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New hires at firms invariably go through an onboarding program that introduces the firm, practices, standards, and cultural values, while also training new hires in the skills needed to perform the new role. The onboarding process acts as a foundation in new hires’ perception of the company and sets the stage for their future at the organization. During this time, employees learn (formally and informally) about the expectations set and how they can be accomplished. Companies devote hours of time and millions of dollars each year to onboarding new employees and in trying to find the best way to induct new employees into the organization. Given this, our research examines different types of onboarding programs and determines which type best impacts the success of the salesperson.

Examining Onboarding Programs

Some programs are centralized, meaning that the entire process is highly structured, standardized across the firm, tends to be delivered at a greater scale (i.e., to more salespeople at a single time), and does not vary according to the experiences of the new salesperson. On the other hand, decentralized programs consist of on-the-job field training, empowering sales managers to take greater ownership of the process, and can be more specifically tailored to each new hire based on experiences and needs.

Another factor in the onboarding process is the prior role that the new salesperson had, primarily considering whether transitioning from school or from another job. This will influence how the new salesperson responds to the onboarding process. Research indicates that the initial period when a new hire begins at the firm is extremely uncertain. Those fresh out of school will be even more uncertain, as the roles and expectations of a job are incredibly different than an educational institution. Thus, these new hires may appreciate the structure of a centralized program. However, new salespeople coming from another job may be eager to apply previously learned skills to their new job, and thus would benefit more from a decentralized onboarding program.

The final factor we examine that may affect the onboarding process is the number of employees who report to the specific manager. The number of employees that the manager leads directly
affects the amount of time he or she can spare for the new employee onboarding program. Additionally, the manager may have more or less time to develop salespeople in the innovative roles and behaviors associated with creative selling techniques. A sales manager's time constraints may have particularly strong implications for salespeople who undergo decentralized onboarding programs. This is due to the critical role these sales managers play in helping to positively direct and channel a salesperson's more innovative efforts oriented towards developing effective selling techniques contingent on that salesperson's distinct strengths and weaknesses.

**Findings**

We conducted two studies in our research. The first measured the effectiveness of centralized and decentralized programs for furniture salespeople in the real world, while considering how the salesperson’s work-role transition and the sales manager’s span of control influence the relative efficacy of these programs. The second was an online experiment asking participants to complete a sales-related task after reading about and envisioning the experience of either type of onboarding—either centralized or decentralized.

Study 1 showed that, on average, decentralized programs led to 23.5% higher sales than for those who underwent a centralized onboarding program. This percentage jumped to 29.6% when the managers were responsible for fewer salespeople than their peers. When looking at the new hire’s prior experience, we found that those transitioning from another job received about the same 23% increase. If the hire was a recent graduate, the increase dropped to about 9%.

Study 2 was much simpler and intended to obtain deeper insights into how these onboarding programs influence important underlying factors that drive sales outcomes. Conducted on Amazon’s Mechanical Turk, participants were assigned to groups with either centralized or decentralized programs and were then asked to complete a test measuring their creativity in solving a relevant selling task (namely, coming up with different ideas for communicating and framing the benefits of a product to different types of customers). The effects of the study indicated a substantial boost to cognitive flexibility in the diversity of ideas and the novelty of those in the decentralized condition (compared to the centralized condition). As selling to each different individual is a creative process, these traits are critical for most salespeople.

**Real Estate Implications**

Both studies in this paper clearly indicate that a decentralized onboarding process leads to an increase in sales success, particularly for salespeople transitioning into their new sales role from another job (as opposed to transitioning from school). In those cases where the costs of centralized programs are higher (e.g., for those programs that involve flying salespeople out to specialized training centers, putting them up in hotels, etc.), decentralized onboarding should be viewed as the preferred choice for either salespeople transitioning from another job or school in consideration of its ROI implications. Real estate firms should make every effort to incorporate
more decentralized onboarding programs for their new hires to capitalize on these findings, particularly when most of their sales force has some prior work experience (as is often the case in real estate).

Additionally, sales increased even further for salespeople who underwent the decentralized program when their sales manager supervised fewer people. Managers responsible for new hires in real estate firms, particularly those utilizing decentralized onboarding programs, should be available to coach and guide new salespeople, especially in the initial months as salespeople map out their roles. The onboarding process for new employees is often fraught with uncertainty, but by establishing decentralized onboarding programs and providing sufficient management and guidance, new salespeople can significantly improve their sales and ramp up to higher performance levels faster.

**Recommended Reading**


**Reference**


**About the Authors**

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Dr. Philip Wiseman’s (PhD – University of Houston) research primarily focuses on how firms can train and motivate their sales forces to achieve greater business outcomes and how salespeople can grow and sustain customer relationships through different actions. His research has been published or is forthcoming in the *Journal of Marketing* and the *Journal of International Marketing*. He has also written and contributed to sales and marketing textbook chapters covering customer relationship management and marketing analytics. Before entering academia, he worked in marketing and operations roles within the technology, financial services, hospitality, and education services industries.
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Dr. Michael Ahearne’s (PhD – Indiana University) research has primarily focused on improving the performance of salespeople and sales organizations. He has published over 50 articles in leading journals such as Journal of Marketing, Journal of Marketing Research, Management Science, Strategic Management Journal, Journal of Applied Psychology, and Organizational Behavior and Human Decision Processes. The American Marketing Association has recognized Dr. Ahearne as one of the most research-productive scholars in the field of marketing. His research has been profiled in the Wall Street Journal, Business 2.0, Business Investors Daily, Forbes, Fortune, INC Magazine, and many other news outlets. His book, Selling Today: Partnering to Create Customer Value, is the highest-grossing professional-selling textbook in the world, and Dr. Ahearne has won numerous teaching awards at the MBA and undergraduate level. Prior to his career in academia, Dr. Ahearne played professional baseball for the Montreal Expos and worked in marketing research and sales operations for Eli Lilly and PCS Healthcare. He was also a partner at ZS Associates, the largest global sales and marketing consulting firm.

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Dr. Zach Hall’s (PhD – University of Houston) research examines factors that affect the performance of salespeople, sales teams, and sales organizations. His research focuses on investigating these performance issues from a dyadic perspective in both salesperson-customer exchanges and manager-employee relationships. His research has been published in the Journal of Marketing, Journal of Marketing Research, Industrial Marketing Management, and Journal of Personal Selling and Sales Management. Before entering academia, Zach accumulated almost 10 years of experience in sales, financial analysis, pricing analysis, consulting, and marketing.

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Dr. Seshadri Tirunillai’s (PhD – University of Southern California) research interests are in social media user generated content, advertising, marketing strategy, and sales. He has published in Marketing Science, Journal of Marketing Research, Marketing Science, and the International Journal of Marketing, among others. He received the O’Dell award (2019) for the Journal of Marketing Research article that has made the most significant, long-term contribution to marketing theory, methodology, and/or practice. In 2015, he received the Lehmann Award for best paper based on a dissertation in the Journal of Marketing.