

Not All Networks are Created Equal: The Effects of Network Centralities on Salesperson Performance and Turnover - A Longitudinal Analysis

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Executive Summary

A salesperson's performance and longevity in a company significantly influence a firm's profitability and market standing. Despite the critical role salespeople play, traditional research has primarily focused on performance metrics while often overlooking the complexities surrounding turnover rates. In an effort to address this gap and offer a more holistic understanding, this academic paper delves into the intricate relationships between different types of network centralities—closeness, betweenness, and eigenvector—and their impact on salesperson performance and turnover rates. Using a mixture of survey and secondary CRM data from 237 salespeople, this study aims to shed light on how these centralities affect performance and retention over time, thereby providing actionable insights for both academics and practitioners.

Our key findings indicate that closeness centrality has a significant positive effect on the performance of core and high-level performers and contributes to reducing the turnover of individuals holding these positions. On the other hand, betweenness centrality benefits performance across a range of talent levels but does not significantly impact turnover rates. Eigenvector centrality is particularly beneficial for low-level performers in enhancing their performance, although, like betweenness, it has no notable impact on turnover. Importantly, our study also uncovers that intraorganizational navigation behaviors, when paired with political skill, significantly contribute to generating both betweenness and closeness centralities.

For managers focused on optimizing performance for a talent pool that spans low, core, and high performers, these findings are invaluable. First, they provide a nuanced strategy for promoting specific types of networking behaviors tailored to an employee's performance level, thus maximizing their potential. Second, insights into the centralities that affect turnover offer managers the tools to design targeted talent retention strategies. Third, given the moderating role of intraorganizational navigation and political skill, there is a compelling argument for the development of training programs aimed at cultivating these specific behaviors and skill sets.

This study serves as a thorough and nuanced perspective of effective networking practices which we argue offer valuable contributions to scholars and managers, alike. We hope the robustness of the methodologies used adds considerable weight to these findings.

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