect's business, goals and problems and gain trust in order to advise them on the best course of action or solution. Studying the role of Emotional Intelligence on sales performance in this fast-growing, multi-billion dollar industry may guide managers, recruiters and business owners on how best to hire and train their sales talent and help sales professionals identify areas that can be improved on for maximum performance impact.

For this reason the research question of this dissertation is: *Is there a relationship between Emotional Intelligence and B2B SaaS sales representatives' performance?*

## WHAT IS EMOTIONAL INTELLIGENCE?

The concept of Emotional Intelligence was made popular with Goleman's 1995 book of the same name, in which he described emotional intelligence as the capacity to understand our emotions and manage them effectively as well as to understand and effectively manage the emotions of others (Goleman, 1995). Since then, EI has become a major topic of interest in scientific circles as well as in the lay public (Bar-On, 2005)

The origins of EI, however, go back much further than Goleman's book and the concept has been studied by scholars for the greater part of the 20th century. (Bar-On, 2005). The construct of Emotional Intelligence was even studied by Darwin as early as 1837 (Bar-On, Handley, & Fund, 2006). In his early work, Darwin examined the importance of emotional expression for survival and adaptation (Bar-On, 2005). Among the first to suggest the name emotional intelligence were Salovey and Mayer (1990) to refer to the ability for a person to deal with his or her emotions (Law, Wong and Song, 2014).

Since its conception many scholars have studied emotional intelligence and have come up with various definitions. Some of the big names in the field of emotional intelligence have defined the concept as follows:

*“The ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth” (Salovey & Mayer,1997).*

*“A cross-section of interrelated emotional and social competencies that determine how effectively we understand and express ourselves, understand others and relate with them, and cope with daily demands and pressures” (Bar-On,Handley, & Fund,2006)*

*“The capacity to understand our emotions and manage them effectively as well as to understand and effectively manage the emotions of others” (Goleman, 1995)*

From Darwin to the present day, most definitions of EI cover four distinct areas; emotional perception, regulation, understanding, and utilisation (Ciarrochi, Chan, and Caputi, 2000; Law, Wong and Song, 2014). It is important to note that while there is a relation between personality and emotional intelligence, EI is conceptually distinct from personality and there is empirical evidence that EI abilities are distinct from personality traits (Davies et al., 1998; Law, Wong and Song, 2014). In summary, to be emotionally intelligent is to be aware of one’s own and others emotions, feelings and needs and in turn control and regulate our emotions, behaviour and interactions with others (Bar-On,Handley, & Fund,2006).

## THE IMPACT OF EMOTIONAL INTELLIGENCE

It has been well-documented and studied over the years that Emotional Intelligence has a huge impact on individuals in such areas as life-satisfaction, physical and psychological health, performance in school and in the workplace and social interactions (Bar-On, 2005; Law, Wong and Song, 2014; Salovey & Mayer, 1997; Bar-On, Handley, & Fund, 2006)

Emotional Intelligence has been found to have a significantly more important impact on life-satisfaction and job performance than IQ (Bar-On, 2005). Wagner's 1997 study revealed that IQ accounts for approximately 6% of job performance (Wagner, 1997), while Bar-On's 2005 study shows that EI accounts for approximately 5 times more than that (Bar-On, 2005). Lam and Kirby (2002) also showed that EI explains individual cognitive-based performance above and beyond the level attributable to general intelligence and Dulewicz and Higgs (2000) showed that EI was predictive of the career success of 100 managers (Wong et al., 2002; Lam and Kirby, 2002; Dulewicz and Higgs, 2000).

Bar-On also found that high levels of Emotional Intelligence positively influenced self-actualisation which is described as a life-long effort leading to an enriched and meaningful life and well-being which is described as a feeling of satisfaction with one's health,

relationships, occupation and financial situation. EI also has a substantial impact on personal relationships and social interactions (Bar-On, 2005)

Emotional Intelligence has even been found to have a moderate yet significant relationship with physical health due to the ability to manage stress and interpersonal relationships well and maintain an optimistic disposition (Bar-On, 2004; Krivoy et al., 2000). Psychological health is also greatly impacted by emotional intelligence levels (Bar-On, 2005).

In school, emotionally intelligent students are the most successful and in the workplace, high performers have significantly higher Emotional Intelligence than low performers (Bar-On, 2005; Bar-On, Handley, & Fund, 2006). According to Law, Wong and Song, a person with high EI can direct positive emotions in the workplace to high performance and redirect negative emotions to generate constructive performance goals. An individual who is not aware of their own and others emotions and who lacks an ability to regulate their emotions would have problems interacting with co-workers. As interpersonal relationships are a basic component of most jobs, it is clear why a high level of emotional intelligence is associated with better work performance. (Law, Wong and Song, 2014)

Bar-On, Handley, & Fund's comprehensive 2006 study of the impact of emotional intelligence in the Israeli and US armies showed that high levels of EI are significantly related with high

performance in cadet recruitment, high levels of perceived leadership potential, acceptance into elite forces programs and overall performance (Bar-On, Handley, & Fund, 2006).

## FACTORS INFLUENCING EMOTIONAL INTELLIGENCE

It has been found that gender does not have an impact on overall levels of EI and that there are no differences in levels of EI in males and females. However, there are a number of differences with regard to the factors that make up an EI score. According to Bar-On:

*“females appear to have stronger interpersonal skills than males, but the latter have a higher intrapersonal capacity, are better at managing emotions and are more adaptable than the former”* (Bar-On, 2005).

It was also found that women are more aware of their emotions, show more empathy and relate better interpersonally than men, while men have better self-regard, are more self-reliant, cope better with stress, are more flexible, solve problems better, and are more optimistic than women (Bar-On, 2005; Bar-On, 1997).

A study of EI in North America showed there to be no significant differences in EI among members of different ethnic groups (Bar-On, 2005). However, emotional intelligence can be influenced by one's culture, family, life-events and how one was raised and taught about emotions (Mayer & Salovey, 1997).

One factor that does impact emotional intelligence levels is age. Older groups consistently demonstrate higher levels of EI than their younger peers. The results show that as one gets older, their emotional intelligence increases. This may be due to the fact that they have accrued more life-experience and learned more about themselves and their emotions (Wong et al., 2002; Law, Wong and Song, 2014). In studies, respondents in their late 40's obtained the highest mean scores in EI. These findings are interesting when considering that cognitive intelligence increases up until late-adolescence and then starts to gradually decline (Wechsler 1958; Bar-On, 2005).

Overall it has been proven that Emotional Intelligence positively impacts life-satisfaction, general health, leadership skills, school and work performance and is up to 4-5 times more important than IQ when predicting success. The good news is that unlike IQ, EI can be taught and learned and improves overtime and, in fact, many factors influencing EI can be enhanced by relatively simple methods over a relatively short period of time (Bar-On, 2005). Given the importance that emotional intelligence plays in overall success and the fact that it can be improved, it is important that managers and employees alike are aware of this and incorporate EI measures and improvement methods into their recruitment and training programs.

## THE RELEVANCE OF EMOTIONAL INTELLIGENCE IN SALES

With such a vast array of benefits to individuals and to their performance in life and work, it stands to reason that high levels of emotional intelligence would be beneficial in the sales

profession. Sales jobs involve high levels of human interaction, communication and understanding as sales reps are constantly dealing with people. Job performance is linked to the sales representative's ability to understand their client's needs, to manage various kinds of selling problems and to deal with possible emotional troubles (Deeter-Schmelz & Sojka, 2002), so it is expected that emotional intelligence will play a significant role in an individual's ability to effectively do this.

High levels of emotional intelligence have been linked with lower burnout (Schlegel and Mortillaro, 2018). In the sales profession, burnout is a major issue and one that costs companies millions of dollars each year. Sales reps face high levels of stress due to facing rejection from prospects on a daily basis and the pressure of having to hit monthly or quarterly sales targets. Faced with constant rejection, role ambiguity, and customer challenges, successful salespeople need to maintain control and awareness of their own emotions as well as those of their customers (Rozell, Pettijohn, and Parker 2006; Ogilvie et al., 2017). If poorly managed, these stresses can lead to the infamous sales burnout which can spell disaster for companies through high levels of employee turnover. A survey of 342 SaaS companies run by DePaul University found that there is a 28% turnover among sales team members, while the average cost of replacing a sales rep is \$114,957 (Blog.close.com, 2019). With burnout causing such devastating consequences for sales reps and companies alike, hiring sales professionals with high levels of emotional intelligence and training current team members on strategies to improve their EI levels could be of huge benefit. EI is thought to be advantageous in this area as individuals with high levels of emotional intelligence can

direct positive emotions to high performance and redirect negative emotions to generate constructive performance goals (Law, Wong & Song, 2004).

Emotional Intelligence levels have also been linked to better negotiation outcomes (Schlegel and Mortillaro, 2018). Negotiation requires a deep understanding of the other person's needs, motivations and goals and those with higher levels of emotional intelligence and empathy are better able to read other parties' emotions and use empathy to put themselves in the other parties shoes in order to effectively communicate a viable solution. Negotiation is one of the most vital parts of a sales rep's job and their ability to do so well is one of the most crucial factors in their success. According to Bar-On's 2006 study, assertiveness, empathy, optimism, self-reflection and problem solving were the key EI domains for success in negotiation and in sales (Bar-On, Handley, and Fund, 2006 Giorgi et al., 2014).

With advances in technology and greater access to information by prospects than ever before, the role of a sales representative has changed. No longer is the sales rep the gatekeeper to all of the information related to their product or service. With online reviews, customer references and social media channels, prospects enter into a sales process with a good understanding of a company's offerings. Due to the easy access to information, customers are more aware than ever of competitor offerings and are becoming a whole lot more sophisticated and demanding in their requirements. Due to this, the role of a salesperson as a trusted advisor and consultant, while maintaining a good personal relationship with their prospect, has become imperative. The ability to do so requires a salesperson to manage their

own emotions, communicate effectively and display high levels of empathy (Wisker and Poulis, 2015).

The role of a sales representative is ever-changing and professionals must be open to adapting their approach to different personality types, different use cases for their products, changes their company's offerings and changes in the market and competitive landscape. It has been shown that emotionally intelligent individuals are adaptable and flexible in handling change (Goleman, 1995; Wong & Law, 2002; Harris et al., 2012). The ability to be flexible and adaptable puts a sales rep at an advantage over their peers, allowing them to provide the best possible experience to prospects in many different situations, and ultimately allowing them to close more deals and hit their sales targets.

With the advent of Artificial Intelligence (AI) and its potential to seriously disrupt the employment market in the immediate future, many jobs are at risk. Some of the core attributes required by salespeople, however, particularly those involved in complex sales processes, are very difficult for AI to perform. It has been identified that there are 4 key intelligence areas that AI programmes are being developed to perform, namely mechanical, analytical, intuitive and empathetic. Huang argues that tasks that require intuitive and empathetic intelligence are more difficult for AI programmes to complete (Huang, 2018). As previously mentioned, empathy is one of the core EI domains and one which has particular relevance in a salesperson's role and success. The skills of negotiation and persuasion are also key assets for sales reps. These skills require human social intelligence (Frey, 2013) and Huang

and Syam argue that negotiation with customers will be very difficult to replace with AI in the near future (Huang, 2018; Syam, 2017). With key EI attributes required for success in sales, salespeople are unlikely to be replaced by AI any time soon. For this reason, it is now more important than ever to hire and train sales reps with high levels of emotional intelligence who can do what AI programmes cannot.

## THE NATURE AND RELEVANCE OF BUSINESS TO BUSINESS SOFTWARE AS A SERVICE SALES

While core EI domains such as empathy, communication skills, emotional control and self-regulation are thought to be very relevant for sales professionals in all industries, these attributes become even more relevant when discussing the unique role of Business to Business (B2B) Software as a Service (SaaS) sales representatives.

Software as a Service differs from traditional software/IT business models. Traditional software companies earned revenue from licencing out their software platforms to companies at a one-time fixed-fee and from occasional upgrades and maintenance or service fees. With SaaS companies, users subscribe to vendors' software platforms for a monthly or annual fee. SaaS companies are paid according to the number of users on a particular application, the functions used and the length of time the software is being used (Liao, 2010).

This model is often better for both the end customer and the companies providing the software. SaaS companies benefit from having recurring revenue coming in for the length of time a customer would like to use their platform and ultimately earn a higher lifetime value per customer than if they were to licence their software upfront. For the customers, SaaS platforms often offer better ongoing service and continued product updates and software improvements to ensure the customer is happy and continues to renew their licence (Liao, 2010). For many small companies, it can also be significantly cheaper and easier to sign up to a serviced software subscription rather than develop a solution in house or spend huge sums on bespoke enterprise-level software solutions, hardware and specialist employees (Liao, 2010). Customers also benefit from the freedom to choose which software suits their needs at a given time with the option to move suppliers or packages with ease as their situation changes which means greater flexibility and scalability (Liao, 2010).

Since 2007 many large players have moved into the SaaS spaces such as traditional software suppliers IBM, Oracle and Microsoft (Liao, 2010). Since then the SaaS market has taken off exponentially, the global SaaS market was worth 5.56 billion USD in 2008 and in just over 10 years has grown by more than 20X finishing at 124 billion USD in 2019. The growth does not appear to be slowing down with the global SaaS market forecast to reach 157 billion USD in size in 2020 (Statista, 2019). Much of this growth is driven by the companies' salesforce and with such a massive opportunity in the industry, it is vital that companies can hire and train the most successful sales representatives.

SaaS companies must adopt a different approach to acquiring new customers. Unlike in the old world of traditional software sales, SaaS sales is not about a once-off deal but rather is focused on bringing on long-term customers, maintaining a positive relationships with them, upgrading them and retaining them as happy customers (Liao, 2010). Whereas salespeople in a traditional once-off sale software businesses are used to seeking out new customers, closing big deals, and then moving on to the next prospect, in the world of SaaS they must adapt and change their selling behaviour to cultivate ongoing customer relationships to ensure contracts got renewed, in addition to seeking out opportunities to expand business (Zoltners, Sinha and Lorimer, 2018).

In the past, traditional selling was an attempt by a salesperson to persuade a buyer to accept a value proposition. This has contributed to a transactional selling orientation that emphasized short-term outcomes with a clear winner in the exchange and placed no importance on the ongoing relationship with the customer (Jolson 1997; Hartmann, Wieland and Vargo, 2018). Nowadays there is greater buyer access to information, greater market complexity, rising customer demands, technological advancements and a larger number of offerings which means a transactional style sale is no longer effective, particularly in a complex sales process such as a SaaS purchase (Hartmann, Wieland and Vargo, 2018). In the remit of SaaS sales, relationship selling, which focuses on the building of mutual trust between the buyer and seller “with the delivery of anticipated, long-term, value-added benefits to buyers” (Jolson, 1997) is a much more fruitful approach. In a consultative, relationship-based sales approach, buyers and sellers collaborate with one another to facilitate a win-win exchange (Hartmann, Wieland and Vargo, 2018).

SaaS companies must adopt a broader, longitudinal, and balanced view on sales performance and hire and train their salespeople accordingly (Hartmann, Wieland and Vargo, 2018). B2B SaaS sales, in particular, are often very complex requiring the sales representative to gain a deep understanding of their prospects' businesses and issues and gain the trust required to advise them on very important and impactful decisions. Because of this, EI competencies such as empathy to help the sales rep truly understand their customers' needs instead of just looking for a quick-win are vital. Strong communication skills are also essential in order to present the best fit solution to a prospect and maintain a positive ongoing relationship after the initial sale has been completed. A quick hard-sale no longer works in a SaaS business model and sales reps who focus on this may see their long-term performance negatively affected due to relationship and reputational damages (Hartmann, Wieland and Vargo, 2018) which further emphasises why hiring and training emotionally intelligent sales reps is particularly relevant in the B2B SaaS space.

## PAST STUDIES ON THE IMPACT OF EMOTIONAL INTELLIGENCE ON SALES PERFORMANCE

With such high levels of human communication, understanding, empathy and emotional control required for success in sales, it is expected that emotional intelligence will play a significant role in sales performance, however, studies to date have produced mixed results.

It is recognised that the impact of EI on sales performance is poorly understood in the literature and there are calls for more studies to be run.

While there has been considerable attention paid to the role of Emotional Intelligence and organizational behaviour, human resources and management in recent years, the sales profession is yet to receive sufficient attention in the literature (O'Boyle Jr. et al., 2011; Wisker and Poulis, 2015). With such few studies completed on the impact of EI on sales performance our understanding of the area is limited and still in a formative stage (Carmeli & Josman, 2006; Wisker and Poulis, 2015). Existing research does acknowledge the importance of emotional facets in business relationships but the specific impact on sales performance is poorly understood with few studies providing consistent explanations of the role of EI in both salesperson relational behaviours and performance outcomes (Deeter-Schmelz and Sojka, 2003; McFarland, Rode and Shervani, 2016). There have been calls for more studies by Boyle et al. (2011) and Kadic-Maglajlic, Vida, Obadia, and Plank (2016) on the role of EI in sales (Kadic-Maglajlic, Vida, Obadia, and Plank 2016; O'Boyle Jr. et al., 2011).

#### STUDIES OUTLINING THE POSITIVE IMPACT OF EI IN SALES PERFORMANCE

One of the earliest studies run in relation to the impact of emotional intelligence and Sales performance was a qualitative study run by Deeter-Schmelz and Sojka in 2003 pointed out a significant relationship between sales performance and EI. In this study data was collected

via one-on-one personal interviews whereby each salesperson interviewed was considered to be successful in sales by company standards and each demonstrated EI skills (Deeter-Schmelz and Sojka, 2003). While this seminal piece of research opened the doors to further work in the field of EI and sales performance, the methods used in the study may not be the most appropriate for identifying a significant relationship between the two areas. Deeter-Schmelz and Sojka stated that their qualitative method was suitable in this instance given the exploratory nature of this initial enquiry and deemed necessary, due to lack of a rigorously tested valid and reliable measure of EI (Deeter-Schmelz and Sojka, 2003). In the study, 11 sales professionals who were thought by their managers to be top performers were asked a series of yes/no questions related to areas of Emotional intelligence, such as “Can you tell what mood your customers are in?”. While the results of this initial exploratory research show evidence of a possible link between sales performance and EI, the authors state that once a valid reliable and rigorously tested EI measure becomes available, it would be worthwhile for future researchers to use qualitative methods of analysis for examining the link between EI and sales performance more fully (Deeter-Schmelz and Sojka, 2003).

In 2014 a quantitative study involving the comparison of self-reported questionnaire results and actual sales performance figures of 112 sellers in an Italian home furniture company found a significant positive relationship between sales performance and EI. This study used the Giorgi and Majer (2009) Emotional Intelligence Test, the Organizational Emotional Intelligence Questionnaire (ORG-EIQ) which consists of 99 questions that assess emotional and organizational competencies using a self-report methodology (Giorgi et al., 2014). The self-reported measure of EI may contribute to inaccuracies in the results given that

self-reports measures can be subjected to various distortions, including elements of bias and/or the faking of answers (Wisker and Poulis, 2015).

A study run in 2008 by Heffernan, O'Neill, Travaglione, and Droulers on the sales performance of reps in an Australian bank show a significant correlation between EI and the financial performance of the sales representatives. This study measured each participant's emotional intelligence levels using the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) and compared it with performance data supplied by the banking organisation. The authors argue that the advantage of using the MSCEIT over other measures of EI is that it measures each participant's actual ability to perform tasks and solve emotional problems. In contrast, other EI measures take a subjective assessment (self-report) of emotional skills based on the participant's perception of his or her emotional ability (Heffernan, O'Neill, Travaglione, and Droulers, 2008). They stated that a limitation to their study may be the fact that all participants in the study came from one organization, and that further studies with participants from multiple different organisations may provide further insight. They also note that the performance data used in the study were collected and provided by the bank, and they had no real way of determining the reliability and validity of the data which may have altered the results.

A 2017 study run by Ogilvie et al. found EI had a positive impact on customer relationships with salespeople from a large B2B organization operating in the media industry. In this study, employees rated their own emotional intelligence using a 12-item version of the Schutte et

al. (1998) scale, these results were compared with managers' ratings of each employee's customer relational performance. While a significant relationship between the results of the self-reported EI test and perceived customer relations was identified, the direct impact emotional intelligence has on actual sales performance was not examined (Ogilvie et al., 2017).

#### STUDIES RETURNING MIXED RESULTS ON THE IMPACT OF EI ON SALES PERFORMANCE

Other studies have shown that the presence of high emotional intelligence in a sales rep alone did not impact sales performance. The impact was found when high levels of emotional intelligence were combined with certain selling behaviours.

Wisker and Poulis found Emotional intelligence was not found to impact sales performance directly. It impacted on sales performance through a mediating variable; adaptive selling behaviour (Wisker and Poulis, 2015). When individuals with high levels of emotional intelligence adopted the adaptive style of selling they achieved better results than their colleagues with high emotional intelligence who did not apply an adaptive selling behaviour and their colleagues with low emotional intelligence levels who did apply an adaptive selling behaviour to their sales process. This study found that while emotional intelligence is important for sales rep performance, it is not the only factor and simply having high emotional intelligence was not enough to impact success.

Similarly, Kadic-Maglajlic et al.(2016) found that adaptive selling and customer-oriented selling – fully mediate the positive relationship between emotional intelligence and salesperson performance. Without the application of these styles of selling, emotional intelligence alone was not sufficient to impact results.

#### STUDIES SHOWING NO RELATIONSHIP OR A NEGATIVE RELATIONSHIP BETWEEN EI AND SALES PERFORMANCE

Contrary to much of what is reported in the literature in relation to the positive impact of EI on work performance, there have been a number of studies that have found no relationship or even a negative relationship between EI and sales performance.

Harris et al.'s 2012 study of 136 sales representatives in the medical industry in the US showed no significant relationship between emotional intelligence assessment and a sales rep's performance. They argue that the self- reported assessment of EI may have skewed the results of the study due to the participants inaccurately assessing their own levels of EI. Alternatively they suggest that sales representatives in general already show high levels of emotional intelligence, that is a prerequisite for pursuing a career in the field and that differences in EI levels among individual sales professionals had no impact on sales performance (Harris et al., 2012).

Another study examining car salespeople in Kuwait found that there was in fact a negative correlation between total sales performance and emotional intelligence as assessed through the Assessing Emotions Scale and all of its subscales- Self-Evaluation , Self-Regulation and Utilizing of Emotions (Al Dosirya et al. 2015). It was suggested that the self-report scale used to measure EI in this instance may have been inadequate, due to participants reporting their abilities inaccurately, or that there is in fact a negative correlation between EI and sales performance in that industry.

Chen and Jaramillo (2014), too, found that high levels of EI actually exert a direct negative effect on sales outcome, thus ,challenging the pervasive conception of the positive role of EI in sales (Chen and Jaramillo, 2014, Kadic-Maglajlic et al., 2016). The findings state specifically that the regulation of emotions negatively affects salesperson owned loyalty. Chen and Jaramillo argue that the regulation of emotions by salespeople may lead them to project false emotions which can be perceived as inauthentic and disingenuous by buyers. They also suggest that the over-regulation of emotions can be draining for a salesperson and may lead them to direct focus away from adequately performing tasks that are relevant to the customer (Chen and Jaramillo, 2014).

## RESEARCH QUESTION

Given the evidence in the literature of the positive impact of emotional intelligence on workplace performance, social interactions, lower burnout rates, better negotiation outcomes, higher levels of empathy and greater life-satisfaction overall (Bar-On, 2005; Law, Wong and Song, 2014; Salovey & Mayer, 1997; Bar-On, Handley, & Fund, 2006, Schlegel and Mortillaro, 2018) it seems appropriate that EI will have a positive impact on sales performance.

However, as seen above, studies to date have produced mixed results. With such few studies completed on the impact of EI on sales performance, our understanding of the area is limited and still in a formative stage (Carmeli & Josman, 2006; Wisker and Poulis, 2015). It is recognised that the impact of EI on sales performance is poorly understood in the literature and there are calls for more studies to be run (Kadic-Maglajlic, Vida, Obadia, and Plank 2016; O'Boyle Jr. et al., 2011).

Emotional Intelligence has been found to have a significantly more important impact on job performance than IQ and importantly, unlike IQ, can be taught and improved upon (Bar-On, 2005). Additionally, with the advent of Artificial Intelligence (AI) and its potential to seriously disrupt the employment market in the immediate future it is important to gain a greater

understanding of those areas over which AI does not yet have the advantage on humans, such as emotional intelligence.

With B2B SaaS being one of the fastest-growing, multi-billion dollar industries of the 21<sup>st</sup> Century and with companies' salesforce acting as a key driver in such growth, it is of great value to study factors influencing sales performance in the industry to help aid recruitment, training, management, and development of sales representatives.

For these reasons my overall research objective is to ascertain:

***Is there a relationship between Emotional Intelligence and B2B SaaS sales representatives' performance?***

***Research Objective 2: To ascertain whether overall Emotional Intelligence levels in B2B SaaS Sales Representatives Impact Sales Performance.***

***Research Objective 3: To investigate whether a specific area of Emotional Intelligence Impacts Sales Performance in B2B SaaS Sales Representatives.***

## HYPOTHESIS

Given the numerous studies run showing EI to have a significant positive impact on many areas of performance such as interpersonal skills, negotiation, leadership qualities, communication skills and empathy it is hypothesised that EI levels will have an positive impact on sales performance.

***H1 - That higher overall Emotional Intelligence levels will be correlated with higher sales performance.***

## METHODOLOGY

### QUALITATIVE VS QUANTITATIVE

One of the earliest studies related to analysing the impact of emotional intelligence and sales performance run by Deeter-Schmelz and Sojka in 2003 was a qualitative study with data collected via one-on-one personal interviews with individuals who were thought to be high performers in their companies. The interviews were then coded to identify traits associated with high levels of Emotional Intelligence. Results showed that those with perceived high sales performance also showed signs of having high emotional intelligence. As one of the first

studies conducted in the area of EI and Sales performance, the work served as a springboard for further studies. However, qualitative methods of data collection lend themselves best to the general exploration of an idea or a phenomenon, while with the current study, the aim is to objectively identify correlations between 2 areas, namely EI and sales performance. When looking for objective correlations the best method to do so is through qualitative analysis. The vast majority of other studies in the area of the impact of EI on sales performance used qualitative methods of data collection (Giorgi et al., 2014; Heffernan, O'Neill, Travaglione, and Droulers, 2008; Ogilvie et al., 2017; Wisker and Poulis, 2015; Kadic-Maglajlic et al.2016; Harris et al., 2012; Al Dosirya et al. 2015; Chen and Jaramillo, 2014) As in this current study, the relationship between two concepts – levels of emotional intelligence and sales performance will be examined, it was determined that the best method of doing so is through a cross-sectional qualitative study.

This study will make use of primary data - the results of an emotional intelligence test completed by sales representatives, and secondary data- the actual sales performance results from sales representatives from a SaaS organization.

#### THE PROBLEM WITH SELF-REPORTED MEASURES OF EI

It is clear that there is no consensus on the impact that emotional intelligence has on sales performance and that more studies need to be completed in order to better understand this

relationship. One thing that all of the above studies on the impact of EI on sales performance have in common (bar Heffernan et al.'s 2008 study on sales reps in the banking industry) is the fact that the EI levels of all participants were measured using self-reported questionnaires/interviews. This means that it is up to each individual to identify and rate their own levels of emotional intelligence. Someone with a poor understanding of their own emotional intelligence levels or a lack of self-awareness may provide answers which are far from accurate and may skew the results. Researchers argue that individuals are not accurate at estimating their own or others' emotional abilities (Schlegel and Mortillaro, 2018).

There is a great deal of agreement in the literature that when asked to self-report on one's own abilities, there is an underlying bias toward self-enhancement and most people tend to have positive opinions on their own abilities (Ogilvie, Rapp, Agnihotre, and Bachrach, 2017). Wisker and Poulis state that arguably self-reports measures can be subjected to various distortions, including elements of bias and/or the faking of answers (Wisker and Poulis, 2015).

In the study by Al Dosirya et al. (2015) in which there was found to be a negative relationship between EI and sales performance, the authors stated that the self-report type of scale that was used in the study to measure emotional intelligence may be a reason for the unexpected results and that self-reported emotional intelligence scales inadequately assess EI (Al Dosirya et al. 2015).

Ogilvie et al. (2017) stated that in future work around the impact of sales performance and EI that methods other than self-reported questionnaires should be used (Ogilvie, Rapp, Agnihotre, and Bachrach, 2017). Similarly, Kadic-Maglajlic et al. (2016) stated that self-reported measures may be a source of potential bias and that future studies should use objective performance measures (Kadic-Maglajlic et al., 2016).

While self-reported EI scores may alter results, self-reported sales metrics may too be inflated and decrease the accuracy of the study. In Harris et al's 2012 study of sales rep performance in the medical sector, over one-third of the respondents self-identified as being in the top 10% of salespeople at their company which is mathematically highly improbable (Harris et al., 2012). Running a study with competency-based EI measures and real sales figures is a better way to ensure the integrity of the data and results.

## PERFORMANCE-BASED TESTS FOR EI

Methods of measuring EI are divided into streams; Stream 1 comprises of performance-based tests with correct and incorrect responses that are based on the ability EI model. Stream 2 groups self- and other-report measures based on the ability EI model and Stream 3 includes self-report questionnaires that are based on trait EI or mixed EI models (Schlegel and Mortillaro, 2018). In contrast to Stream 1, Streams 2 and 3 use self-reported measures of establishing EI levels which, as noted by several researchers, has important limitations (Schlegel and Mortillaro, 2018).

According to Schlegel and Mortillaro, the conceptualisation of EI as an ability to be measured with performance-based tests is by many considered the most appropriate approach, but only a few tests developed in this tradition exist (Schlegel and Mortillaro, 2018).

To date, the most widely used Stream 1 method of EI measurement is Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) (Mayer, Salovey, and Caruso, 2003). This is the same method used in Heffernan, O'Neill, Travaglione, and Droulers's 2008 study on EI and sales performance in an Australian bank. This method, however, has some limitations. The questions in this test do not have set correct or incorrect answers but rather the score awarded to each option is determined by the percentage of respondents in a norming or expert sample that had chosen this option (Schlegel and Mortillaro, 2018). The consensus scoring method has been criticised because it is unclear whether a more popular answer is really the "better" one (Schlegel and Mortillaro, 2018). Because high results are based off what the majority of individuals have gone for, the test may not be suitable determining the scores of individuals at the higher end of the scale.

Additionally the response format in the MSCEIT is done on a rating scale as opposed to a multiple-choice format with one objectively correct answer which is unusual for ability-based methods of measurement (Schlegel and Mortillaro, 2018).

In 2008, MacCann and Roberts published two new Stream 1 instruments, the Situational Test of Emotional Understanding (STEU) and the Situational Test of Emotion Management (STEM) ( MacCann and Roberts 2008). However, the STEM, like the MSCEIT is scored based on group and expert ratings of the most appropriate or effective answer. Additionally, both of these tests were designed as general ability EI measures, and most scenarios described in the items refer to everyday situations unrelated to work (Schlegel and Mortillaro, 2018). It is argued that workplace specific situations have been shown to be a better predictor of workplace performance than non-contextualised measures (Schlegel and Mortillaro, 2018)

For this reason, the Geneva Emotional Competence Test (GECe) was developed which is a new ability EI test measuring emotion recognition (assessed using video clips of actors), emotion understanding, emotion regulation in oneself, and emotion management in others (all assessed with situational judgment items of work-related scenarios).

In the development and testing of this new performance-based method for EI evaluation five comprehensive studies were run which provided support for the good psychometric quality of the test. The studies demonstrated substantial correlations with other ability EI measures, cognitive intelligence, self-reported constructs of social and emotional effectiveness, life satisfaction, income and academic performance (Schlegel and Mortillaro, 2018).

## SAMPLE

For this study, a non-probability sampling B2B sales representatives from a SaaS company based in Dublin, Ireland has been used. Each participant has the same job title, Sales Representative. Sales managers, junior sales representatives and business development representatives have been excluded from this study to ensure consistency of results as their level of experience and targets differ from sales representatives.

Each participant has a minimum of 6 months experience in the company and in their current role. In total, there are 28 participants of whom 11 are female and 17 are male. Sales territories in the company are segmented into different geographical regions; 21 of the participants sell into the UK/Ireland market and 7 participants to the French market. The participants were selected due to accessibility and availability to take part in the study and permission to access their real sales data. Each participant has a monthly sales quota, this quota varies depending on the market and segment in which they work to ensure performance measurement is as fair as possible, this quota is decided on a company level.

For this study, I have been granted access to each participants' sales quota attainment over a 6-month period. The reason for selecting participants from the one company is due to access to real data and so that the sales results and performance are comparable through using consistent measures across all participants.

In order to avoid bias or incorrect data related to self-report models of EI evaluation or through consensus scoring ability measure of EI ( such as MSCEIT) and also to analyse EI in workplace specific context, this study uses the GECO performance-based test and combines the results with real sales data from the participants.

Each participant has taken the Geneva Emotional Competence test and the results have been compared to each participant's actual sales results from the previous 6 months. Permission was secured from the organization to carry out this research and to use this data in the study as long as the results were shared with the company.

The authors of the GECO test, Schlegel and Mortillaro specifically call for studies with professionals of various domains in order to ascertain whether the GECO test is an accurate method for examining organisational outcomes and state in their 2018 paper that they would make the test available for academic research purposes.

In order to obtain permission to use the GECO test in this study, the authors were contacted via email. They requested that a user agreement be signed (Appendix A) with details on the study's association with an academic institution and a 1-page explanation of the study (Appendix B), its aim and value. Permission was then granted to use the test in the study and

access was given to an online platform where the test could be distributed and the results obtained.

The test was piloted with a number of users prior to distributing it to participants in the study, to ensure its correct usage, gauge the length of time the test took in order to later advise participants, and to see how the results were presented. During the pilot it was discovered that the test took an average of 45 - 60 minutes to complete. Initially there were some problems with uncovering the results of the test. It was expected that each participant would automatically receive the results of the test upon completion but this was not the case. In order to obtain the results the researcher must log into an online portal. The results initially were not organised in a straightforward manner, with every answer to every question appearing in the results tab. After consulting the GECO manual it was made clear how the results could be structured in a more meaningful way, with only those results most important to the study appearing when logging into the portal.

After initial testing in the pilot phase, the test was then distributed via an online link to each participant and the results were compiled and analysed in SPSS.

## LIMITATIONS TO THIS METHODOLOGY

### LIMITATIONS TO SAMPLE

While every effort has been made by the company to ensure sales targets are set as fairly as possible taking into consideration the particular market in which a sales representative is working, there is always the chance that there are discrepancies in performance depending on the market size and maturity. It is important to bear this in mind when analysing the results of this study as sales performance may be impacted by the market and not only by Emotional Intelligence levels.

While selecting participants from one company ensures consistency of data, results from this study cannot be generalised for all B2B SaaS sales representatives, but rather serve as a jumping-off point for future studies in the area. Greater access to sales data and participants from a number of different SaaS companies on a larger scale would be beneficial.

As participation in this study was optional by all participants, there is the chance that there is a non-response bias. Each individual who was willing to spend their valuable time to partake in a study and test on emotional intelligence may have a propensity to engage in self-awareness and improvement exercises and as a result, have higher levels of emotional intelligence than those who chose not to take part.

## LIMITATION OF THE GECCO TEST

A potential limitation to this methodology relates to the length of time it takes to complete the GECCO. The test takes roughly 45- 60 minutes to complete and given the busy schedules of sales representatives, it proved difficult to recruit a large number of participants for the study and clearly, the larger the sample size, the more meaningful the results of the study would be. In total 28 participants took place in the study. To achieve this I got an endorsement from management about benefits for each individual to understand their own levels of emotional intelligence. Senior managers in the company then presented the option to take part in this study to the sales representatives and those who were interested volunteered.

In future studies, it would be valuable to get a larger sample size for participation and tactics on how to do so would be worth considering.

## ETHICAL CONSIDERATIONS

Ahead of the study permission was granted by each individual to collect their test results and compare them with their sales results.

In order to protect participant data, each participant was assigned an identification number and their test results and sales performance were stored against that number in a password-protected document. In a separate password-protected document was a code file which identified which participant is associated with which number.

## ANALYSIS

The data collected from each of the 28 participants was:

- Gender
- Territory
- 6 months trailing sales performance % attainment
- GECO total score
- GECO Emotional Understanding Score
- GECO Emotional Recognition Score
- GECO Emotional Management Score
- GECO Emotional Regulation Score

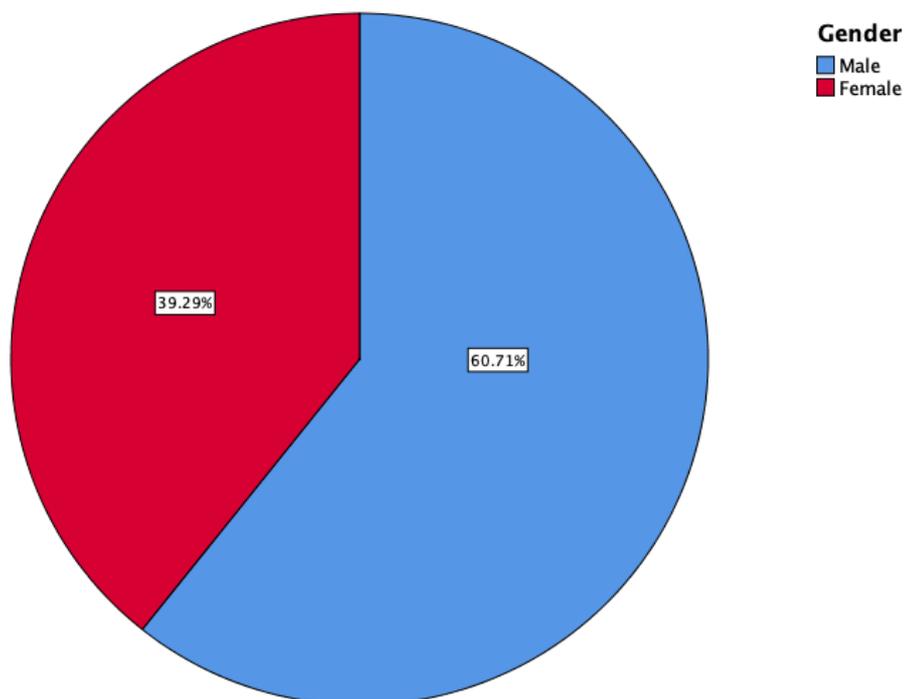
The results were then analysed in SPSS to identify any correlations.

## DESCRIPTIVE STATISTICS

Of the 28 participants the breakdown of gender is as follows:

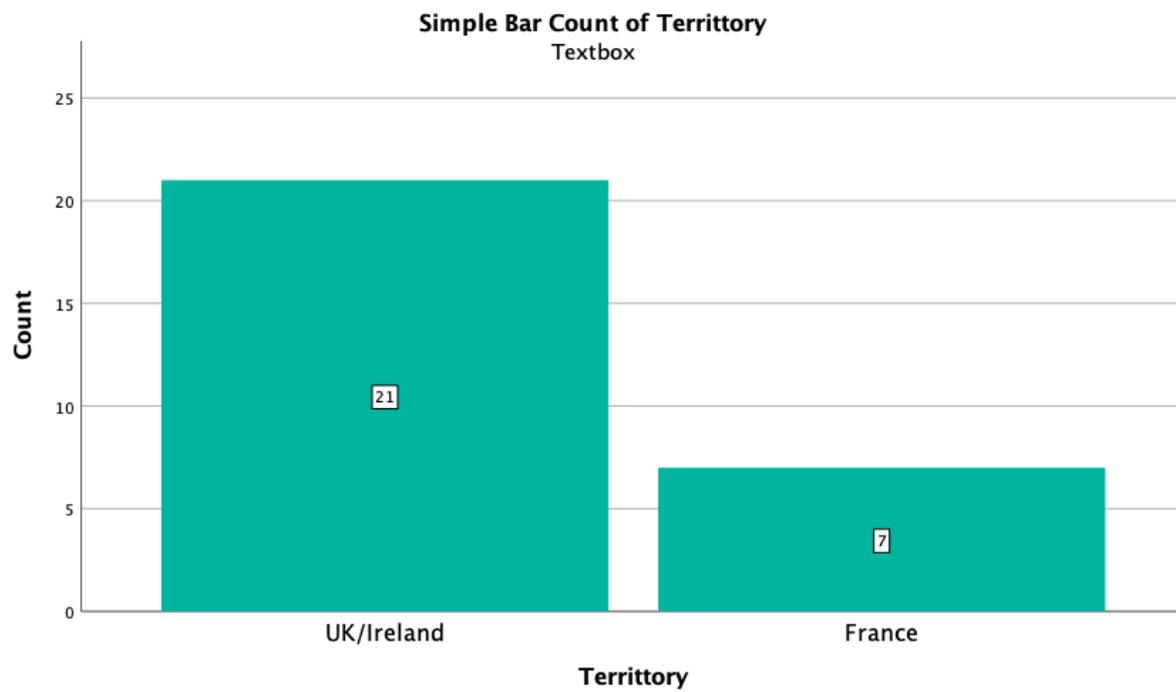
### GENDER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	17	60.7	60.7	60.7
	Female	11	39.3	39.3	100.0
	Total	28	100.0	100.0	



## TERRITORY

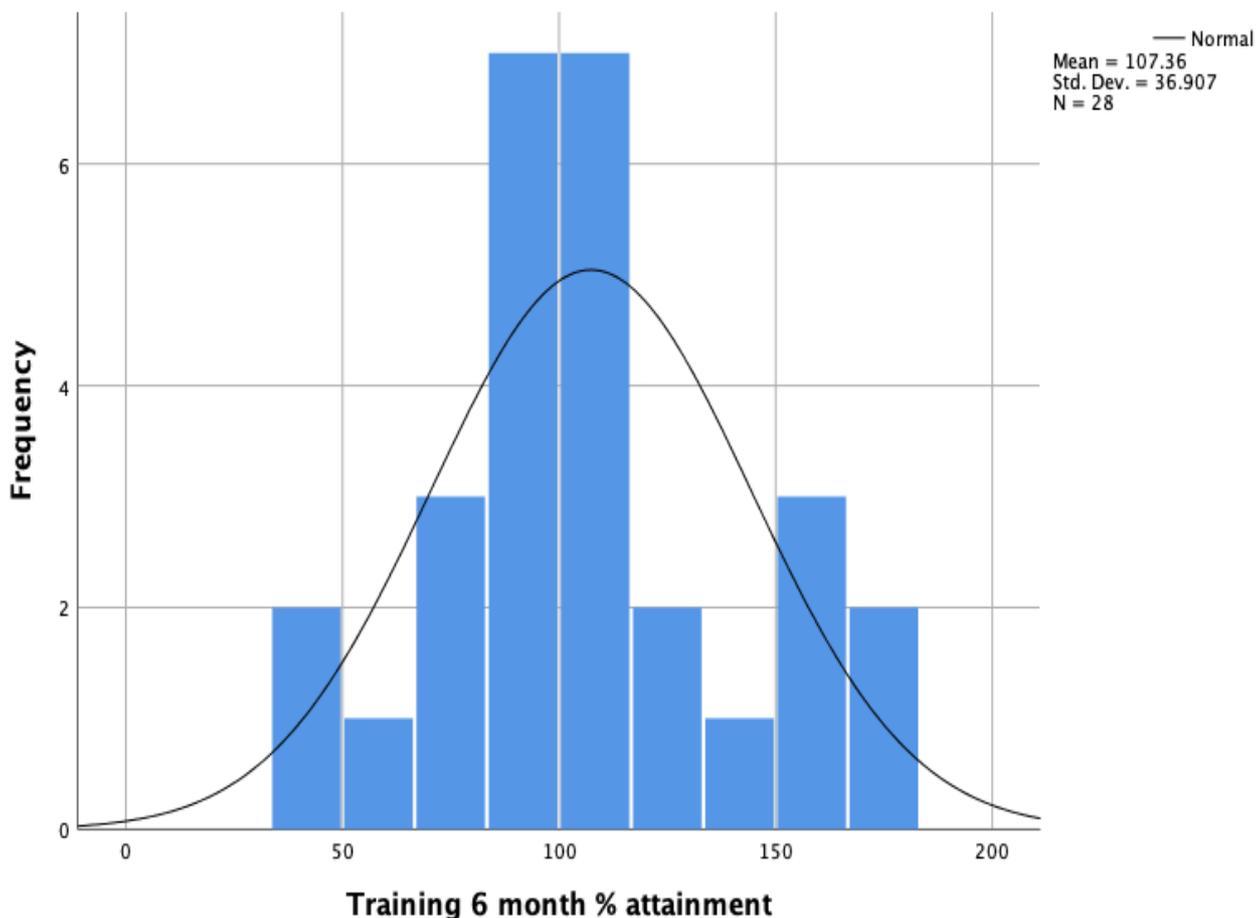
Below is an overview of the territories of the participants. 21 participants sold into the UK/Ireland market and 7 sold into the French market



## 6 MONTH TRAILING SALES PERFORMANCE % ATTAINMENT

Each sales rep has an individual target- this target is based on their market segment and tenure and is designed by the company to be the fairest measure of performance possible. This 6-month trailing sales performance % is the metric that was used to evaluate any relationship between sales performance and emotional intelligence or any of its subsets in this study. This attainment % was compared with the participant's overall GECO score and each of the 4 EI subsets to identify any correlations.

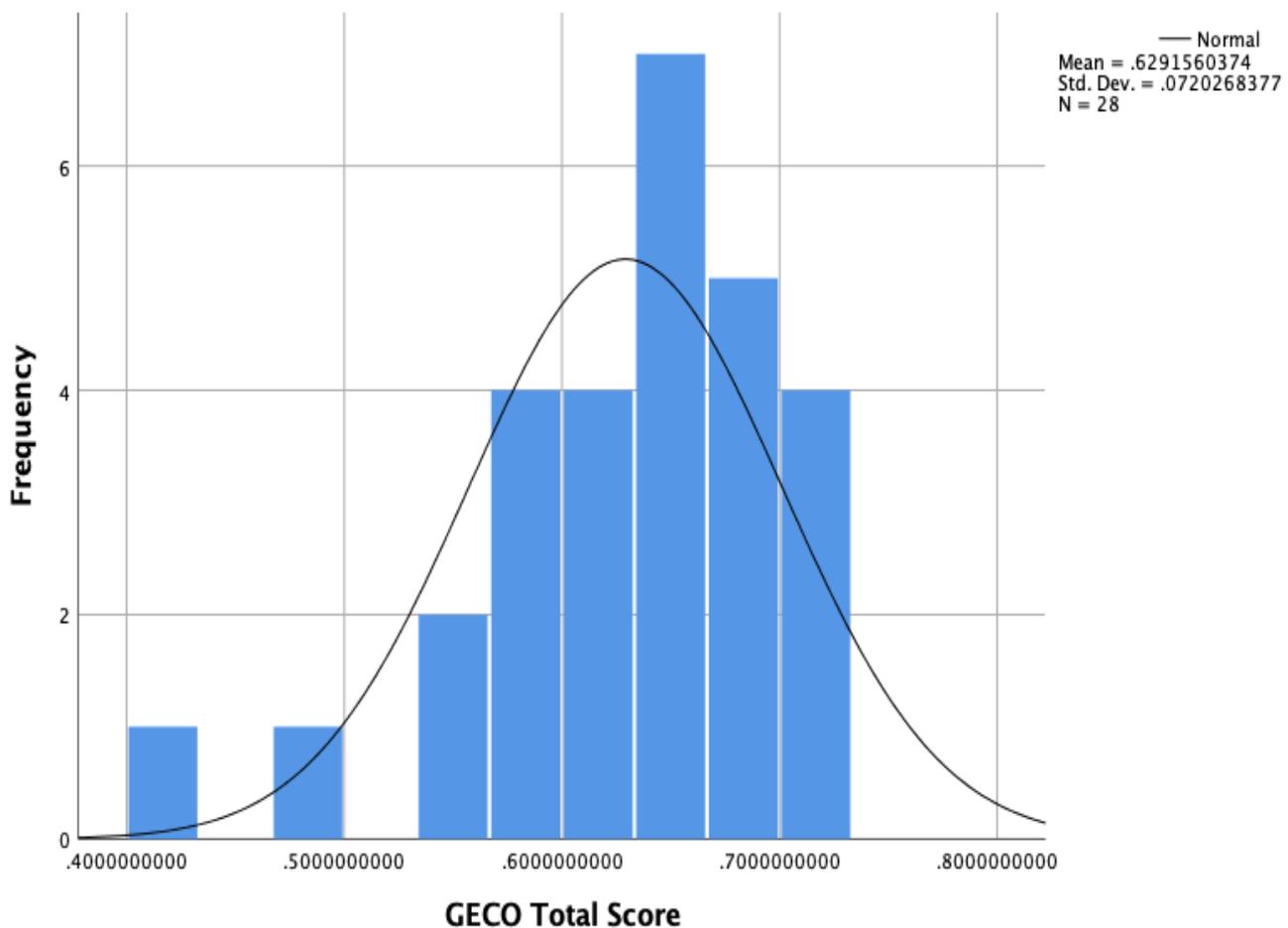
Below is a breakdown in % attainment achieved by participants over a 6 month period of time. The average attainment per rep is 107% of their sales target with some performing significantly better and some worse with a standard deviation of 36.907%



## GECO TOTAL SCORE

After taking the test, each participant received a score in 4 areas of Emotional Intelligence. The areas are Emotional Recognition, Emotional Understanding, Emotional Regulation and Emotional Management. The total of each of these scores is added up to give the overall GECO score. The scores range from 0-1. The mean score is 0.629 and the standard deviation is .072.

This is the overall score of Emotional Intelligence which will be compared with the sales performance metrics above to identify whether or not there is a correlation between sales performance and overall levels of emotional intelligence.



## CORRELATIONS

Bivariate correlations were run in SPSS to determine whether there were any statistically significant correlations between:

- Overall GEICO score and Sales Performance
- Emotional Recognition score and Sales Performance
- Emotional Understanding score and Sales Performance
- Emotional Regulation score and Sales Performance
- Emotional Management score and Sales Performance

The Person Correlation is a score that can be positive or negative. If the number is negative, there is a direct negative correlation between two elements, if the number is positive, there is a positive correlation. Only those correlations with a p-value ( shown in the charts below as Sig. (2-tailed) ) of below 0.05 can be classed as statistically significant.

In these analyses, no statistically significant correlation could be identified between the various EI scores (including overall EI scores and the four EI subsets) actual Sales Performance.

When the data set was divided by gender no significant relationships could be identified. This follows the findings by Bar-On (2005) as mentioned above.

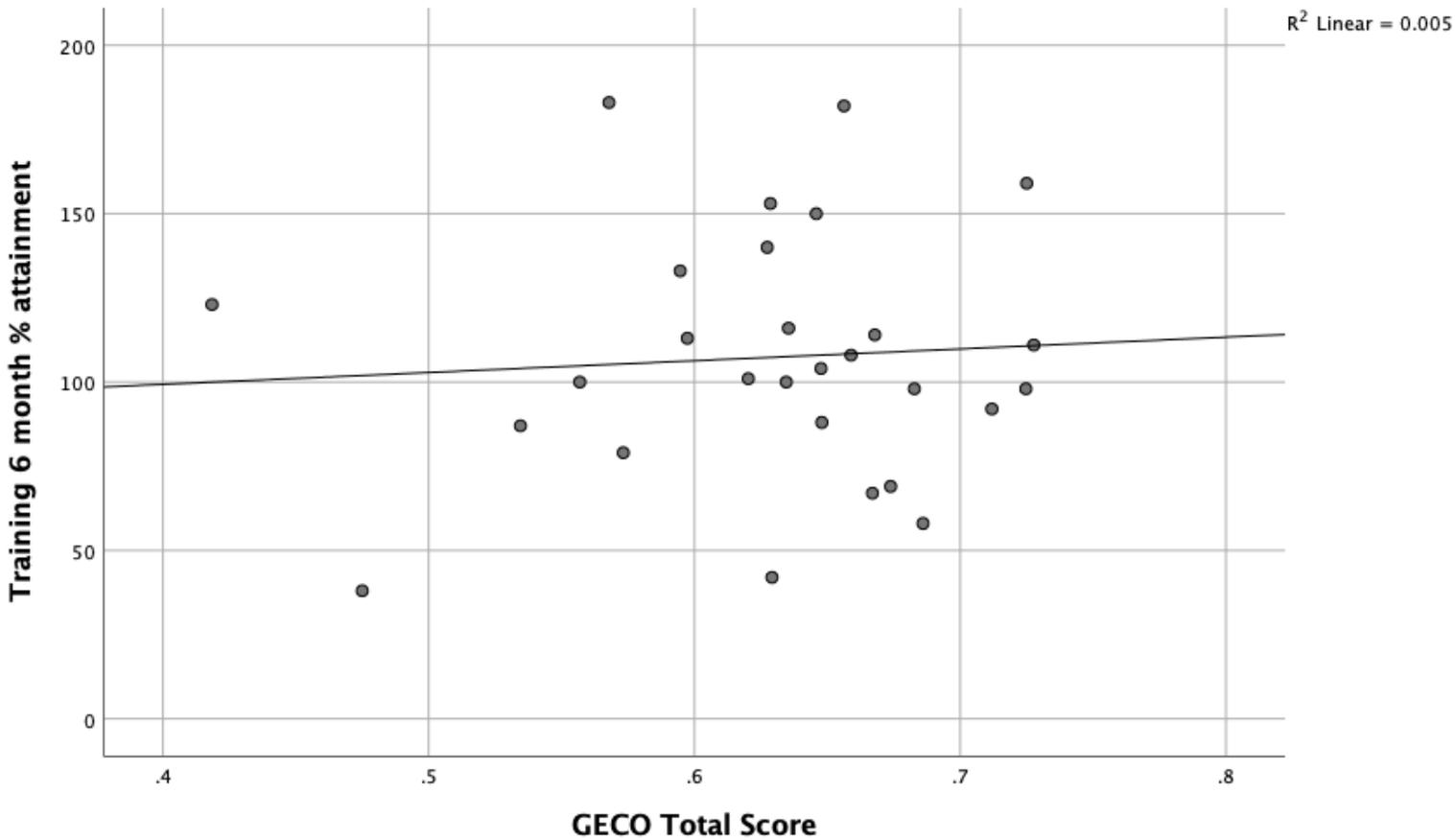
Interestingly, when the data set was divided by territory, a significant negative correlation between Emotional Management score and Sales Performance was identified, but only in the case of participants working in the French territory.

CORRELATION BETWEEN GEICO TOTAL SCORE AND TRAILING 6-MONTH SALES ATTAINMENT

% (ALL PARTICIPANTS)

		Training 6 month % attainment	GEICO Total Score
Training 6 month % attainment	Pearson Correlation	1	.068
	Sig. (2-tailed)		.730
	N	28	28
GEICO Total Score	Pearson Correlation	.068	1
	Sig. (2-tailed)	.730	
	N	28	28

### SCATTER PLOT OF GECO AND TRAILING 6-MONTH SALES ATTAINMENT % (OVERALL)



In the scatter plot of the results above, the line shows a very slight positive slope, but in a mathematical analysis no statistically significant correlation between total GECO score and Trailing 6-month sales performance can be observed.

The results show that *H1 - That higher overall Emotional Intelligence levels will be correlated with higher sales performance* cannot be supported.

## CORRELATION BETWEEN TRAILING 6-MONTH SALES ATTAINMENT % EI SUBSETS (ALL PARTICIPANTS)

The GECO test is divided into 4 subsets which are tested separately, each participant is given a score in each of the subsets which are as follows;

### Emotion Recognition

“Emotion recognition ability is defined as the ability to accurately recognize emotions from other people’s nonverbal expressions conveyed by the face, voice, or body” (Schlegel and Mortillaro, 2018).

### Emotion Understanding

“Emotion understanding broadly refers to understanding the qualities, causes, and consequences of one’s own and others’ emotions and involves a repertoire of knowledge that is used to operate on the information gathered through one’s emotion perception skills”. (Schlegel and Mortillaro, 2018).

### Emotion Regulation in Oneself

“Emotion regulation broadly refers to the ability to create and maintain positive affective states in oneself” (Schlegel and Mortillaro, 2018).

### Emotion Management

“Emotional Management can broadly be described as the ability to effectively regulate other people’s (usually negative) emotions through behavioural strategies” (Schlegel and Mortillaro, 2018).

No significant correlation was identified between sales results and any of EI subsets.

Training 6 month % attainment	Pearson Correlation	Emotional Understanding Score	Emotional Recognition Score	Emotional Management Score
1		-.079	.293	-.062

		Sig. (2-tailed)		.690	.130	.755
		N	28	28	28	28
Emotional Understanding Score	Pearson	Correlation	-.079	1	.590**	.320
		Sig. (2-tailed)	.690		.001	.096
		N	28	28	28	28
Emotional Recognition Score	Pearson	Correlation	.293	.590**	1	.209
		Sig. (2-tailed)	.130	.001		.285
		N	28	28	28	28
Emotional Management Score	Pearson	Correlation	-.062	.320	.209	1
		Sig. (2-tailed)	.755	.096	.285	
		N	28	28	28	28
Emotional Regulation Score	Pearson	Correlation	.026	-.172	-.224	.096
		Sig. (2-tailed)	.896	.382	.252	.626
		N	28	28	28	28

**CORRELATION BETWEEN GECO TOTAL SCORE AND TRAILING 6-MONTH SALES ATTAINMENT % (BROKEN DOWN BY GENDER)**

When the data was divided by gender, no statistically significant correlations between GECO total score and Trailing 6-month sales attainment %

Gender			GECO Score	Total month attainment	Training 6 %
Male	GECO Total Score	Pearson Correlation	1	.119	
		Sig. (2-tailed)		.650	
		N	17	17	
		Pearson Correlation	.119	1	

	Training 6 month attainment	% Sig. (2-tailed)	.650	
		N	17	17
Female	GECO Total Score	Pearson Correlation	.160	.160
		Sig. (2-tailed)	.638	
		N	11	11
	Training 6 month attainment	% Pearson Correlation	.160	.160
		Sig. (2-tailed)	.638	
		N	11	11

#### CORRELATION BETWEEN EI SUBSETS AND TRAILING 6-MONTH SALES ATTAINMENT %

(BROKEN DOWN BY GENDER)

When the data was divided by gender, no statistically significant correlations between the EI subsets and Trailing 6-month sales attainment %

Gender	Training 6 month attainment	Emotional Understanding Score	Emotional Recognition Score	Emotional Management Score

Male	Training 6 month attainment	% Pearson Correlation	1	-.086	.236	.051
			Sig. (2-tailed)	.743	.361	.847
			N	17	17	17
Emotional Understanding Score	Pearson Correlation	-.086	1	.590*	.312	
		Sig. (2-tailed)	.743	.013	.223	
		N	17	17	17	
Emotional Recognition Score	Pearson Correlation	.236	.590*	1	.303	
		Sig. (2-tailed)	.361	.013	.237	
		N	17	17	17	
Emotional Management Score	Pearson Correlation	.051	.312	.303	1	
		Sig. (2-tailed)	.847	.223	.237	
		N	17	17	17	
Emotional Regulation Score	Pearson Correlation	.115	-.129	-.269	.084	

		Sig. (2-tailed)	.660	.622	.297	.748
		N	17	17	17	17
Female Training 6 month % attainment		Pearson Correlation	1	-.008	.515	-.109
		Sig. (2-tailed)		.981	.105	.749
		N	11	11	11	11
Emotional Understanding Score		Pearson Correlation	-.008	1	.591	.314
		Sig. (2-tailed)	.981		.055	.347
		N	11	11	11	11
Emotional Recognition Score		Pearson Correlation	.515	.591	1	-.097
		Sig. (2-tailed)	.105	.055		.777
		N	11	11	11	11
Emotional Management Score		Pearson Correlation	-.109	.314	-.097	1
		Sig. (2-tailed)	.749	.347	.777	
		N	11	11	11	11

Emotional Regulation Score	Pearson Correlation	-.238	-.316	-.142	.154
	Sig. (2-tailed)	.480	.343	.678	.651
	N	11	11	11	11

CORRELATION BETWEEN GECO TOTAL SCORE AND TRAILING 6-MONTH SALES ATTAINMENT

% (BROKEN DOWN BY TERRITORY)

When the data was divided by territory, no statistically significant correlations between GECO total score and Trailing 6-month sales attainment %

Territory	Training 6 month attainment	Pearson Correlation	Training 6 month % attainment	GECO Total Score
UK/Ireland			1	.086
		Sig. (2-tailed)		.712
		N	21	21

GECO Total Score				Pearson Correlation	.086	1
				Sig. (2-tailed)	.712	
				N	21	21
France	Training	6	month	% Pearson Correlation	1	-.442
attainment				Sig. (2-tailed)		.321
				N	7	7
GECO Total Score				Pearson Correlation	-.442	1
				Sig. (2-tailed)	.321	
				N	7	7

#### CORRELATION BETWEEN EI SUBSETS AND TRAILING 6-MONTH SALES ATTAINMENT %

(BROKEN DOWN BY TERRITORY)

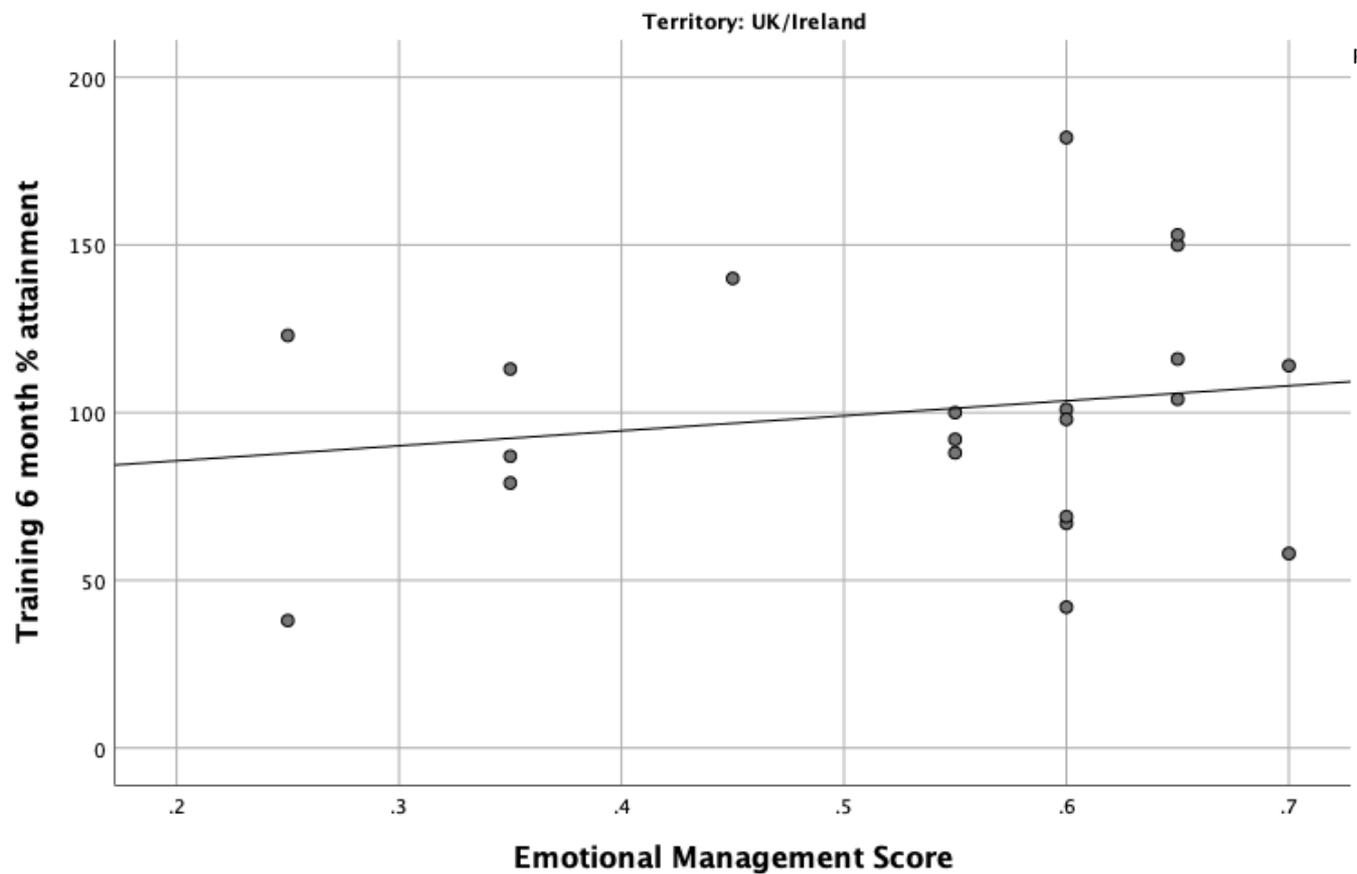
When the data was divided by territory a significant negative correlation between Emotional Management score and Sales Performance was identified, but only in the case of participants working in the French territory

Territory	Training attainment	6 month %	Emotional Understanding Score	Emotional Recognition Score	
UK/Ireland	Training attainment	Pearson Correlation	1	-.316	.203
		Sig. (2-tailed)		.163	.378
		N	21	21	21
	Emotional Understanding Score	Pearson Correlation	-.316	1	.494*
		Sig. (2-tailed)	.163		.023
		N	21	21	21
	Emotional Recognition Score	Pearson Correlation	.203	.494*	1
		Sig. (2-tailed)	.378	.023	
		N	21	21	21
	Emotional Management Score	Pearson Correlation	.175	.533*	.281
		Sig. (2-tailed)	.449	.013	.217
		N	21	21	21
Emotional Regulation Score	Pearson Correlation	.098	-.177	-.166	
	Sig. (2-tailed)	.674	.442	.472	
	N	21	21	21	

		N	21	21	21
France	Training 6 month % attainment	Pearson Correlation	1	.106	.305
		Sig. (2-tailed)		.820	.506
		N	7	7	7
Emotional Understanding Score	Pearson Correlation		.106	1	.688
		Sig. (2-tailed)	.820		.088
		N	7	7	7
Emotional Recognition Score	Pearson Correlation		.305	.688	1
		Sig. (2-tailed)	.506	.088	
		N	7	7	7
Emotional Management Score	Pearson Correlation		<b>-.841*</b>	-.169	.034
		Sig. (2-tailed)	.018	.717	.943
		N	7	7	7
Emotional Regulation Score	Pearson Correlation		-.389	-.217	-.587
		Sig. (2-tailed)	.388	.640	.166
		N	7	7	7

### SCATTER PLOT OF EMOTIONAL MANAGEMENT SCORE AND TRAILING 6-MONTH SALES

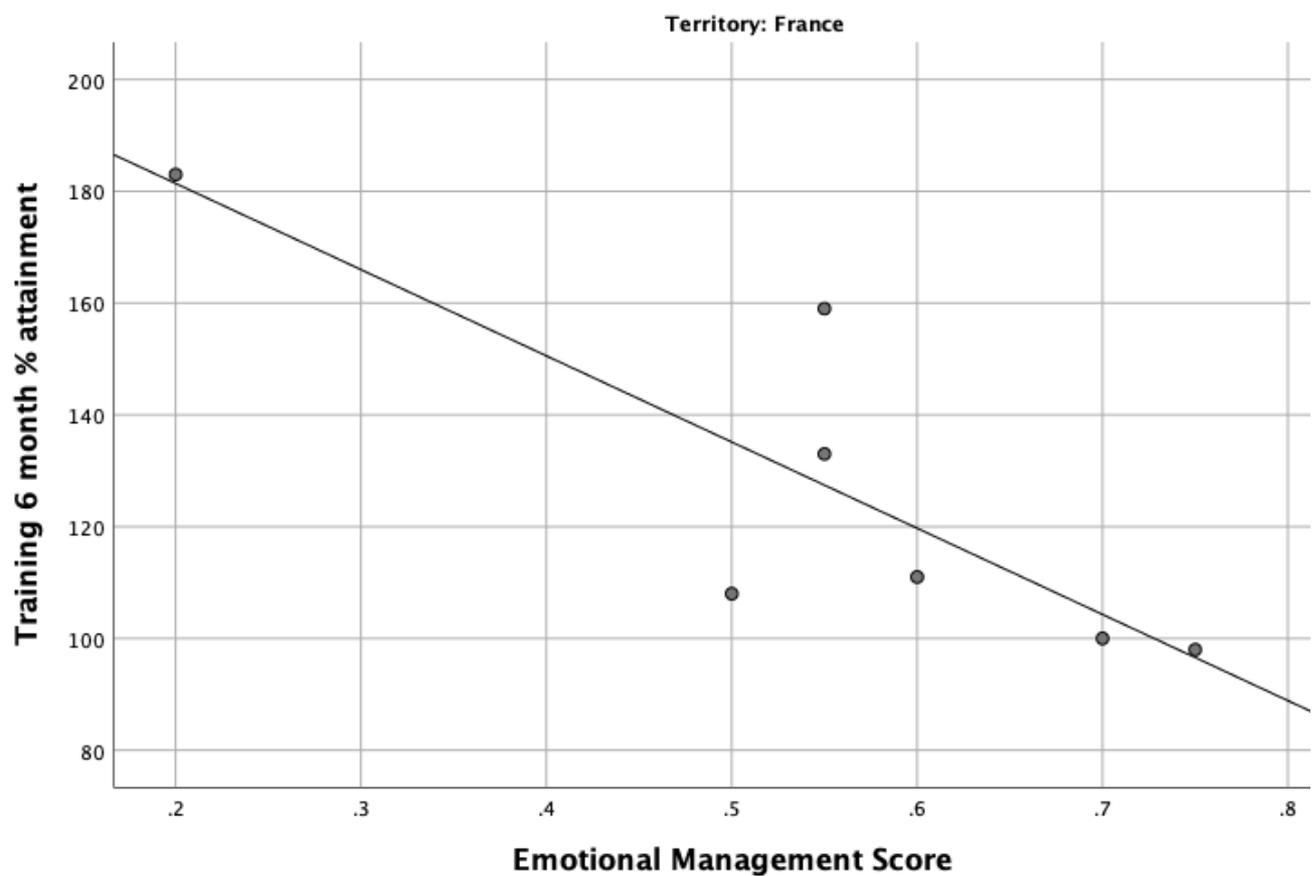
ATTAINMENT % IN UK/IRELAND TERRITORY



A slightly positive slope can be observed but this has been shown to be statistically insignificant.

### SCATTER PLOT OF EMOTIONAL MANAGEMENT SCORE AND TRAILING 6-MONTH SALES

ATTAINMENT % IN FRENCH TERRITORY



A significant negative slope can be observed. This has been shown mathematically to have a significant negative correlation. In the French market, high levels of Emotional Management have a direct negative impact on sales performance.

## DISCUSSION

### OVERALL NO SIGNIFICANT CORRELATION BETWEEN EI AND SALES PERFORMANCE OBSERVED

The interesting results of this study show there is no correlation between sales performance and overall emotional intelligence scores. Given that it is widely reported in the literature that high emotional intelligence has a positive impact on job performance (Harris, Mirabella, and Murphy, 2012; Giorgi, Mancuso, and Fiz Perez, 2014,) and that EI exerts a substantial impact on personal relationships and social interactions (Bar-On, 2005) it is surprising that this study has shown no relationship between sales performance and EI.

Of the various studies on the impact of EI on sales performance cited in this work, mixed results have been demonstrated. From studies showing EI to have a positive impact on sales performance, (Deeter-Schmelz and Sojka, 2003; Giorgi et al., 2014; Heffernan, O'Neill, Travaglione, and Droulers, 2008; Ogilvie et al., 2017), studies showing a positive impact only

when combined with other factors, (Wisker and Poulis, 2015; Kadic-Maglajlic et al.2016) to the group of studies which so no relationship or a direct negative relationship, (Harris et al., 2012; Al Dosirya et al. 2015; Chen and Jaramillo, 2014) and to which this current study belongs, it is clear that there is still no consensus on the impact of EI on sales performance.

One possible reason the results of this study this is due to the fact that the sample size for was relatively small with just 28 participants. Perhaps with a greater sample size, more accurate results could be observed. Harris et al. (2002), who also found no correlation between EI levels and Sales performance in medical sales reps, suggest that the reason for their results may be due to the small sample size. However, in Al Dosirya et al.'s 2015 study on car salespeople in Kuwait, they obtained responses from every car dealership in the country, with a maximum possible sample size and even then, the results showed a negative relationship between sales performance and EI.

Another reason for the surprising results may be due to all of the participants in this study working for the same company. Much like with Heffernan et al.'s 2008 study of sales reps in an Australian bank, the results shown here cannot be generalised for the entirety of the SaaS industry. It is possible that the particular nuances and ways of working and selling in this company differ greatly from how other SaaS organisations work, and the results may be drastically different were this study to be run across more companies.

An additional point to consider when discussing the results of this study is the use of the GEICO for emotional intelligence testing and whether it is the most appropriate method. As this is a new test, published only last year, it is possible that more studies need to be run to assess its validity in determining EI levels. That being said there is a great deal of agreement in the literature that self-report measures are not an adequate way to test EI (Ogilvie, Rapp, Agnihotre, and Bachrach, 2017 Wisker and Poulis, Kadic-Maglajlic et al., 2016, Schlegel and Mortillaro 2018) and it is not suggested that a self-report measure of EI would be a more appropriate method than the GEICO. Running this study again with the most widely used ability based method for EI testing, the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) may be of value to see if the results compare or if there are any significant differences.

It is of course possible that the reason for the unanticipated results of this study is that there is in fact, no significant relationship between EI and sales performance, or in the case of some particular EI subsets, there is a direct negative relationship. Chen and Jaramillo (2014) argue that the regulation of emotions by salespeople may lead then to project false emotions which can be perceived as inauthentic and disingenuous by buyers. It could be the case that today's sophisticated buyers can see through sales tactics, false emotions and emotional manipulation techniques and can be dissuaded from making a purchase from a salesperson displaying such behaviour. In the SaaS industry specifically, buyers may be less likely to rely on their emotions and relationship (or lack thereof) with their salesperson, as they are their own research into the product, industry knowledge and logic. Areas such as sales rep product knowledge, work ethic, IQ, previous experience or industry knowledge may play a much more

significant role in sale rep performance in the SaaS industry and it would be very worthwhile for future studies to explore these areas.

#### NO DIFFERENCES IN RESULTS WHEN BROKEN OUT BY GENDER

There was no significant difference between the impact of EI on sales performance when broken out by gender. This is in line with what has been observed by Bar-On, who stated in his 2005 study that it has been found that gender does not have an impact on overall levels of EI and that there are no differences in levels of EI in males and females (Bar-On, 2005).

#### OVERALL NO SIGNIFICANT CORRELATION BETWEEN 4 EI SUBSETS AND SALES PERFORMANCE

OBSERVED

Of the four subsets of EI tested by the GECCO; Emotional Recognition, Emotional Understanding, Emotional Regulation in Oneself and Emotional Management, no significant correlation with sales results was observed from the overall sample.

Through the analysis, some of the areas showed a slight positive impact ( Emotional Recognition and Emotional Regulation), some showed a slight negative impact ( Emotional Understanding and Emotional Management) , but these results are statistically insignificant. The reason for these results may be due to the small sample size, however they are surprising given the evidence in the literature on the impact of EI on various domains related to the sales profession.

Lower levels of burnout have been related to higher levels of EI (Schlegel and Mortillaro, 2018) and is expected that an individual with high levels of Emotional Regulation should be able to redirect negative emotions to generate constructive performance goals (Law, Wong & Song, 2004) and prevent burnout and as a result, achieve greater sales results. EI is also associated with better negotiation outcomes and greater levels of empathy (Schlegel and Mortillaro, 2018; Bar-On, Handley, and Fund, 2006) and it supposed that a high level of Emotional understanding would allow a sales rep to better understand their buyers needs and desires in order to effectively negotiate and win more business. Assertiveness has been shown to have a positive relationship with EI and sales (Bar-On, Handley, and Fund, 2006) and an individual with high Emotional Management skills should display high levels of assertiveness and in turn effectively manage their prospects emotions in order to influence

their desired outcome. With the above evidence in the literature the lack of a correlation between any of EI subsets and sales performance of the overall group is surprising.

Emotional recognition is defined as the ability to accurately recognize emotions from other people's nonverbal expressions conveyed by the face, voice, or body (Schlegel and Mortillaro, 2018). The vast majority of the time B2B SaaS sales representatives deal with their prospects and customers over the phone, through video conferences and via email. This may explain why higher or lower levels of this EI subset were shown to have no significant impact in sales results.

Emotional understanding refers to understanding the qualities, causes, and consequences of one's own and others' emotions (Schlegel and Mortillaro, 2018) and given the importance of negotiation in the sales profession it is interesting that this area was shown to have no positive correlation with sales performance. It may be the case that in B2B SaaS Sales, buyers are well informed of the options available to them and when making purchasing decisions for their businesses they are thinking strictly logically and the ability by a sales rep to deeply understand their buyers emotions during this process does not help.

Emotional regulation broadly refers to the ability to create and maintain positive affective states in oneself (Schlegel and Mortillaro, 2018). Chen and Jaramillo argue that the regulation of emotions by salespeople may lead then to project false emotions which can be perceived

as inauthentic and disingenuous by buyers. They also suggest that the over-regulation of emotions can be draining for a salesperson and may lead them to direct focus away from adequately performing tasks that are relevant to the customer which in turn may result in poorer sales performance (Chen and Jaramillo, 2014).

Emotional management is described as the ability to effectively regulate other people's (usually negative) emotions through behavioural strategies (Schlegel and Mortillaro, 2018). There is a chance that attempts to regulate other people's emotions may be seen as manipulative and disingenuous. In general, people are not overly trusting of sales representatives, according to Blake Morgan in Forbes that 59% of buyers would rather do research online to avoid interacting with a human sales rep who pushes their own agenda and doesn't listen (Morgan, 2018). When buyers do interact with sales reps they more than likely do not want strategies used on them to manage their emotions or manipulate them, which is why emotional management may not be an positive skill to possess in high levels as a sales rep.

#### DIFFERENCES IN RESULTS WHEN BROKEN DOWN BY TERRITORY

When analysing the results of the study broken out by territory, there was no difference in overall GECO score and sales performance but interestingly, a significant negative

relationship between emotional management and sales performance was identified, only in the case of the participants working in the French market.

According to Meyer in the Harvard Business Review, people in different countries react to inputs differently, communicate differently, and make decisions differently and that that some managerial knowledge is universal and some is specific to a market or a culture (Meyer, 2015). According to Mayer and Salovey, emotional intelligence can be influenced by one's culture, family, life-events and how one was raised and taught about emotions (Mayer & Salovey,1997). The differences in language, culture, business etiquette and experience between buyers and sellers in the UK/ Ireland market and the French market may be the reason for different results when it comes to the impact of emotional management and sales performance.

While it may be argued that the GECO test does not take into account cultural differences and that is the reason for the differences in results, this is unlikely due to the extensive testing in the development of the GECO on individuals of different languages and cultures. The GECO was tested on English, French and German speakers and participants of different cultural backgrounds, Swiss-German, Swiss French, Asian-Americans, Caucasian-Americans and each of these studies speak to the good psychometric quality of the test (Schlegel and Mortillaro, 2018).

It may be the case that buyers in the French market react differently to emotional management strategies than their UK-based or Irish counterparts. Barsoux and Löscher (1991) in Harvard Business Review state that French managers see their work as an intellectual challenge, requiring the “remorseless application of individual brainpower”. “They do not share the Anglo-Saxon view of management as an interpersonally demanding exercise” (Barsoux and Löscher, 1991). This application of individual brain power and disregard for interpersonal relationships in work may lead French buyers to leave their emotions behind and make buying decisions based purely on their own research and logic. French PSA chief executive, Jacques Calvet, stated, “I have a fault from which I suffer greatly. I am too logical, not sufficiently directed by intuition” (Barsoux and Löscher, 1991). French managers like to communicate in writing, even for informal interactions (Barsoux and Löscher, 1991) and when making buying decisions they may rely more heavily on logical arguments delivered to them via email or in a proposal over slick sales representatives’ presentations and attempts change their emotional state. As Chen and Jaramillo (2014) argue, today’s informed buyers can see through false emotions and disingenuous actions and logical and unemotional French managers may be highly adverse to any attempts at emotional manipulation. French buyers may want facts to speak for themselves and will not be swayed by a smooth talking sales rep who attempts to alter their emotional state and as a result, those sales representatives who do not display high levels of emotional management end up with better sales performance.

## CONCLUSION AND RECOMMENDATIONS

The study did not find a direct correlation in overall EI levels and sales performance and found a negative correlation between sales performance and emotional management in participants working in the French market.

Overall the results of this study are surprising given the overwhelming consensus in the literature of the beneficial impact of emotional intelligence in such areas as work performance (Law, Wong & Song, 2004; Bar-On, 2005), empathy, understanding, self-reflection (Bar-On, Handley, and Fund, 2006) negotiation (Bar-On, Handley, and Fund, 2006; Schlegel and Mortillaro, 2018), interpersonal and communication skills (Wisker and Poulis, 2015), and low burnout (Schlegel and Mortillaro, 2018).

The surprising results may be due to the small sample size and/or the fact that all participants in the sample work for the same company. A suggestion for future work would be to complete the study with a larger sample size in a number of SaaS companies.

Another reason for the surprising results may be due to the GECO method of testing EI. This novel test differs from the tests used in the studies cited in this work as the questions are tailored specifically for the working environment is a performance-based tests with correct and incorrect responses as opposed to a self-reported method of evaluating EI or a performance-based test using a consensus scoring method. It is unclear at this stage whether the results of the GECO are more or less accurate than other methods of EI testing and further studies comparing the various methods would be a valuable addition to the literature.

It may be the case that Emotional Intelligence alone does not have a positive impact on sales performance but rather when combined with certain selling behaviours a clear correlation can be identified. Wisker and Poulis (2015) and Kadic-Maglajlic et al.(2016) found that the use of adaptive selling behaviours combined with high levels with EI were a winning combination resulting in better sales performance. A repeat of this study which also takes into account whether or not participants engage in adaptive selling behaviours may provide greater clarity as to what it takes to achieve top results in SaaS sales.

It is possible too that there is no relationship between SaaS sales performance and EI as found by Harris et al. (2012) and or indeed that there is, in fact, a direct negative relationship as found by Al Dosirya et al. (2015) and Chen and Jaramillo, (2014). It may be the case that SaaS sales in particular lends itself to logical transactions and discussions removed from emotion, or as Chen and Jaramillo (2014) argue, the over-regulation of emotions by sales reps comes across as false to the buyer and as a result negatively impacts buying decisions.

The difference in results between participants working in the UK/Ireland market vs. the French market are also very interesting and warrant further investigation. Cultural differences in individuals and business etiquette in different countries in this case appear to make a difference when it comes to the importance and impact of emotional intelligence and further studies into the role of EI and the differences in its impact cross-culturally would be fascinating to examine.

Another surprising finding in this study was the direct negative effect that emotional management levels had on sales performance among participants in the French market. It may be the case that this is fluke result due to the small sample size or it could be the case that this is something particular to the French market. Possibly French buyers who are used to dealing purely in logic when making business decisions (Barsoux and Löscher, 1991) can see through sales representatives attempts to manage and manipulate their emotions and react negatively to this approach. More studies in the area of the impact emotional management specifically has on sales performance across different markets would provide us with more insight.

This current research contributes to the literature by adding another study on the impact of emotional intelligence on sales performance, specifically in the Software as a Service industry and by using a novel method for EI testing, the GECO. The results here proved surprising having found no relationship between overall EI levels and sales performance and interestingly found a negative correlation between emotional management scores and sales performance in the French market.

Software as a Service is a multi-billion dollar industry and is one of the fastest growing industries of the 21<sup>st</sup> century with sales being one of the key factors driving this growth. Figuring out what makes good sales people is crucial to the success and continued growth of companies in the industry. Further studies to clarify what it is that makes a good SaaS sales representative would be welcomed and extremely valuable.

## FUTURE RESEARCH OPPORTUNITIES

1. Repeat this current study using a larger sample size from various SaaS companies
2. Study on the impact of EI combined with adaptive selling behaviour on SaaS sales rep performance
3. Study on the differences in the impact of emotional intelligence on different cultures
4. Studies on the impact of other factors such as IQ, product knowledge, work ethic, etc. on Software as a Service sales performance.

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# APPENDICES

## APPENDIX A – GECO USER AGREEMENT



technical impossibility of connection, power failure, network interruption or failure, technical failure, hacking, misconfiguration or misuse of the user's computer or telephone lines, or for any other cause beyond its control. In addition, the UNIGE and the SCAS decline any responsibility for faulty use that damages the GECO files or that impairs their quality, for any consequences of faulty use and analysis of the GECO, and for any undesired results following the use of the GECO.

10. The use of the GECO after the specified duration (one year max.) requires a new application. Access to the GECO will be canceled after one year.
11. The UNIGE and the SCAS reserve the right to change the terms of use of the GECO at any time. Researchers will be informed about the new conditions and receive a copy of the updated terms. Once the researcher has been notified, the new terms shall apply.

I have read and understood the terms stated here above and confirm that I will comply with them:

Name / academic degree or title Msc. International Business

Affiliation / University National College of Ireland

University address Mayor Street Lower, IFSC, D1, Ireland

Email address (it must be linked to a Qualtrics account) [REDACTED]

Estimated duration of the project (max 1 year) 3 months

Phone number 00353 87 466 3336

Name of collaborators ROBERT MACDONALD - ASSOCIATE FACULTY

Date and Signature (s) 24/10  
[Signature] Julianne Lyne

Please indicate in which language you want the GECO (for technical reasons, you can choose only one language)

ENGLISH

FRENCH

GERMAN

Please print, sign, and send this agreement and a short project description (1 page) to [eri-cisa@unige.ch](mailto:eri-cisa@unige.ch)

## APPENDIX B – DOCUMENT OUTLINING STUDY

The research question is: *Is there a relationship between Emotional Intelligence and B2B SaaS sales representatives' performance?*

This study aims to understand the relationship between Business to Business Software as a Service sales representatives performance and emotional intelligence. The sales profession involves heavy human interaction, communication and connection, all of which are areas with strong connections to emotional intelligence and for which the role of EI should play a huge part. There have been a number of studies done on the role EI plays on sales performance, many of which indicate there is a positive correlation between high levels of EI and individual sales performance (Deeter-Schmelz and Sojka, 2002, Wong, Law & Song, 2004, Giorgi et al., 2014). However, there is a consensus that the literature is lacking due to difficulties in obtaining live sales data and competency based Emotional Intelligence results, and more studies would be beneficial to our understanding of the area (Wisker and Poulis, 2015, Kadic-Maglajlic, Vida, Obadia, and Plank 2016).

Past studies in relation to sales performance and EI include professionals from the medical, media, furniture and automotive industries but there have been few studies in the area of sales reps in the Software as a Service (SaaS) industry. According to the Market Watch 2018 report, the global SaaS Market size is expected to reach \$185.8 billion by 2024 (Market Watch, 2018) and 73% of organizations say nearly all (80%+) of their apps will be SaaS by 2020 (Better Cloud, 2017). Studying the role of Emotional Intelligence on sales performance in this fast-growing, multi-billion dollar industry may guide managers, recruiters and business owners on

how best to hire and train their sales talent and help sales professionals identify areas that can be improved on for maximum performance impact.

With so few empirical studies in sales literature focusing on the impact of EI on sales performance (Wisker and Poulis, 2015), there is yet to be a consensus among researchers and consistent explanations of the EI role salesperson performance outcomes (Kadic-Maglajlic et al., 2016). A limitation to each of the studies which have been completed, one which has been acknowledged by all researchers, is that fact that the means of evaluation of emotional intelligence was through self-reported questionnaires. There is a great deal of agreement in the literature regarding the almost universal tendency to engage in subjective inflation in self-judgment when completing questionnaires due to the underlying bias toward self-enhancement (Ogilvie et al., 2017). Not only were the results relating to levels of emotional intelligence self-reported via questionnaire in all studies, many of the studies also had the participants self-report their sales performance. In fact, in Harris et al's study of medical sales representatives, 1/3 of the reps rated themselves in the top 10% (Harris et al., 2012).

The aim of this study is to use the results of the Geneva Emotional Competence test (GECO) combined with real sales data for 30-80 sales representatives in a global SaaS company based in Dublin, Ireland to study the importance of EI on sales rep's performance.