

LEADERSHIP STYLE OF SALES MANAGER: A CRITICAL ANALYSIS ON IMPACT ON SALES PERFORMANCE

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ABSTRACT

Any organization's sales department is an essential vertical as it has a direct impact on both top-line revenue and bottom-line profitability. In order to inspire sales executives to support and accomplish company objectives, effective sales leadership is essential. As a result, it is crucial to cultivate a solid and constructive connection between sales managers and sales executives. The purpose of this study is to investigate how the leadership styles of sales managers affect the output of sales teams. Two prominent businesses in the BFSI sector, which has seen tremendous expansion in recent years, are the subject of the study. Interestingly, the ICICI group has become a major force in this industry. Maintaining and improving performance results requires that sales managers and sales teams be properly aligned.

Keywords: Sales, Leadership Style, Employee Performance, BFSI Industry

1. INTRODUCTION

An organisation is a complicated structure made up of several departments that operate in different places and have different goals. In order to bring these disparate departments and individuals together and ensure that they collaborate effectively towards a more comprehensive, shared objective, leadership is essential.

Effective leadership is crucial for defining responsibilities, creating a common vision, and propelling organisational success in the fiercely competitive and unstable market environment of today. Over time, several definitions of leadership have been put forth by academics. Leadership, according to Lawal, A. (1993), is the process of persuading others to confidently and voluntarily work towards an organisational objective. Similar to this, Nwachukwu C. (2000) defines a leader as someone who creates an atmosphere where people voluntarily contribute to a common goal by influencing both extrinsic and inner elements.

Since the sales department is mostly in charge of generating income, many contend that it is the most important department in any company. Sales executives must complete a variety of field activities in this department, which operates under extreme work pressure. The organization's business outcomes are directly impacted by their performance.

Sales leaders must maintain a high level of motivation in order to meet these obligations. For the sales staff to be more motivated, perform better, and be more productive overall, leadership is essential.

2. REVIEW OF LITERATURE

In his 1995 study of the changing business environment of sales organisations, Davids stressed the significance of taking into account a leader's behavioural and personal characteristics in order to create effective corporate leadership. Madann (2015) investigated the connection between elements that affect leadership styles and how they affect worker productivity, emphasising the important role that leaders have in motivating staff to improve their output.

To find out how successful they believe leadership is in improving sales performance, Peesker et al. (2019) polled sales executives. The results showed that sales executives think that sales managers are essential in motivating, mentoring, and setting an example for sales. In a similar vein, Haq and Kuchinke (2016) discovered that managerial leadership styles had a major effect on worker performance, highlighting the necessity of effective management governance initiatives, especially in the banking industry.

According to a study by Vijay and Krishnaveni (2021) on the pharmaceutical industry in Kerala, companies that use a democratic leadership style see improvements in employee performance and work satisfaction. According to Pavithra et al. (2018), who looked at what influences employee loyalty, management leadership style is crucial for promoting loyalty. Their research also showed that sales executives are more likely to stick with their companies when they are led in a democratic manner.

2.1. SCOPE

The purpose of the study was to assess how the leadership styles of sales managers affected the output of sales executives and teams. The study was carried out among managers and sales professionals of ICICI Group firms in the Nagpur division in order to accomplish this goal. ICICI Bank and ICICI Prudential Life Insurance Co. Ltd. were the particular subjects of the investigation. Thirty ICICI Group company branches made up the research universe.

3. RESEARCH METHODOLOGY

Two questionnaires were used to gather primary data for this investigation. Sales managers' leadership styles were determined using the Blake and Mouton Managerial Grid Leadership Self-Assessment questionnaire, and information on employee performance over the previous three years throughout ICICI Group firms was obtained using a second questionnaire. Of the 300 workers of ICICI Group firms that made up the study universe, 262 valid replies were obtained and examined.

The Blake and Mouton Managerial Grid assesses leadership styles based on two key dimensions: People-Oriented Leadership and Task-Oriented Leadership.

- **Task-Oriented Leaders** prioritize achieving set objectives and targets by clearly communicating expectations, establishing structured processes, and setting deadlines. They provide guidance to the team and implement reward systems for employees who successfully meet targets within the stipulated timeframe.
- **People-Oriented Leaders** focus on developing, supporting, and motivating their team members. They encourage open communication, foster collaboration, and create a supportive work environment.

Business, quality, and service criteria that were in line with the performance evaluation measures of the ICICI Group were used in the study to assess employee performance. Target vs. attainment, business renewal or thirteenth-month persistence, and partner and customer escalations were the main indications that were noted.

3.1. DATA ANALYSIS AND INTERPRETATION

Table 1 Demographics of Respondents

Parameter	Criteria	No of Respondents	Percentage
Age	20-25	51	19.47%
	26-30	97	37.02%
	31-35	73	27.86%
	Above 35	41	15.65%
Gender	Male	187	71.37%
	Female	75	28.63%
Organisation	ICICI Prudential	180	68.70%
	ICICI Bank	82	31.30%
Years of Service	Up to 3 years	102	38.93%
	4-6 years	90	34.35%
	7-9 years	34	12.98%
	More than 10 years	36	13.74%

Three hundred workers of the ICICI group firms were given the questionnaire. After receiving 262 legitimate replies, they were taken into consideration for additional analysis. Eighty-two respondents were from ICICI Bank, and 180 respondents were from ICICI Prudential Life Insurance Co Ltd, one of the two ICICI group firms.

The largest percentage of respondents (37.02%) were employees between the ages of 26 and 30. A total of 187 respondents, or 71.37% of the sample, were male. While 13.74% of respondents have more than ten years of work experience, 38.93% of respondents have only three years.

3.2. HYPOTHESIS

H01 ☐ Sales executives' performance is unaffected by a sales manager's people-oriented leadership style.

H11 ☐ Sales executives' performance is impacted by a sales manager's people-oriented leadership style.

H02 ☐ Sales executives' performance is unaffected by a sales manager's task-oriented leadership style.

H12 – Sales executives' performance is impacted by a sales manager's task-oriented leadership style.

Correlations

		Tgt_Ach	Renewals	Cust_Esca	People_O
Tgt_Ach	Pearson Correlation	1	.592**	.038	.861**
	Sig. (2-tailed)		.000	.773	.044
	N	262	262	262	262
Renewals	Pearson Correlation	.592**	1	-.002	.801**
	Sig. (2-tailed)	.000		.986	.080
	N	262	262	262	262
Cust_Esca	Pearson Correlation	.038	-.002	1	-.408**
	Sig. (2-tailed)	.773	.986		.001
	N	262	262	262	262
People_O	Pearson Correlation	.261*	.228	-.408**	1
	Sig. (2-tailed)	.044	.080	.001	
	N	262	262	262	262

- Correlation is significant at the 0.01 level (2-tailed).
- Correlation is significant at the 0.05 level (2-tailed).

The relationship between sales managers' leadership philosophies and important performance indicators was examined using the SPSS software. According to the statistics, sales executives' aim vs. achievement is significantly positively correlated with a people-oriented leadership style. Furthermore, a considerable positive link between renewal collection and people-oriented leadership was found. Additionally, the data showed a negative relationship between escalations from customers or partners and People-Oriented Leadership, indicating that this leadership style

successfully lowers escalations and improves performance in general. These results demonstrate how much leadership style affects important business outcomes.

Correlations

		Tgt_Ach	Renewals	Cust_Esca	Task_O
Tgt_Ach	Pearson Correlation	1	.592**	.038	.601**
	Sig. (2-tailed)		.000	.773	.137
	N	262	262	262	262
Renewals	Pearson Correlation	.592**	1	-.002	.619**
	Sig. (2-tailed)	.000		.986	.223
	N	262	262	262	262
Cust_Esca	Pearson Correlation	.038	-.002	1	-.622**
	Sig. (2-tailed)	.773	.986		.001
	N	262	262	262	262
Task_O	Pearson Correlation	.194	.160	-.422**	1
	Sig. (2-tailed)	.137	.223	.001	
	N	262	262	262	262

- Correlation is significant at the 0.01 level (2-tailed).

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4. FINDINGS AND CONCLUSION

The results unequivocally imply that sales executives' performance is significantly impacted by the leadership style of sales managers. Sales performance is positively impacted by both task-oriented and people-oriented leadership philosophies. Nonetheless, the People-Oriented Leadership style has a greater effect on important performance metrics, especially goal vs. attainment and renewal collections, suggesting that sales managers who use this strategy are better at motivating their teams.

However, it has been discovered that the Task-Oriented Leadership style is more successful in lowering partner or customer escalations. This is explained by task-oriented leaders' emphasis on creating robust systems and procedures, which guarantees organised workflows that reduce escalations and boost operational effectiveness.

5. SUGGESTIONS

According to the research, a sales manager's leadership style has a significant impact on how well their teams perform. Consequently, it is advantageous for organisations to examine managers' leadership styles and determine the areas in which sales teams require development.

Both People-Oriented and Task-Oriented leadership styles have their own advantages:

In structured settings where escalations, procedures, and discipline need to be improved, task-oriented leaders perform better. They streamline processes and cut down on inefficiencies by concentrating on systems and procedures.

Field-based sales teams, where establishing relationships and interacting with clients are essential to success, are better suited for people-oriented leaders. This leadership approach encourages teamwork, empowerment, and motivation, which results in chances for upselling, cross-selling, and repeat business.

By assessing leadership types during the recruiting process, organisations can make the best hiring choices. Businesses may improve team fit and boost sales performance and long-term success by matching the leadership styles of sales managers with the unique training requirements and performance standards of sales teams.

6. FUTURE SCOPE OF THE STUDY

This study offers insights into the effects of leadership styles in a particular business setting and is restricted to the ICICI group of firms. To find out if leadership styles consistently affect sales success or if the impacts change by industry, its reach can be extended to other industries. A more comprehensive geographic examination could provide information about local difficulties and market forces affecting the efficacy of leadership. The effects of leadership styles on sales executives' work satisfaction, attrition rates, and prospects for career advancement should potentially be investigated in more detail. Further insight into the long-term impacts of leadership styles may also be gained by investigating if they are linked to work-life balance, mental and physical health problems, or employee burnout. The study would provide a more thorough understanding of how leadership affects sales success and general staff well-being if it were expanded in these ways.

CONFLICT OF INTERESTS

None.

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