

**An Analysis of Sales Training Effectiveness  
Within the Housing Market**

by

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## Abstract

The purpose of this study was to assess the performance outcomes of a sales training program. This study is unique in a number of ways. First, it focuses on an under-studied area (sales training effectiveness). Second, it is directed at the evaluation of sales training programs completed by Realtors within the housing industry. Finally, it investigates the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of Realtors. A review of the sales training evaluation methods literature yielded three models—Kirkpatrick Model (Catalanello & Kirkpatrick, 1968; Kirkpatrick, 1959a, 1959b, 1960a, 1960b, 1977, 1979, 1996), Sales Training Evaluation Model (STEM) (Lupton, Weiss, & Peterson, 1999), and an Utility Analysis Model (Schmidt, Hunter, & Perlman, 1982; Boudreau, 1983; Honeycutt, Karande, Attia, & Maurer, 2001)—for determining training effectiveness. Of the three models, Kirkpatrick’s Model (1996) was deemed the best fit for the current study and therefore, was selected. A multiple regression procedure was conducted to determine whether the steps of Kirkpatrick’s Model (1996) were positively related to results. Additionally, the analysis permitted the researcher to control for the effects of other variables that may have an important relationship with the dependent variable (Kleinbaum, Kupper, Muller, & Nizam, 1998). To assess the hypotheses, results was the dependent variable, while the independent variables were reaction, learning, and behavior.

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## Chapter I

### Introduction

Throughout the history of training, the concept and results have not waivered: learning took place and knowledge or skill was transferred, when the message was received successfully by another person (Miller, 1996). Unfortunately, many businesses expend great amounts of money on training programs and fail to assess their value. Goodacre (1957) postulated:

Managers, needless to say, expect their manufacturing and sales departments to yield a good return and will go to great lengths to find out whether they have done so. When it comes to training, however, they may expect the return—but rarely do they make a like effort to measure the actual results. Fortunately, for those in charge of training programs, this philanthropic attitude has come to be taken for granted. There is certainly no guarantee, however, that it will continue, and training directors might be well advised to take the initiative and evaluate their programs before the day of reckoning arrives (p. 4).

The current US recession and downfall of the housing market just may be the day of reckoning to which Goodacre (1957) referred. With consumer sentiment at an all-time low and the rising cost of living, one would expect that managers would recognize the importance of training assessment...especially within the housing market. Fletcher (2010) stated there is not a standardized sales training procedure within the real estate industry.

This study explored the effectiveness of sales training programs for Realtors within the housing industry. The housing market has been chaotic in the last five years (i.e., fluctuating interest rates and sales, consumer bankruptcy and foreclosures, and increased competition among agents due to the economic environment) but has recently seen stabilization. Yet, little is understood in business or academia about the impact of training in relation to home sales.

The national and international social, economic, and technological factors influencing the practice, management, and even the definition of professional development and training are volatile and uncontrollable (Wiggenhorn, 1996). This is the case for numerous training programs across various industries and fields...in particular, the housing market and that is why it is important to look at both the internal and external factors that affect home sales. External factors, also known as major trends affecting consumer demand for housing, are as follows: economy and consumer confidence, population trends, household formation, income, education, and interest rates. Internal factors affecting home sales are directly related to the Realtor or real estate agent's training and ability to sell.

### Overview of the Housing Market

Housing deals with utilitarian and hedonic issues and is associated with consumer emotions. The U.S. Bureau of the Census and U.S. Department of Housing and Urban Development accumulate home sales and home, mobile home, and apartment construction data. Housing construction and sales depend on the economy and consumer confidence, population trends, household formation, income, education, and interest rate. These external factors, discussed in Chapter Two, significantly influence the rate at which housing construction and sales take place; therefore, housing construction and sales are crucial indicators of the economic well-being of a nation.

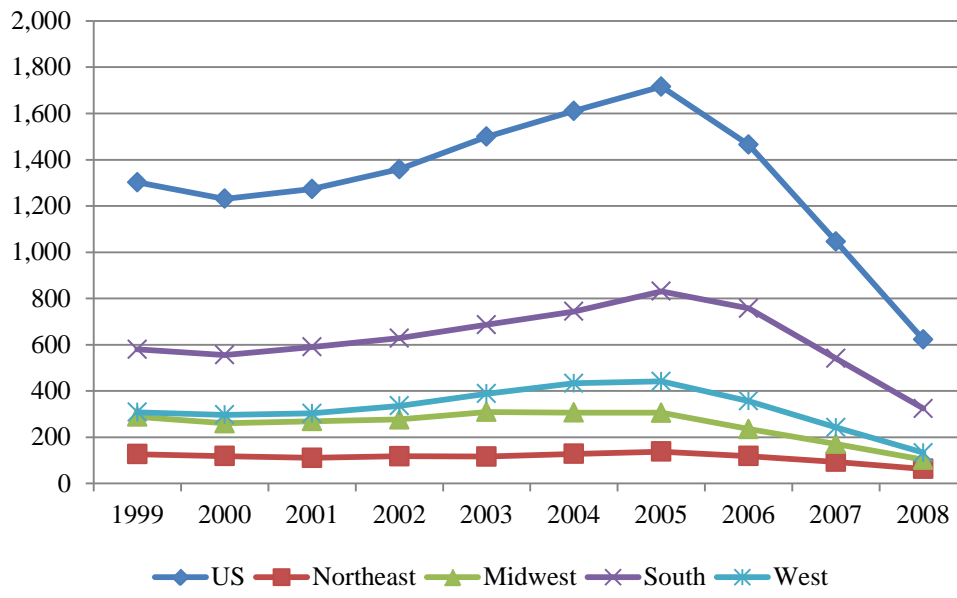
### Housing Construction and Sales

The total of new privately owned one-family houses completed in the US declined from 1,302,000 in 1999 to 622,000 in 2008, which was a decrease of 52.23% (US Bureau of the Census, 2010) (see Figure 1.1). In 2008, there were 4,913,000 existing one-family homes sold in the US, which was a decrease of 5.21% from the 5,183,000 in 1999 (US Bureau of the Census,

2010) (see Figure 1.2). A decrease of 44.89% (880,000 in 1999 to 485,000 in 2008) also occurred for new privately owned one-family houses sold in the US (US Bureau of the Census, 2010) (see Figure 1.3). Based on data obtained from the US Bureau of the Census (2010), which is presented in Figures 1.1, 1.2, and 1.3, housing construction and sales grew until 2005; however, these numbers have continued to decline. Although total US and regional housing construction and sales have decreased over the ten-year time series, it is important to note that

Figure 1.1

*Number of Completed New Privately Owned One-Family Houses*



*Note.* US Bureau of the Census (2010).

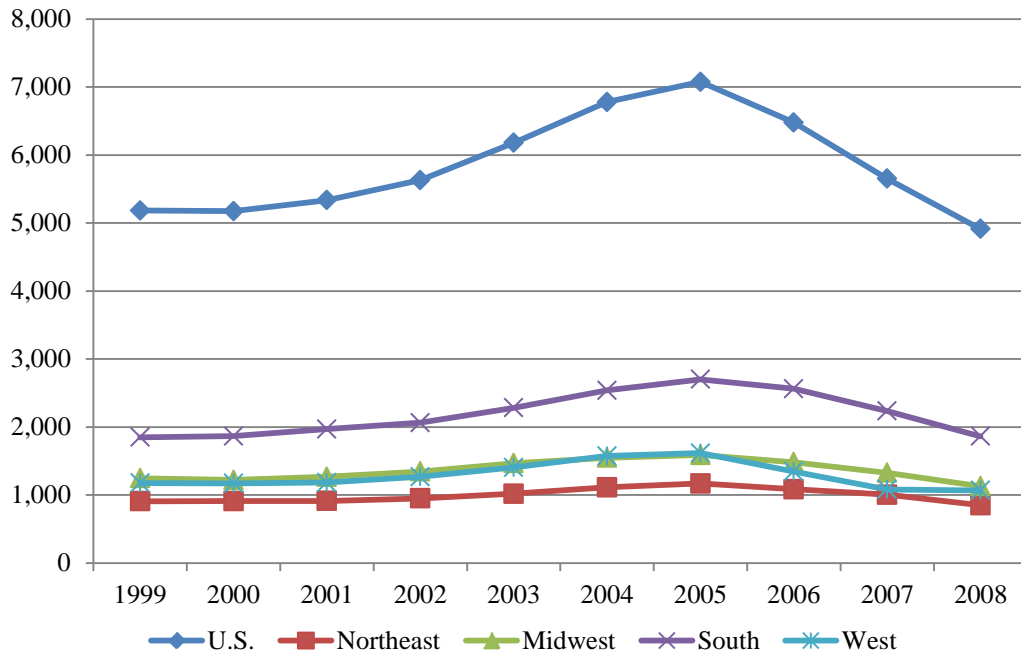
the South is the leader in construction and sales. When compared to total US sales (-5.21%) of existing one-family homes from 2001-2010, the state of Florida is experiencing a higher decline (-48.51%) (US Bureau of the Census, 2001, 2003, 2004-2005, 2007, 2010). This places the state of Florida's housing market in a critical position; therefore, placing more importance on sales training for Realtors.

## Sales Training

Sales training has played a key role in several product and service industries. The availability of sales training programs is abundant. An internet search will yield thousands

Figure 1.2

*Existing One-Family Homes Sold by Region*



*Note.* US Bureau of the Census (2010).

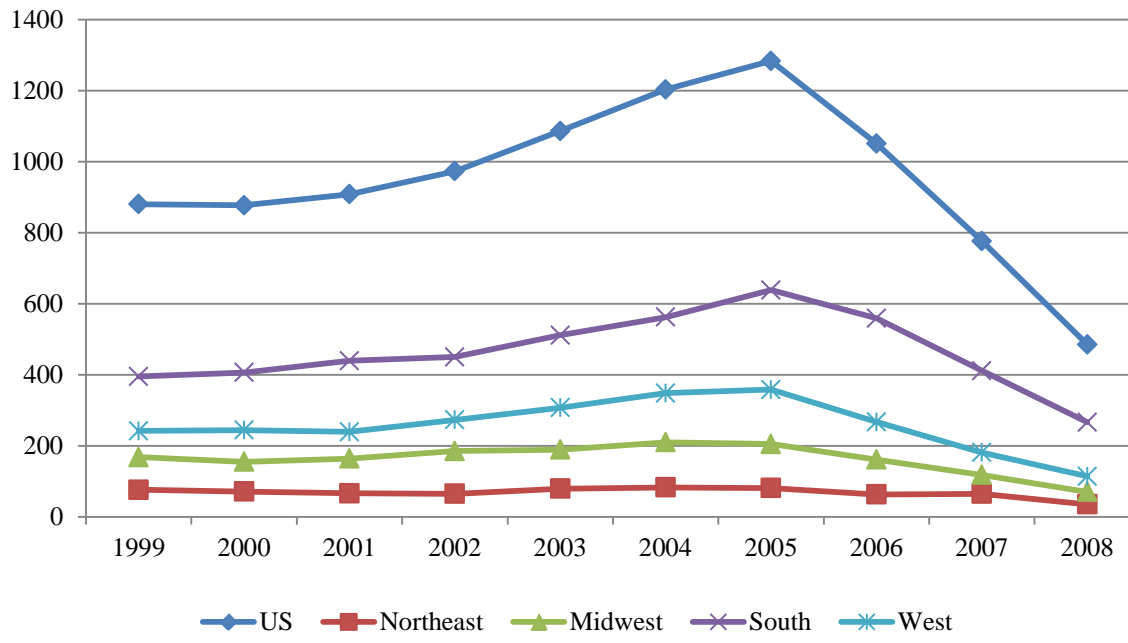
of programs, seminars, courses, and on-line videos to aid the salesperson in the art of selling (i.e., what to say, how to say it, who to say it to, and when to say it) ([www.bing.com](http://www.bing.com)). Psychology courses, which provide insight into the psyche of prospective customers, are also available. Furthermore, there is a proliferation of how-to books. As of 12/13/11, [www.amazon.com](http://www.amazon.com) had just under twelve thousand books on sales training and over one hundred digital versatile disks (DVD).

## Importance of Sales Training

According to Hahne and Schultze (1996), productive sales training increases sales

Figure 1.3

### *New Privately Owned One-Family Houses Sold by Region*



Note. US Bureau of the Census (2010).

permanently by enhancing the knowledge, skills, work habits, attitudes, self-confidence, and on-the-job behavior of an organization's sales force. The desired result is learning and the application of that learning; however, this result can occur only if there is a change in behavior for the better (Hahne & Schultze, 1996). The bottom-line sales training goal is to maximize both current sales and long-term strategies for the success and continued growth of the organization and to support the organization's sales and marketing plan (Hahne & Schultze, 1996). Overall, the benefits of sales training are numerous for the salesperson, customer, and the organization (see Table 1.1).

Table 1.1

*Benefits of Sales Training*

<i>Beneficiary</i>	<i>Benefits Received</i>
Salesperson	<ul style="list-style-type: none"> <li>• Greater self-confidence</li> <li>• Ability to communicate more effectively</li> <li>• Enhanced career opportunities</li> <li>• Feeling of pride and satisfaction for company and customer</li> <li>• Increased income potential</li> <li>• Increased customer loyalty and rapport</li> </ul>
Customer	<ul style="list-style-type: none"> <li>• Solutions to immediate problems and needs</li> <li>• Benefits of the product or service</li> <li>• Better service</li> <li>• A valuable resource for information and reliable supplier</li> </ul>
Company	<ul style="list-style-type: none"> <li>• Increased revenue from better sales</li> <li>• Increased profits (return on training investment)</li> <li>• Stability from repeat business because of satisfied customers</li> <li>• Reduced employee turnover</li> <li>• Improved employee morale</li> <li>• More knowledgeable sales force</li> <li>• Growth potential in the marketplace</li> </ul>
Sales Training Department	<ul style="list-style-type: none"> <li>• Greater credibility with management</li> <li>• Greater support from sales managers</li> <li>• Continued financial resources</li> <li>• Enhanced job stability</li> <li>• Increased job satisfaction</li> </ul>

*Note.* Hahne, C. E. & Schultze, D. E. (1996). Sales and marketing training. In R. L. Craig (Ed.), *The ASTD training and development handbook* (4th ed., pp. 864-884). New York, NY: McGraw-Hill.

Hahne and Schultze (1996) define selling as “the process of human interaction to achieve the goal of persuading another person to make a decision that you support” (p.865). Ultimately, the salesperson must identify the consumer’s needs and wants and properly communicate to that consumer that he/she can satisfy those needs and wants. Selling; however, is not innate. In fact, successful salespeople are developed by way of their learning specific skills which, when properly employed and adapted, will allow them to identify opportunities when they arise (Hahne & Schultze, 1996). Hahne and Schultze (1996) postulate that it is these experiences that can be recalled in future situations and thus ingrained in the salesperson’s behavior.

Selling, in general, involves mastering a learnable core of basic skills that apply to any sales situation, no matter what industry or field, and these skills will affect the outcome of the interaction and have impact, whether the salesperson is aware of them or not. Salespeople must be trained to change their behavior by exposing them to the knowledge and skills that allow them to properly communicate with others in a persuasive way, in order to reduce the chances of missing opportunities. Thus, it is the process of creating an environment in which individual sales personnel can feel motivated to develop a productive attitude that can lead to achievement of personal and business goals and effective sales skills (Hahne & Schultze, 1996).

### Realtors

One particular industry that flushes out those salespeople, who are inexperienced or have not received training, is real estate. From the outside looking in, it appears to be an easy job with high rewards. As a Realtor, who is a person in the real estate business and is a member of the National Association of Realtors (Costello, 1991), working in real estate is very time consuming and can make for a very short-lived career in sales. The percentage of Realtors who make it into their second year has steadily declined due an earned median of \$8,900 (Molony, 2011). Ultimately, it is the Realtor that has the proper training and/or tenure, which will rise to the top in a slow market and stand out.

### Purpose

The purpose of this study was to understand the performance outcomes of a sales training program. In particular, to examine the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of Realtors.

The specific objectives of the study are:

1. To determine the trainee's reaction to the sales training program;
2. To investigate the degree to which the trainee learned the principles, facts, and techniques presented in the sales training program;
3. To examine each trainee(s) behavioral changes (i.e., adoption of principles, facts, and techniques) after completing the sales training program; and
4. To determine each trainee(s) results (i.e., increased sales revenue, reduced mistakes) after completing the sales training program.

#### Significance of Study

This study is unique in a number of ways. First, it focuses on an under-studied area (sales training effectiveness). Although firms continue to invest in sales training and recognize the importance of training assessment, research suggests that a systematic evaluation of training is routinely disregarded (Honeycutt, Karande, Attia, & Maurer, 2001; Honeycutt & Stevenson, 1989; Newby, 1992; Lupton, Weiss, & Peterson, 1999). Honeycutt, Ford, and Rao (1995) found that 57% of sales training executives surveyed identified determining sales training effectiveness as an area most needing additional research. Perhaps managers realize that inadequately trained salespersons lack the skills necessary to succeed in a competitive sales environment (Dubinsky, 1999). Second, it is directed at the evaluation of sales training programs completed by Realtors within the housing industry. Finally, as will be discussed in Chapter Two, it investigates the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of Realtors.

## Limitations of Study

Data are self-reported, which brings to question the accuracy of reporting. Since there is no gain or benefit from not reporting accurately there is a reasonable assumption that the data are accurate.

## Definition of Terms

1. Retention – the act of retaining or the state of being retained (Costello, 1991).
2. Training – the education, instruction, or discipline of a person or thing that is being trained (Costello, 1991).
3. Realtor – a person in the real estate business who is a member of the National Association of Realtors (Costello, 1991).
4. Broker – an agent who buys or sells for a principal on a commission basis; an agent who negotiates contracts of purchase and sale (as of real estate, commodities, or securities) (Costello, 1991).
5. Attrition – a reduction or decrease in numbers, size, or strength; a gradual reduction in work force without firing of personnel, as when workers retire and are not replaced (Costello, 1991).
6. Real Estate Post-Licensing Course – Florida real estate associates must complete the 45-hour post-licensing education course before their first license renewal (O'Donnell, 2005).
7. Inventory – property held for sale; to a builder, property under construction and property completed (Friedman, Harris, & Lindeman, 2008).
8. Spec – speculative; built without a tenant or buyer/user (Friedman, Harris, & Lindeman, 2008).

9. Spec House – a single-family dwelling constructed in anticipation of finding a buyer (Friedman, Harris, & Lindeman, 2008).

### Organization of Study

The purpose of the next chapter is to review and summarize previous research findings. For context, a review of theoretical frameworks used in previous research to study training methods is presented. Specifically, established methods for quantifying a training method's effectiveness was analyzed and compared from the perspective of its usefulness. Based on this analysis, the constructs used in this framework were described. Finally, the research hypotheses were formulated.

Chapter Three details the methodological approach of the study to test the proposed research hypotheses. It includes a justification of the sample, description of data collection procedures, and the process of instrument development. Basic assumptions of the study are presented. Finally, the statistical procedures for the data analyses are outlined.

In Chapter Four the characteristics of the respondent sample are discussed. The data set is evaluated for assumptions that are required for further statistical analysis. The three research hypotheses are then tested according to the procedure outlined in Chapter Three. The findings are described and discussed for each hypothesis.

Chapter Five provides a summary of the study outcomes and a discussion of conclusions formulated based upon the research findings. A number of theoretical, methodological, and practical implications are presented that might be of interest to researchers, as well as real estate professionals. The chapter concludes by providing recommendations for practice and future research directions.

## Chapter II

### Review of Literature

The purpose of the research was to examine the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of the sales training participants. Chapter Two presents a review of research pertaining to the housing industry and sales training evaluation techniques. As such, this chapter is organized as follows: (1) Factors Affecting Consumer Demand for Housing; (2) Factors Affecting Real Estate Sales Performance; (3) Sales Training Evaluation; and (4) Summary.

#### Factors Affecting Consumer Demand for Housing

As previously mentioned in Chapter One, the housing industry (construction and sales) is greatly affected by six external factors (US Bureau of the Census, 2009). These variables are as follows: economy and consumer confidence, population trends, household formation, income, education, and interest rates. Due to the significance of these factors on the housing industry, a discussion of each follows.

#### Economy and Consumer Confidence

The US economy is impacted by the real gross domestic product (GDP) growth, real disposable personal income (DPI), personal savings rate, and unemployment rate. Altogether, the outlook of the US economy has been fairly positive, with the exception of a decrease in GDP in 2001, suggesting that consumers have discretionary income to spend (see Table 2.1). The status of the US economy has a direct effect on consumer sentiment, which is an index calculated by the

Survey Research Center at the University of Michigan. Generally speaking, the Index of Consumer Sentiment measures how citizens presently feel about the US economy, as well as the direction the economy is heading, and provides an indication of the extent consumers are willing to direct their discretionary income into major household purchases. In essence, if consumer sentiment is higher, consumers are making more purchases, which in turn will boost economic expansion. Conversely, when consumer sentiment is lower, consumers tend to be saving more than they are spending. The index eventually bounced back, but continues to move up and down as consumers respond to other events affecting their confidence (see Table 2.2).

### Population Trends

Population is one of the most important factors comprising a country's demographics (Lee, 1993). The U.S. Bureau of the Census measures population at the beginning of every decade. Although these data cannot offer a precise count of the nation's population, it does represent a close approximation. The U.S. Bureau of the Census then uses these data as an index along with births, deaths, and migration for the projection of the population for the following nine years until the completion of the next census.

Population changes are significant, because they are the basis for many studies and provide an explanation of other demographic changes. The U.S. population in 1999 was 272,945,000 and has increased approximately 11.40% to 304,060,000 in 2008 (U.S. Bureau of the Census, 2010). There are many factors for population growth: longer life spans due to better health care, immigration, and people can afford to have children, are just a few (Borjas, 1993). The more people a country needs to accommodate, the more housing a country needs.

Table 2.1

*GDP, Disposable Personal Income, Personal Savings, and Unemployment 1997-2007*

<i>Year</i>	<i>Real GDP (% Change) (In Billions)</i>	<i>Real Disposable Personal Income (% Change) (In Billions)</i>	<i>Personal Savings (Rate) (In Billions)</i>	<i>Unemployment (Rate) (In Thousands)</i>
1997	\$8,704 (4.5%)	\$5,989 (5.3%)	\$218 (3.6%)	6,739 (4.9%)
1998	\$9,067 (4.2%)	\$6,396 (6.8%)	\$277 (4.3%)	6,210 (4.5%)
1999	\$9,470 (4.4%)	\$6,695 (4.7%)	\$159 (2.4%)	5,880 (4.2%)
2000	\$9,817 (3.7%)	\$7,194 (7.5%)	\$169 (2.3%)	5,692 (4.0%)
2001	\$9,891 (0.8%)	\$7,487 (4.1%)	\$132 (1.8%)	6,801 (4.7%)
2002	\$10,049 (1.6%)	\$7,830 (4.6%)	\$185 (2.4%)	8,378 (5.8%)
2003	\$10,301 (2.5%)	\$8,163 (4.3%)	\$175 (2.1%)	8,774 (6.0%)
2004	\$10,676 (3.6%)	\$8,681 (6.3%)	\$182 (2.1%)	8,149 (5.5%)
2005	\$11,033 (3.1%)	\$9,092 (4.7%)	\$45 (0.5%)	7,591 (5.1%)
2006	\$11,319 (2.9%)	\$9,629 (5.9%)	\$39 (0.4%)	7001 (4.6%)
2007	\$11,567 (2.2%)	\$10,177 (5.7%)	\$43 (0.4%)	7078 (4.6%)

*Note.* US Bureau of the Census (2009); US Department of Commerce: Bureau of Economic Analysis (2008a, 2008b, 2008c); US Department of Labor: Bureau of Labor Statistics (2009).

Table 2.2

*Index of Consumer Sentiment (ICS) 1997-2008*

<i>Year</i>	<i>March</i>	<i>June</i>	<i>September</i>	<i>December</i>
1997	100.0	104.5	106.0	102.1
1998	106.5	105.6	100.9	100.5
1999	105.7	107.3	107.2	105.4
2000	107.1	106.4	106.8	98.4
2001	91.5	92.6	81.8	88.8
2002	95.7	92.4	86.1	86.7
2003	77.6	89.7	87.7	92.6
2004	95.8	95.6	94.2	97.1
2005	92.6	96.0	76.9	91.5
2006	88.9	84.9	85.4	91.7
2007	88.4	85.3	83.4	75.5
2008	69.5	56.4	70.3	60.1

*Note.* Survey Research Center: University of Michigan (1997-2008).

## Household Formation

Household formation which consists of the number of persons per household is another important demographic tool. Household formation has also been affected by the decline of the nuclear family, which is a social unit composed of father, mother, and children (www.dictionary.com). The average U.S. family has gone from being extended, which included grandparents, parents, and children in one home, to one that is nuclear, which includes only parents and the children until they reach the age of entering college or until they decide to move out. Goldscheider and DaVanzo (1989) found that youths tend to set up independent households

while still single instead of waiting to leave their parents' home upon marriage. Other research conducted by Haurin, Hendershott, and Kim (1993) on 2,573 youths in their twenties found that the two most important variables in the decision for singles to move out are cost of housing and potential labor earnings.

When examined, divorce rates and the number of single people waiting longer to get married, the findings indicate that fewer people are living in one dwelling. The average persons per household in the U.S. is now 2.56 (U.S. Bureau of the Census, 2010), which is down from 4.76 in 1900 (Barone, 1999) and 3.33 persons per household in 1960 (U.S. Bureau of the Census, 2000). With fewer people per household and an increase in the population, more dwellings are needed; therefore, great importance is placed on the demographic variable of household formation to the housing market.

#### Income

Because of income's significance, it affects other demographic variables such as housing construction and sales, household formation, and education. Income is measured by the U.S. Bureau of Economic Analysis and is obtained from the U.S. Census Bureau's Current Population Survey (CPS), a monthly survey of sixty-five thousand households that includes both families and unrelated individuals. The CPS collects data every March on household income in the previous year. The questions that comprise the interview are kept simple and focus on gross money income (excluding capital gains but including interest and dividends). This ultimately means that census statistics, the standard source of income data, measure income before taxes and do not count non-money income like Medicare coverage and employer-paid health coverage (Levy, 1993).

Income is important to all Americans, as well as, industries and markets alike. Income is one of the most important economic indicators of a nation, because its impact is far reaching. In 2007, the US median income was \$50,233, which was an increase of 23.07% from 1999's figure of \$40,816 (US Bureau of the Census, 2001, 2010). An increase in median household income provides a clearer image of a nation's well-being. Increases in income result in more consumer spending, increases in sales, and an increase in consumer buying power, which ultimately provides markets and industries with more income and sales, and a nation with more cash flow. The more revenue generated, the more spending opportunities one has. Increases in income also provide opportunities for more housing construction and sales and a rise in educational attainment.

### Education

Educational attainment level is a telling demographic variable. The educational attainment level in the U.S. has continued to rise since the 1930's (U.S. Census Bureau, 2000). The more education one achieves, the greater the prospect of potential income.

In 1995, the U.S. Department of Housing and Urban Development [HUD], along with the Clinton administration, worked with representatives of the housing industry and a number of private non-profit organizations to develop a National Home Ownership Strategy. The goal was to increase the level of home ownership due to the belief that home ownership benefits both the individual and society. HUD's (1995) Office of Policy Development and Research suggested that home ownership increases personal well being and higher levels of personal esteem and satisfaction; therefore, making their children more productive members of society.

HUD's findings sparked other researchers. Green and White (1997) empirically addressed the impact of home ownership on children and found that these children tend to have

higher rates of high school graduation. Boehm and Schlottman (1999) expanded Green and White's (1997) study and found that home ownership not only affects educational attainment, but this also increases future earnings. The study performed by Boehm and Schlottman employed the Panel Study of Income Dynamics (PSID) and found that ten years after leaving the parents' home to establish their own household, the average child of homeowners had significantly higher earnings. These findings prove that education is greatly affected not only by income, but by home ownership rates, as well.

Income is not the only factor that comes along with education. Education brings out a different consumer. Dickerson (1999) states that a consumer wants a quality product at a reasonable price and is not easily manipulated by efforts to foster unnecessary purchases. The increase in people attending college also increases the amount of homes sold and apartments rented.

The U.S. Bureau of the Census prepares the statistical data on educational attainment levels. Not furthering one's education was once a way of life, now it is considered to be a faux pas (Romero, 2001). The higher educational attainment one achieves, the better chance that person has to increase their income level, which affects the consumer's spending opportunities.

#### Interest Rates

The price people pay to have resources now rather than later is known as interest, which is expressed as a percentage rate (Heyne, 1993). Mortgage interest rates have a profound effect on the demand for housing construction and sales. Generally speaking, when interest rates are low people tend to take advantage and either build or buy housing.

Eugeni (1993), Swonk (1992), and Canner and Luekett (1991) examined the effects of consumer debt on home equity borrowing and found that lower nominal interest rates have

caused the decline of the burden of debt servicing; however, consumers have not significantly reduced their debt levels. Browne and Rosengren (1992) explored the causes of distinct fluctuations in construction activity and real estate values, while also investigating the significance of tax and regulatory policy, economic fundamentals, and the effects of the real estate cycle on financial institutions and credit availability with their implications for public policy. Other studies have included interest rates as one of the major factors influencing demand, while focusing on the tax rate (Bruce & Holtz-Eakin, 1999; Green & Vandell, 1999; Poterba, 1992).

Rahman and Mustafa (1997) investigated U.S. housing starts and long-term interest rates. The researchers combined two other variables, real consumer debt and real GDP, into a vector cointegration analysis. Their findings concluded that U.S. policymakers should include all four variables simultaneously as an interactive process instead of considering them on a paired basis (Rahman & Mustafa, 1997).

The U.S. Federal Reserve controls interest rates by raising or lowering the rate according to the economy. The Federal Reserve observes U.S. spending patterns of consumers and then reacts accordingly (Heyne, 1993). Federal Reserve decisions are based solely on the U.S. spending patterns of consumers (Heyne, 1993). If spending continues to increase to levels that place the nation's economy in jeopardy, then interest rates are increased in order to constrict spending to a healthy level. On the other hand, whenever the economy is facing a Bear Market, where consumers are not spending enough for the well-being of the nation's economy, the Federal Reserve board reacts by decreasing interest rates; thereby, placing more ease on the consumer to increase consumer confidence and spending patterns.

When interest rates are lowered, consumer confidence increases; therefore, allowing consumers to purchase a larger, more expensive home. Increases in interest rates, ultimately decreases the chances for an increase in housing construction and sales. Table 2.3 provides historical data on interest rates.

### Factors Affecting Real Estate Salespeople's Performance

A review of the literature revealed several factors that have had a positive relationship with a real estate salesperson's performance (see Table 2.4). Follain, Lutes, and Meier (1987) surveyed members of the Illinois Association of Realtors in the spring of 1985 in order to explore the reasons why some real estate salespeople earn more than others. Twenty-two variables were identified as having an impact on income and were divided into five groups: personal traits (marital status, sex, respondent holds a broker's license, age, and years of experience), work effort (average hours a week devoted to sales), firm traits (associated with a financial conglomerate, associated with a brokerage franchise, associated with a relocation service, associated with a title company, associated with a financial institution, firm participation in multiple listing service, and size of work force in individual office), market traits (commercial sales only and local board is primarily rural), and education (junior college, college, graduate school, and respondent attends often educational seminars) (Follain, Lutes, & Meier, 1987). A multivariate regression analysis of the 22 variables was conducted to explain income. The study found the following: (1) those with a broker's license earn more; (2) years of experience does matter; (3) the amount of hours worked per week impacts income (for every one additional hour worked, a real estate salesperson's income increases by 3.3%); (4) those who are associated with larger firms tend to earn more than those in smaller firms; (5) commercial salespeople earn more; and (6) education plays a key role in increases in income (Follain, Lutes, & Meier, 1987).

Table 2.3

*Average Interest Rates for FHA-Insured 30-yr Fixed Rate, One Living Unit Home Mortgages and Number of Cases*

<i>Fiscal Year</i>	<i>Month</i>											
	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>
<i>2000</i>	6.67 75,820	6.89 70,485	6.81 65,692	6.97 68,493	7.06 53,879	7.11 54,723	7.13 50,246	7.21 61,226	7.24 68,364	7.31 64,467	7.26 77,109	7.36 64,698
<i>2001</i>	7.27 79,677	7.26 68,475	7.39 63,734	7.31 75,026	7.24 69,685	7.14 78,806	7.03 76,147	7.04 87,165	6.92 96,752	6.95 94,839	6.86 102,885	6.87 86,786
<i>2002</i>	6.82 115,476	6.71 98,823	6.67 92,879	6.66 107,870	6.69 94,774	6.67 99,789	6.68 95,935	6.70 87,690	6.68 76,533	6.70 80,529	6.58 77,983	6.55 75,781
<i>2003</i>	6.51 86,602	6.35 71,017	6.22 85,186	6.15 109,797	6.09 84,487	6.07 85,757	6.05 99,772	5.96 98,908	6.01 95,871	5.74 94,939	5.62 103,938	5.65 111,834
<i>2004</i>	5.65 102,157	5.66 86,358	5.76 78,973	5.75 65,919	5.79 60,958	5.62 63,204	5.64 62,378	5.65 58,712	5.63 59,404	5.70 50,387	5.75 51,168	5.73 43,854
<i>2005</i>	5.76 40,611	5.69 37,808	5.59 37,522	5.64 35,157	5.72 29,562	5.61 36,999	5.61 34,832	5.54 34,468	5.60 33,009	5.62 34,763	5.67 41,219	5.50 34,475
<i>2006</i>	5.59 34,464	5.62 32,079	5.56 29,978	5.64 31,605	5.70 23,845	5.78 34,231	5.73 32,449	5.72 38,657	5.86 36,687	5.99 32,810	5.95 37,609	6.05 32,434
<i>2007</i>	5.97 34,265	5.88 31,096	5.96 26,299	5.88 33,053	5.93 25,691	5.95 28,855	5.87 31,541	5.86 35,957	5.89 38,135	5.96 39,100	6.06 42,625	6.10 38,776
<i>2008</i>	6.09 47,943	6.00 46,523	6.13 44,184	5.97 61,609	5.99 61,261	5.86 75,948	5.90 89,615	5.95 101,296	5.99 115,705	6.00 128,009	6.08 130,246	6.13 131,987
<i>2009</i>	6.12 148,774	6.21 114,672	6.11 123,761	6.00 128,181	5.84 120,968	5.61 132,975	5.55 143,121	5.38 146,660	5.32 176,812	5.25 176,808	5.28 164,574	5.36 154,122

*Note.* The Federal Reserve (2000-2009).

Table 2.4

*Factors Affecting Real Estate Salespeople's Performance*

<i>Variable</i>	<i>Sign</i>	<i>Studies</i>
Sharing House/Seller Information	Negative	Frew (1987)
Number of Hours Worked	Positive	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Sirmans and Swicegood (1997) Sirmans and Swicegood (1998) Jud and Winkler (1998)
Experience	Positive	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Glower and Hendershott (1988) Sirmans and Swicegood (1997) Sirmans and Swicegood (1998) Jud and Winkler (1998)
Firm Size	Positive	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Sirmans and Swicegood (1998)
Sex of Agent/Being a Woman	Positive	Abelson, Kacmar, and Jackofsky (1990)
	Neutral	Follain, Lutes, and Meier (1987)
	Negative	Crellin, Frew, and Jud (1988) Sirmans and Swicegood (1997) Sirmans and Swicegood (1998) Jud and Winkler (1998)
Race of Agent/Being Black	Negative	Crellin, Frew, and Jud (1988)
	Neutral	Sirmans and Swicegood (1997) Sirmans and Swicegood (1998)
Education	Positive	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Glower and Hendershott (1988) Abelson, Kacmar, and Jackofsky (1990) Jud and Winkler (1998)
	Negative	Jud and Winkler (1998)-Graduate Education
Licensees	Positive	Crellin, Frew, and Jud (1988)
Franchise Affiliation	Positive	Sirmans and Swicegood (1997)
	Negative	Crellin, Frew, and Jud (1988)
Working in a Metro Area	Positive	Follain, Lutes, and Meier (1987) Glower and Hendershott (1988) Sirmans and Swicegood (1997) Jud and Winkler (1998)
Age of Licensee	Neutral	Crellin, Frew, and Jud (1988)
	Negative	Sirmans and Swicegood (1997)

		Sirmans and Swicegood (1998)
Working Weekends	Negative	Sirmans and Swicegood (1997)
Perceived Negative Image of Industry	Negative	Sirmans and Swicegood (1997)
Job Satisfaction	Positive	Sirmans and Swicegood (1997)
Having E&O Insurance	Positive	Sirmans and Swicegood (1997)
Ownership Interest	Positive	Crellin, Frew, and Jud (1988) Glower and Hendershott (1988) Sirmans and Swicegood (1997)
Residential Realtors	Negative	Crellin, Frew, and Jud (1988) Glower and Hendershott (1988) Sirmans and Swicegood (1997) Sirmans and Swicegood (1998)
Holding a Sales License	Negative	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Glower and Hendershott (1988)
Specialty	Positive	Glower and Hendershott (1988)
Managers	Positive	Glower and Hendershott (1988) Sirmans and Swicegood (1997)
Hours Worked	Positive	Follain, Lutes, and Meier (1987) Crellin, Frew, and Jud (1988) Glower and Hendershott (1988) Abelson, Kacmar, and Jackofsky (1990) Sirmans and Swicegood (1997) Jud and Winkler (1998)
Reputation of the Firm	Positive	Abelson, Kacmar, and Jackofsky (1990)
Leading vs. Non-Leading Agents	Positive	Larson (1991)
Professional Designations	Positive	Sirmans and Swicegood (1998)
Use of Personal Assistants	Positive	Sirmans and Swicegood (1998)
Use of Computers	Positive	Sirmans and Swicegood (1998)

*Note.* Benjamin, Jud, and Sirmans (2000).

According to Follain (1987), formal education was found to have a strong and consistent effect on income. Those with only a junior college degree earned about 13% more than those with less education; and those with a college degree earned 15% more than those with less than a junior college education. Additionally, those with a graduate education earned 24% more than

those with less than a junior college education. Those who indicated that they did not attend seminars regularly earned 22% less than those who did (Follain, Lutes, & Meier, 1987) .

Crellin, Frew, and Jud (1988) used a nationwide survey of Realtors, which was collected by the National Association of Realtors in 1984, in order to explore the factors that influence the earnings of Realtors. Like Follain, Lutes, and Meier (1987), Crellin, Frew, and Jud (1988) reported that Realtor earnings were positively related to the possession of a broker's license, the number of hours worked per week, the level of schooling, years of experience, and professional training. Additionally, Crellin, Frew, and Jud (1988) found that an additional year of formal schooling is associated with an increase in earnings of 2.5%, individuals with undergraduate degrees in business administration earned 18% more than others, and those with M.B.A. degrees earned 30% more. Finally, results from the study revealed that earnings rose an average of 1.1% for every professional training course that has been completed (Crellin, Frew, & Jud, 1988).

A study conducted by Glower and Hendershott (1988) utilized the standard human capital wage function developed by Mincer (1970, 1974), which suggests that one's wage varies positively with one's formal education and informal training. An empirical analysis of 481 Ohio Realtors yielded results consistent with the theory of human capital (Glower & Hendershott, 1988) which suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings (Becker, 1964). Glower and Hendershott (1988) found that respondents with some college earned 15% more than those with no education beyond high school, those with a college degree earned an additional 12%, and those with postgraduate training did not earn more. Furthermore, managers with college degrees earned a 15% to 110% premium over otherwise

identical non-managers, the premium being greater the more people managed (Glower & Hendershott, 1988).

In 1990, Abelson, Kacmar, and Jackofsky examined the factors that affect residential real estate sales staff performance. The study surveyed real estate sales staffs from sixteen firms of various sizes in Dallas and Houston, Texas. Abelson, Kacmar, and Jackofsky (1990) related the human capital model to sales staff commission earnings and introduced a psychological factors model and management systems model that explained variance beyond that accounted for by the human capital model. A multiple regression analysis of 27 variables revealed that five (gender, hours worked per week, amount of formal education, work satisfaction, and reputation of the firm) accounted for most of the statistically significant variance (Abelson, Kacmar, & Jackofsky, 1990).

Sirmans and Swicegood (1997) examined the factors influencing the income of real estate licensees. In 1997, Sirmans and Swicegood developed an empirical human capital earnings model from a 1995 survey of Florida real estate brokers and salespeople. Study results revealed that number of hours worked, work experience, franchise affiliation, being an owner/manager, working in a metropolitan area, level of job satisfaction, and having errors and omissions insurance had a positive effect on licensee income, while being a female, selling primarily residential properties, age of licensee, image perception, and working weekends had a negative effect (Sirmans & Swicegood, 1997). Additionally, the research found that type of license, schooling, race, size of firm, source of pre-licensing education, use of correspondence in continuing education, membership in various clubs or professional organizations, length of affiliation with current firm, professional designations, membership in the state's Realtor

association, receiving income from the seller versus the buyer, and having access to a referral/relocation network did not significantly affect income (Sirmans & Swicegood, 1997).

The second study conducted by Sirmans and Swicegood utilized a 1997 survey of Texas real estate licensees and found that the following factors had a positive effect on income: number of hours worked, work experience, being a male, using computer technology, being involved in more transactions, holding professional designations, being associated with a larger firm, and having access to personal assistants. The variables that negatively affected income included: age, selling primarily residential properties, and having more affiliations (Sirmans & Swicegood, 2000). Finally, Sirmans and Swicegood discovered that the high-earning real estate licensee is a younger male with more experience who is willing to work more hours, has a higher job satisfaction, develops professionalism, has access to personal assistants, and can utilize a personal computer for work.

Anderson and Webb (2000) introduced a theoretical framework that shows how optimally-timed, firm provided education that exceeds legal minimums can increase staff productivity, reduce litigation risks, and perhaps raise and/or maximize the expected value of the firm. The research noted the positive and statistically significant relationship between the various educational variables and earnings, and that educating salespeople does more than just protect the public (Anderson & Webb, 2000). Anderson and Webb (2000) found that educational instruction maximizes firm value and allows firms to operate more efficiently and successfully.

Finally, Benjamin, Chinloy, Jud, and Winkler (2007) presented a three-stage model of the brokerage labor market with decisions made recursively between full- and part-time status, wage offers, and hours worked. The study utilized a cross-sectional survey of 6,842 real estate

licensees in the United States for 1999. Study results revealed that skills such as education, experience, and licensee status are related to higher wages, and that schooling and experience decreases hours worked (Benjamin, Chinloy, Jud, and Winkler, 2007).

### Sales Training Evaluation

Although the review of literature on salespeople's performance clearly proves the positive relationship between education and performance/income, sales training evaluation has not been a priority for many businesses or managers. Past research attributes this oversight to the difficulties inherent in measurement (Chonko, Tanner, & Weeks, 1993; Dubinsky, 1996; Honeycutt, Karande, Attia, & Maurer, 2001; Lupton, Wiess, & Peterson, 1999). Bernhard and Ingols (1988) found that approximately 30% of corporations conduct no formal evaluation of their training programs, while Scovel (1990) established that 13% of human resource executives do not employ a systematic training evaluation process. This low priority assigned to sales training evaluation has been documented in several global settings (Erffmeyer, Russ, & Hair, 1991; Erffmeyer, Al-Khatib, Al-Habib, & Hair, 1993; Honeycutt, Ford, Lupton, & Flaherty, 1999), and in the US banking (Futrell, Berry, & Bowers, 1984) and paper and plastics industries (El-Ansary, 1993).

Although firms continue to invest in sales training and recognize the importance of training assessment, research suggests that a systematic evaluation of training is routinely disregarded (Honeycutt, Karande, Attia, & Maurer, 2001; Honeycutt & Stevenson, 1989; Newby, 1992; Lupton, Weiss, & Peterson, 1999). Honeycutt, Ford, and Rao (1995) found that 57% of sales training executives surveyed identified determining sales training effectiveness as an area most needing additional research. Perhaps managers realize that inadequately trained

salespersons lack the skills necessary to succeed in a competitive sales environment (Dubinsky, 1999).

### Kirkpatrick Model

According to Kirkpatrick (1996), sales training evaluation is defined as “the determination of the effectiveness of a training program” (p. 295). Unfortunately, the definition is vague unless one can answer the question: in terms of what? Kirkpatrick (1996) clarifies this by breaking evaluation down into four logical steps: (1) reaction, (2) learning, (3) behavior, and (4) results (see Table 2.5).

Reaction is defined as how well the trainees liked a particular training program, while learning takes into account the change in attitudes and whether knowledge and skills were learned (Kirkpatrick, 1996). Changes in job behavior that resulted from the program defines behavior, while the tangible results of the program in terms of reduced cost, improved quality, improved quantity, etc. describes the results of the sales training program. Kirkpatrick's concept is quite important as it makes an excellent planning, evaluating, and troubleshooting tool (Clark, 2012). Alliger and Janak (1989) noted each category was termed a "step." Step 1 was termed reactions and defined as trainees' "liking of" and "feelings for" a training program. Note that a reaction measure is conceived in attitudinal rather than behavioral terms. Step 2, learning, was defined as "principles, facts, and techniques understood and absorbed" by the trainees. Step 3 was behavior, defined as "using [learned principles and techniques] on the job". Step 4, results, was spoken of simply as the ends, goals, or "results desired . . . reduction of costs; reduction of turnover and absenteeism; reduction of grievances; increase in quality and quantity of production; or improved morale." All four steps are measured using a five-point Likert-type scale (1=poor; 2=fair; 3=good; 4=very good; 5=excellent).

While some mistakenly assume the four levels are only for training processes, the model can be used for other learning processes. For example, the Human Resource Development (HRD) profession is concerned with not only helping to develop formal learning, such as training, but other forms, such as informal learning, development, and education (Nadler, 1984). Their handbook, edited by one of the founders of HRD, Leonard Nadler (1984), uses Kirkpatrick's four levels as one of their main evaluation model (Clark, 2012). Kirkpatrick himself wrote, “These objectives will be related to in-house classroom programs, one of the most common forms of training. Many of the principles and procedures applies to all kinds of training activities, such as performance review, participation in outside programs, programmed instruction, and the reading of selected books” (Craig, 1996, p294). The Kirkpatrick four-level model has dominated the evaluation of information literacy education interventions and continues to provide a useful and worthwhile starting point with which to approach evaluation (Stevenson, 2012).

Table 2.5

*Sales Training Evaluation Steps*

<i>Step</i>	<i>Definition</i>
#1: Reaction	<ul style="list-style-type: none"> <li>To what degree participants react favorably to the learning event.</li> </ul>
#2: Learning	<ul style="list-style-type: none"> <li>To what degree participants acquire the intended knowledge, skills, and attitudes based on their participation in the learning event.</li> </ul>
#3: Behavior	<ul style="list-style-type: none"> <li>To what degree participants apply what they learned during training when they are back on the job.</li> </ul>
#4: Results	<ul style="list-style-type: none"> <li>To what degree targeted outcomes occur, as a result of the learning event(s) and subsequent reinforcement.</li> </ul>

*Note.* Kirkpatrick (1996).

### Sales Training Evaluation Model (STEM)

In 1999, Lupton, Weiss, and Peterson proposed a sales training evaluation model (STEM) that extends Kirkpatrick's four stage model by adding a fifth level. According to Lupton, Weiss, and Peterson (1999), STEM includes the following categories: (1) reaction of any participant involved including sales trainers and trainees; (2) changes in attitudes, knowledge, and skills among the trainees involved; (3) behavior changes among the trainees involved; (4) tangible measurements such as sales performance; and (5) other evaluative approaches. The fifth category includes such variables as sales trainer/trainee incompetence, poor employment and screening procedures, and other contextual influences; however, these variables are typically much harder to detect and many times can only be measured after considerable research (Lupton, Weiss, & Peterson, 1999).

### Utility Analysis Model

Honeycutt, Karande, Attia, and Maurer (2001) contributed to the body of literature by presenting a Utility Analysis Model, which builds on both Kirkpatrick's Model (1996) and Lupton, Weiss, and Peterson's (1999) STEM. Like Lupton, Weiss, and Peterson (1999), Honeycutt, Karande, Attia, and Maurer (2001) added a fifth level to Kirkpatrick's Model (1996). Ultimately, the Utility Analysis Model provides a comprehensive means of assessing the economic impact of training programs. The model translates the skills and knowledge gained through training efforts into a dollar-based estimate of the aggregate after-tax effect (Honeycutt et al., 2001). The Utility Analysis Model is expressed as follows:  $\text{Net Utility } U = \text{Total Benefit Estimates} - \text{Program Costs}$  (Honeycutt et al., 2001). The benefit portion of the model asserts that total training benefit is a product of the length of time the training benefit will last, number of trainees in place at the conclusion of the program, standardized difference in job performance

between trained/untrained workers, and standard deviation of the job performance in dollar terms, while the program costs include the total number of trainees multiplied by the cost of training one trainee (Honeycutt et al., 2001). Although the Utility Analysis Model can be used to calculate revenue and profit for every dollar spent on sales training, the model is limited due to the fact that the assumed values are based on the sales supervisors' evaluations of the training program (Honeycutt et al., 2001).

### Summary

This chapter presented a summary of the factors affecting consumer demand for housing, factors affecting real estate salespeople's performance, and sales training evaluation methods. The review of the literature yielded limited studies involving sales training evaluation and none dealing with sales training evaluation in relationship to the housing market. The next chapter, Research Methods, outlines the hypotheses and procedure employed in this study for data collection and analysis.

## Chapter III

### Research Methods

The purpose of this chapter was to detail the methodological approach of this study. In so doing, the procedure for data collection and the sample are described. Finally, statistical analysis techniques used for assessing the data set and testing the hypotheses are presented, and basic assumptions of the study are listed.

#### Data Collection Procedures

The survey was conducted using Dillman's Tailored Design Method (Dillman, 2000). The Tailored Design perspective is unique in that it creates respondent trust and perceptions of increased rewards, reduces perceived social cost for being a respondent, takes into account features of the survey situation, and has as its goal the overall reduction of survey error (Dillman, 2000). This was accomplished through IRB approval and the information letter which stated what the survey was studying, where and from whom it came, the estimated length of time to complete the survey, pertinent contact information, and lastly, anonymity would be protected. The survey sample consisted of 150 participants. The potential participants were randomly selected from the rolls of the National Association of Realtors (NAR) which has 1.1 million members. Membership in the NAR is mandatory for Realtors within the United States. Finally, the potential participants were emailed an electronic version of the survey instrument.

Additionally, data collection was accomplished by administering a Web-based survey instrument. The Internet allows researchers to conduct research with little expense and provides

a large pool of subjects (Hicks, 2004). The instrument was composed and posted on the World Wide Web (WWW) through the use of the online survey software company, Zoomerang, which allows researchers to design and post surveys to their website and directs respondents to the website via email. Zoomerang, the online survey administrator, was used for sample selection and representation of Realtors. A 45% response rate was achieved and surpassed the researcher's expectations, no other methods were needed. The electronic-mail contained the necessary consent form, in accordance with Auburn University's Office of Human Subjects Research and the Institutional Review Board, as well as a hyperlink directing potential participants' web browser to the uniform resource locator (URL). Respondents were asked to complete and submit the survey electronically from their Web browser. The Zoomerang program placed a cookie on each participant's computer; therefore, allowing the participant to complete only one survey. Respondents, who do not complete the survey in one sitting, were allowed to complete the survey at a later date. However, participants could only return to the point where they left off. Results of each survey were kept confidentially on the Zoomerang database, with only the survey designer/primary researcher having access to the data. Once data collection was completed, the results were exported to the primary researcher's computer and then analyzed.

Distribution of the electronic-mail survey (see Appendix A) took place in the Fall of 2011. According to Dillman (2000), a survey must be distributed within a specified time frame in order to reduce survey error and ensure desired response rates. Total time for survey dissemination and collection was one week, 150 responses (the target number) were received within that time period.

## Evaluation Methods

A review of the sales training evaluation methods literature yielded three models—Kirkpatrick Model (Catalanello & Kirkpatrick, 1968; Kirkpatrick, 1959a, 1959b, 1960a, 1960b, 1977, 1979, 1996), Sales Training Evaluation Model (STEM) (Lupton, Weiss, & Peterson, 1999), and an Utility Analysis Model (Schmidt, Hunter, & Perlman, 1982; Boudreau, 1983; Honeycutt, Karande, Attia, & Maurer, 2001)—for determining training effectiveness. Of the three models, Kirkpatrick’s Model (1996) was deemed the best fit for the current study and therefore, was selected. Although Kirkpatrick’s Model (1996) was selected for the current study, a discussion of all three models has been provided for perspective.

## Instrument Development

The survey technique was selected as the primary method of data collection due to its ability to capture perceptual data (i.e., feedback, impressions, opinions, and perceptions), what people believe, and demographic and socioeconomic data of participants. The choice of scales used to measure the constructs was a vital stage of the research process, since it was important for the survey instrument to accurately measure the constructs specified.

The survey was broken down into six sections that included compatible information. Section one of the instrument was designed to acclimate the participants to the survey, as well as to encourage thinking about their sales training experiences. Additionally, section one (questions one – eleven) addressed the participants title, tenure in position, whether or not they had completed a sales training program, length of time since completion of the sales training program, and reasons for completing the sales training program. Section two (questions twelve – eighteen) measured reaction, while sections three (questions nineteen and twenty), four (question

twenty-one), and five (questions twenty-two and twenty-three) focused on learning, behavior, and results, respectively. Finally, section six (questions twenty-four – thirty) collected demographic and socioeconomic data on participants.

Coding for participant responses for section one is displayed in Appendix C. The coding information for section two, three, four, and five are presented in Appendix D, Appendix E, Appendix F, and Appendix G, respectively. Finally, coding for participant responses for section six, demographic and socioeconomic data, are exhibited in Appendix H.

Table 3.1

*Sales Training Evaluation Steps*

<i>Step</i>	<i>Definition</i>
#1: Reaction	<ul style="list-style-type: none"> <li>To what degree participants react favorably to the learning event.</li> </ul>
#2: Learning	<ul style="list-style-type: none"> <li>To what degree participants acquire the intended knowledge, skills, and attitudes based on their participation in the learning event.</li> </ul>
#3: Behavior	<ul style="list-style-type: none"> <li>To what degree participants apply what they learned during training when they are back on the job.</li> </ul>
#4: Results	<ul style="list-style-type: none"> <li>To what degree targeted outcomes occur, as a result of the learning event(s) and subsequent reinforcement.</li> </ul>

*Note.* Kirkpatrick (1996).

### Hypotheses One(a) – One(c)

*H<sub>1(a)</sub>: There is a positive relationship between results and reaction, controlling for learning and behavior.*

*H<sub>1(b)</sub>: There is a positive relationship between results and learning, controlling for reaction and behavior.*

*H<sub>1(c)</sub>: There is a positive relationship between results and behavior, controlling for reaction and learning.*

### Data Analysis

Prior to analysis, the metric scale variables were assessed for normality. Two components of normality, skewness and kurtosis, were calculated. When a distribution is normal, the values of skewness and kurtosis are zero (Tabachnick & Fidell, 2001). Based on this fact, the skewness and kurtosis values were reviewed and normality was found to be present. The variables were deemed to be approximately normally distributed and could be used in further statistical analyses. Cronbach's alpha was conducted on the total model (all factors). Descriptive statistics were used to describe the sample population. The statistical program Statistical Analysis System (SAS) was used for the analyses. All statistical tests were considered significant at an alpha level of 0.05.

A multiple regression procedure was conducted to determine whether the steps of Kirkpatrick's Model (1996) were positively related to results. Multiple regression analysis was selected, because the analysis allows one to assess the relationship between one dependent variable and several independent variables (Tabachnick & Fidell, 2001). Additionally, the analysis permitted the researcher to control for the effects of other variables that may have an important relationship with the dependent variable (Kleinbaum, Kupper, Muller, & Nizam,

1998). To assess the hypotheses, results was the dependent variable, while the independent variables were reaction, learning, behavior, and results, controlling for reaction, learning, and behavior.

The  $R^2$ , the multiple coefficient of determination, obtained from the multiple regression analysis was used to explain the variability in the dependent variable by the relationship among the independent variables. Multiple regression analysis provided the parameter estimate in order to determine to what extent each of the independent variables affected the dependent variable. Finally, the multiple regression analysis yielded a variance inflation factor (VIF), which was used to identify the variables that were contributing the most to collinearity. The rule of thumb for evaluating VIF's, where any value larger than 10.0 is a concern, was utilized (Kleinbaum, Kupper, Muller, & Nizam, 1998).

Hypotheses one (a to c) were analyzed by using Kirkpatrick's Model (1996). In applying Kirkpatrick's Model (1996), data obtained from the survey instrument were coded (see Appendixes D - G) by using a five-point Likert-type scale (1=poor, 2=fair, 3=good, 4=very good, and 5=excellent). A multiple regression analysis was used to analyze the relationship between reaction, learning, and behavior to that of results.

### Summary

This chapter presented the research methods of this study. Development of the survey instrument was completed by comparing various scales for measuring the research constructs. Finally, the outline for data analysis was developed and basic assumptions of the study were acknowledged.

## Chapter IV

### Results

The purpose of this study was to understand the performance outcomes of a sales training program. In particular, to examine the effectiveness of sales training programs by evaluating the reaction, learning and behaviors of Realtors. The specific objectives of the study were to determine a trainee's reaction to the sales training program; investigate the degree to which the trainee learned the principles and techniques presented in the sales training program; examine the trainee's behavioral changes (i.e., adoption of principles and techniques) after completing the sales training program; and determine the trainee's results (i.e., increased sales revenue, reduced mistakes) after completing the sales training program. This chapter is organized by key research questions: demographic, reaction, learning, behaviors and summary.

#### Descriptive Results

The sample population was comprised of one hundred fifty Realtors, Broker Associates and Brokers from the United States. Questionnaires were e-mailed through the [www.zoomerang.com](http://www.zoomerang.com) website in August 2011. Of the 150 surveys, 67 were fully completed at 45%.

#### Demographic Data of Survey Respondents

Respondents who were Realtors constituted 60.71% of the sample and closely aligned with that of the National Association of Realtors (NAR) Member Profile 2011 which was 57%. Just under half of respondents were from the South, 45.89%, as evidenced in Table 4.1. Of those who responded, 55.33% had never taken their brokerage's sales training program with 44.67%

who had been through the training. Of those who did take the training, 40% went through it because it was required by their current employer. Over half of respondents were members of a professional club/organization in the real estate industry at 52.45%, compared to 33% of those in the NAR Member Profile 2011 (Molony, 2011). They were asked to respond to questions about gender, ethnicity, marital status, age, education, income, and home ownership.

In Table 4.1, respondents were asked their classification of licensure in the real estate industry, how long had they been in current position, years in the real estate industry, membership in professional organizations, number of hours worked per week, geographic location of their brokerage, completed brokerage’s sales training and if so, how long it has been since the training, why they took the sales training and what did they hope to get out of the training.

Table 4.1

*Results from Section One of the Survey Instrument*

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>NAR Percent</i>
Please indicate which of the following applies to you (more than one answer may apply).	Realtor	85	60.71%	57.00%
	Broker Associate	29	20.71%	
	Broker	26	18.57%	
How long have you been in your current position?	0-5 years	52	36.88%	
	6-10	33	23.40%	
	11-15	13	9.22%	
	16-19	16	11.35%	
	20+	27	19.15%	
In total, how many years have you been in the real estate industry?	0-5 years	30	20.83%	
	6-10	42	29.17%	
	11-15	20	13.89%	
	16-20	17	11.81%	
	20+	35	24.31%	

Are you a member of a professional club/organization within the real estate industry?	Yes	75	52.45%	33.00%
	No	68	47.55%	67.00%
How many hours per week do you work within the real estate industry?	0-10 hours	23	15.97%	56.00%
	11-20	21	14.58%	
	21-30	21	14.58%	
	31-40	40	27.78%	
	40+	39	27.08%	
How often do you work weekends?	Once a month	55	39.86%	
	Twice a month	35	25.36%	
	Three times a month	20	14.49%	
	Every weekend	28	20.29%	
Please indicate the region in which your firm is located:	Midwest	4	2.74%	
	Northeast	43	29.45%	
	South	67	45.89%	
	West	32	21.92%	
How long has it been since you completed the sales training program?	0-5 years	49	77.78%	
	6-10	8	12.70%	
	11-15	1	1.59%	
	16-20	4	6.35%	
	20+	1	1.59%	
Why did you complete the sales training program (more than one answer may apply)?	Required by my current employer	17	29.82%	
	My employer paid for the training	0	0.0%	
	I voluntarily signed up for and took the training	16	28.07%	
	I paid "out-of-pocket" for the training without being compensated by my employer	20	35.09%	
	I paid "out-of-pocket" for the training and my employer compensated me	4	7.02%	
Prior to completing the sales training program, which of the following applied to you (more than one answer may apply)?	I took the training program, because I thought it would benefit me	16	23.88%	
	I took the training program, because it was required of me	11	16.42%	
	I thought the training program would increase my overall sales	4	5.97%	
	I thought the training program would increase my knowledge of the subject area	10	14.93%	
	I thought the training program			

	would teach me what I was doing wrong	2	2.99%	
	I thought the training program would decrease my overall mistakes	3	4.48%	
	I thought the training program would increase my overall confidence in selling	19	28.36%	
	I did not have any prior expectations going into the training program	2	2.99%	

Table 4.2

*Results from Section Six of the Survey Instrument*

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>NAR Percent</i>
Gender	Females	89	60.96%	57.00%
	Males	57	39.04%	
Ethnicity	White	127	85.23%	
	African-American	10	6.71%	
	Hispanic/Latino	5	3.36%	
	Asian/Pacific Islander	4	2.68%	
	Native American	2	1.34%	
	Other	1	0.67%	
Marital Status	Married	98	66.22%	
	Single	19	12.84%	
	Divorced	15	10.14%	
	Widowed	12	8.11%	
	Domestic Partner	4	2.70%	
Age	45-63	63	42.00%	22.00%
	64-76	36	24.00%	
	33-44	31	20.67%	
	32 and younger	15	10.00%	
	77 and older	5	3.33%	
Education	Bachelors	54	36.24%	48.00%
	Some college	45	30.20%	
	High school graduate	16	10.74%	
	Masters	16	10.74%	
	Associate/Specialist	15	10.07%	
	Doctorate	2	1.34%	
	Some high school	1	0.67%	
Income	\$50,000-\$74,999	39	26.53%	
	\$100,000 or greater	38	25.85%	

	\$25,000-\$49,999	34	23.13%	
	\$75,000-\$99,999	27	18.37%	
	Less than \$25,000	9	6.12%	
Home Ownership	Own	128	86.49%	91.00%
	Rent	20	13.51%	9.00%

### Gender

Of the 150 participants, 60.96% were females and 39.04% were males. These data closely resemble that of the NAR Member Profile 2011 gender results of 57% females and 43% males (Molony, 2011).

### Ethnicity

White ethnicity constituted the largest percentage with 127 responses at a percentage of 85.23. The African-American ethnicity had ten respondents at 6.71%. Hispanic/Latino was the third largest group to respond with five at 3.36%. With four responses Asian/Pacific Islander comprised 2.68% of the sample population. At 1.34% Native Americans had two responses and the Other group constituting 0.67% with one response.

### Marital Status

Of the 146 respondents, the largest group was the married group with ninety-eight at 66.22%. At 12.84% the Single group had nineteen responses. The divorced group had fifteen responses at 10.14%. The widowed group constituted 8.11% of responses with twelve and the domestic partner group had four responses at 2.70%.

### Age

All participants responded with their age and the largest group within the age range of 45-63 at 42.00% with sixty-three responses. The typical NAR member at 56 years old falls within this age range (Molony, 2011). The next largest group with thirty-six responses at

24.00% was the age group 64-76. The 33-44 age group had thirty-one responses at a percentage of 20.67. The second to last smallest contingency was the age group of 32 and younger at 10% with fifteen responses and the smallest age group, 77 and older, with five responses at 3.33%.

#### Education

Of the respondents the largest group received a bachelor's degree at 36.24% with fifty-four responses. This is a little lower than that of the NAR Member Profile 2011 which was 48%. Respondents who did attend some college responded at 30.20% with forty-five responses. High school graduates and masters respondents both had sixteen responses each at a percentage of 10.74 respectively. Those respondents with an Associate/Specialist degree constituted 10.07% with fifteen responses. Two respondents had doctoral degrees comprising 1.34% and the one respondent with some high school made up 0.67%.

#### Income

The largest contingency to respond came from the \$50,000-\$74,999 group with thirty-nine responses at 26.53%. The \$100,000 or greater income group had thirty-eight responses at a percentage of 25.85. With thirty-four responses at 23.13%, the next largest group was \$25,000-\$49,999. The median income was \$34,100 (Molony, 2011). At 18.37%, the second to smallest group was the \$75,000-\$99,999 group with twenty-seven responses and the last group was the less than \$25,000 group with nine responses at 6.12%.

#### Home Ownership

As evidenced in Table 4.2, participants responded regarding their current living situation. Of the 148 responses the larger group owned homes at a percentage of 86.49 with 128 responses. This percentage is within five percent of the NAR Member Profile 2011 with 91% of Realtors being homeowners (Molony, 2011).

## Kirkpatrick Model Results

Cronbach's alpha was used to test the adequacy of each of the steps (reaction, learning, behavior, and results) in the Kirkpatrick Model (1996), while multiple regression was used to analyze the three formulated hypotheses. The overall standardized Cronbach's alpha for the scales was  $\alpha = 0.82$ . The  $R^2$  for the overall model was 0.44 ( $F=16.17$ ,  $p\text{-value} = < 0.0001$ ,  $df = 3,63$ ) therefore, there is evidence that the measurement model is significant. Descriptive statistics were used to describe the sample population. The statistical program Statistical Analysis System (SAS) was used for the analyses. All statistical tests will be considered significant at an alpha level of 0.05.

A multiple regression procedure was conducted to determine whether the steps of Kirkpatrick's Model (1996) were positively related to results. Multiple regression analysis was selected, because the analysis allows one to assess the relationship between one dependent variable and several independent variables (Tabachnick & Fidell, 2001). Additionally, the analysis permitted the researcher to control for the effects of other variables that may have an important relationship with the dependent variable (Kleinbaum, Kupper, Muller, & Nizam, 1998). To assess the hypotheses, results was the dependent variable, while the independent variables were reaction, learning, and behavior, controlling for reaction, learning, and behavior.

The  $R^2$ , the multiple coefficient of determination, obtained from the multiple regression analysis was used to explain the variability in the dependent variable by the relationship among the independent variables. Multiple regression analysis provided the parameter estimate in order to determine to what extent each of the independent variables affected the dependent variable.

Hypotheses one(a) through one(c) were analyzed by using Kirkpatrick's Model (1996). In applying Kirkpatrick's Model (1996), data obtained from the survey instrument were coded

(see Appendixes D-G) by using a five-point Likert-type scale (1=poor, 2=fair, 3=good, 4=very good, and 5=excellent). A multiple regression analysis was used to analyze the relationship between reaction, learning, and behavior to that of results.

### Reaction Findings

Question 12 asked respondents how they would rate the subject content of the sales training with the majority responding very good at 43.28%, and overall rating of the leader/teacher for the sales training with 38.46% rating it as very good. Question 13 asked if the ratio of lecture to discussion was too much lecture, too much discussion, or balanced with 77.61% of respondents answering with too much discussion. Question 14 rated the leader/teacher of the training program by: (1) clarifying objectives with 37.31% of respondents with very good; (2) keeping the session alive and interesting with 32.84% of respondents with very good; (3) using audiovisual aids with 33.33% of respondents answering for both good and very good, (4) maintaining a friendly and helpful manner with 37.31% of respondents at very good; (5) illustrating and clarifying points with 41.79% of respondents with very good; and (6) summarizing with 34.33% of respondents answering very good. Question 15 asked to what extent would the training help in current position: (1) to a large extent; (2) to some extent; or (3) very little. Over half of the respondents answered with to some extent at 64.18%. Question 16 asked what benefits were gotten from the training: (1) new knowledge that is pertinent; (2) specific approaches, skills, or techniques that I can apply on the job; (3) change of attitude that will help me on my job; (4) helped confirm some of my ideas; or (5) gave me a good chance to look objectively at myself and my job. New knowledge that is pertinent had the largest contingency of responses at 32.84%. Question 17 asked respondents to rate the overall program with the majority responding at 37.31% with very good as well as with the meeting facilities

37.31% of respondents rating their program as very good. Question 18 asked if future programs of a similar nature would be attended and 61.19% responded they would attend a program of a similar nature. Cronbach's alpha was acceptable at  $\alpha = .78$ . The multiple regression analysis resulted in significance at a  $p = 0.01$  for results and reaction, controlling for learning and behavior.

#### Learning Findings

Question 19 asked about the nature of the training and whether it was general or in a specialized area with 74.36% of the training received was general in nature. Question 20 rated what was learned based on the sales training program: (1) how to work with a buyer 35.82% said good; (2) how to conduct a better consultation 28.36% responded good; (3) how to work with a seller had similar responses for good and very good, 31.34%; (4) how to conduct a listing appointment 30.30% responded good; (5) how to build a team 26.87% responded fair; (6) how to overcome objections with buyers 28.36% responded good; (7) how to overcome objections with sellers 32.84% responded good; (8) how to create lead generation 29.85% responded fair; (9) how to create negotiation skills 31.34% responded fair; (10) how to handle short sales with 26.15% responding good; (11) how to handle foreclosures had 100% responses with not applicable; (12) how to create a marketing plan with 28.79% responding fair; (13) the "art" of selling with 24.24% responding fair. Cronbach's alpha was acceptable at  $\alpha = .79$ . The multiple regression analysis resulted in a  $p = 0.39$  which was not significant for results and learning, controlling for reaction and behavior.

#### Behavior Findings

In a Likert-type format, Question 21 asked how behavior was affected: (1) positive manner had 50.75% agree; (2) improving my overall confidence working with buyers had the

same number of responses for neutral and agree at 38.81%; (3) improving my overall attitude working with buyers were neutral at 46.27% ; (4) more motivated to work with buyers 40.30% agree; (5) improving my overall confidence working with sellers 41.79% agree; (6) improving my overall attitude working with sellers 41.79% agree; (7) more motivated to work with sellers 45.45% neutral. Cronbach's alpha was acceptable at  $\alpha = .71$ . The multiple regression analysis resulted in significance at a  $p = 0.0002$  for results and behavior, controlling for reaction and learning.

### Results Findings

Question 22 was a Likert-type question with four parts asking what effect did the sales training have in increasing: (1) overall productivity 48.48% agree; (2) overall morale 40.30% agree; (3) my efficiency in meeting buyer's demands 41.79% neutral; (4) my efficiency in meeting seller's demands 37.88% agree. Question 23 asked what, if any, was the sales revenue increase from what was learned and incorporated from the sales training program, 19.40% had an increase in sales of \$1 - \$10,000. Cronbach's alpha was acceptable at  $\alpha = .78$ .

Table 4.3

### Scale Factors

<i>Scale</i>	<i>Mean</i>	<i>SD</i>	<i>Cronbach's <math>\alpha</math></i>
Reaction	43.52	8.00	.78
Learning	39.51	14.93	.79
Behavior	26.22	5.05	.71
Results	17.94	3.83	.78

Table 4.4

*Multiple Regression Analysis for Testing Hypotheses One(a-c)*

$R^2$	<i>Independent Variable</i>	<i>Parameter Estimate (<math>\beta</math>)</i>	<i>Standard Estimate (<math>\beta</math>)</i>	<i>p-value</i>
0.44 <sup>a</sup>	Reaction	0.14	0.30	0.01
	Learning	-0.03	-0.11	0.39
	Behavior	0.39	0.52	0.0002

Note. <sup>a</sup> = (F = 16.17, p < .001)

Table 4.5

*Results from Section Two of the Survey Instrument*

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>Mean</i>	<i>SD</i>
How would you rate the subject content of the sales training?	Very good	29	43.28%	3.69	0.91
	Good	20	29.85%		
	Excellent	12	17.91%		
	Fair	5	7.46%		
	Poor	1	1.49%		
What was your overall rating of the leader/teacher for the sales training?	Very good	25	38.46%	3.86	0.86
	Good	20	30.77%		
	Excellent	17	26.15%		
	Fair	3	4.62%		
	Poor	0	0.0%		
What was the ratio of lecture to discussion for the sales training program?	Too much discussion	52	77.61%	1.64	0.71
	Too much lecture	9	13.43%		
	Balanced	6	8.96%		
Rate the leader/teacher of the training program on the following: • Clarifying objectives	Very good	25	37.31%	3.78	0.90
	Good	21	31.34%		
	Excellent	16	23.88%		
	Fair	5	7.46%		
	Poor	0	0.0%		
Rate the leader/teacher of the training program on the following: • Keeping the session alive and interesting	Very good	22	32.84%	3.72	1.00
	Good	21	31.34%		
	Excellent	17	25.37%		
	Fair	6	8.96%		
	Poor	1	1.49%		

Rate the leader/teacher of the training program on the following: <ul style="list-style-type: none"> <li>Using audiovisual aids</li> </ul>	Very good Good Excellent Fair Poor	22 22 15 6 1	33.33% 33.33% 22.73% 9.09% 1.52%	3.67	0.98
Rate the leader/teacher of the training program on the following: <ul style="list-style-type: none"> <li>Maintaining a friendly and helpful manner</li> </ul>	Very good Excellent Good Fair Poor	25 24 17 1 0	37.31% 35.82% 25.37% 1.49% 0.0%	4.07	0.82
Rate the leader/teacher of the training program on the following: <ul style="list-style-type: none"> <li>Illustrating and clarifying points</li> </ul>	Very good Good Excellent Poor Fair	28 19 17 2 1	41.79% 28.36% 25.37% 2.99% 1.49%	3.85	0.93
Rate the leader/teacher of the training program on the following: <ul style="list-style-type: none"> <li>Summarizing</li> </ul>	Very good Excellent Good Fair Poor	23 21 21 1 1	34.33% 31.34% 31.34% 1.49% 1.49%	3.93	0.91
To what extent will it help you do a better job in your position?	To some extent To a large extent Very little	43 13 11	64.18% 19.40% 16.42%	0.97	0.60
What benefits do you feel you got from this training program?	New knowledge that is pertinent Specific approaches, skills, or techniques that I can apply on the job Helped confirm some of my ideas Change of attitude that will help me in my job Gave me a good chance to look objectively at myself and my job	22 19 11 8 7	32.84% 28.36% 16.42% 11.94% 10.45%		
How would you rate the overall program?	Very good Good Excellent Fair Poor	25 22 15 5 0	37.31% 32.84% 22.39% 7.46% 0.0%	3.75	0.89
How were the meeting facilities (i.e., environment, atmosphere, etc.)?	Very good Good Excellent Fair Poor	25 20 19 2 1	37.31% 29.85% 28.36% 2.99% 1.49%	3.88	0.91

Would you like to attend future program of a similar nature?	Yes	41	61.19%		
	No	21	31.34%		
	Not sure	5	7.46%		

Table 4.6

Results from Section Three of the Survey Instrument

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>Mean</i>	<i>SD</i>
Was the training you received general in nature or a specialized area?	General in Nature	50	74.63%		
	Specialized Area	17	25.37%		
If you answered "specialized area", please select the specialized area. More than one answer may apply.	Listings	3	23.08%		
	Buyers	3	23.08%		
	Selling	3	23.08%		
	Lead generation	1	7.69%		
	Short sales	1	7.69%		
	Marketing	1	7.69%		
	Foreclosures	0	0.0%		
	Team building	0	0.0%		
	Overcoming objections	0	0.0%		
	Negotiating	0	0.0%		
Based on the sales training program, I learned the following: • How to work with a buyer	Good	24	35.82%	3.37	1.04
	Fair	13	19.40%		
	Very good	12	17.91%		
	Excellent	11	16.42%		
	Not applicable	7	10.45%		
	Poor	0	0.0%		
Based on the sales training program, I learned the following: • How to conduct a buyer consultation	Good	19	28.36%	3.31	1.12
	Fair	16	23.88%		
	Very good	13	19.40%		
	Excellent	12	17.91%		
	Not applicable	6	8.96%		
	Poor	1	1.49%		
Based on the sales training program, I learned the following: • How to work with a seller	Very good	21	31.34%	3.53	1.01
	Good	21	31.34%		
	Excellent	12	17.91%		
	Fair	9	13.43%		
	Not applicable	3	4.48%		
	Poor	1	1.49%		
Based on the sales training program, I learned the following: • How to conduct a listing appointment	Good	20	30.30%	3.35	1.05
	Very good	16	24.24%		
	Fair	16	24.24%		
	Excellent	11	16.67%		
	Not applicable	3	4.55%		
	Poor	0	0.0%		

Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to build a team</li> </ul>	Fair Good Not applicable Excellent Very good Poor	18 15 10 9 9 6	26.87% 22.39% 14.93% 13.43% 13.43% 8.96%	2.95	1.25
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to overcome objections with buyers</li> </ul>	Good Excellent Fair Very good Not applicable Poor	19 15 15 13 5 0	28.36% 22.39% 22.39% 19.40% 7.46% 0.0%	3.45	1.11
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to overcome objections with sellers</li> </ul>	Good Fair Excellent Very good Not applicable Poor	22 15 14 13 3 0	32.84% 22.39% 20.90% 19.40% 4.48% 0.0%	3.41	1.08
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to create lead generation</li> </ul>	Fair Good Very good Excellent Not applicable Poor	20 14 14 9 6 4	29.85% 20.90% 20.90% 13.43% 8.96% 5.97%	3.07	1.20
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to create negotiating skills</li> </ul>	Fair Very good Good Excellent Not applicable Poor	21 15 14 10 6 1	31.34% 20.90% 22.39% 14.93% 8.96% 1.49%	3.20	1.14
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to handle short sales</li> </ul>	Good Not applicable Excellent Fair Poor Very good	17 16 11 8 7 6	26.15% 24.62% 16.92% 12.31% 10.77% 9.23%	3.12	1.33
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to handle foreclosures</li> </ul>	Not applicable Poor Fair Good Very good Excellent	16 0 0 0 0 0	100% 0.0% 0.0% 0.0% 0.0% 0.0%	3.14	1.19
Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>How to create a marketing plan</li> </ul>	Fair Good Excellent Very good Not applicable Poor	19 15 13 11 7 1	28.79% 22.73% 19.70% 16.67% 10.61% 1.52%	3.27	1.19

Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>The “art” of selling</li> </ul>	Fair	16	24.24%	3.25	1.23
	Good	14	21.21%		
	Very good	12	18.18%		
	Excellent	12	18.18%		
	Not applicable	9	13.64%		
	Poor	3	4.55%		

Table 4.7

*Results from Section Four of the Survey Instrument*

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>Mean</i>	<i>SD</i>
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>In a positive manner</li> </ul>	Agree	34	50.75%	3.90	0.78
	Neutral	18	26.87%		
	Strongly agree	14	20.90%		
	Strongly disagree	1	1.49%		
	Disagree	0	0.0%		
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>By improving my overall confidence with working with buyers</li> </ul>	Neutral	26	38.81%	3.70	0.82
	Agree	26	38.81%		
	Strongly agree	12	17.91%		
	Disagree	3	4.48%		
	Strongly disagree	0	0.0%		
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>By improving my overall confidence with working with sellers</li> </ul>	Agree	28	41.79%	3.75	0.79
	Neutral	25	37.31%		
	Strongly agree	12	17.91%		
	Disagree	2	2.99%		
	Strongly disagree	0	0.00%		
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>By improving my overall attitude with working with buyers</li> </ul>	Neutral	31	46.27%	3.66	0.86
	Agree	21	31.34%		
	Strongly agree	13	19.40%		
	Strongly disagree	1	1.49%		
	Disagree	1	1.49%		
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>By improving my overall attitude with working with sellers</li> </ul>	Agree	28	41.79%	3.76	0.82
	Neutral	23	34.33%		
	Strongly agree	13	19.40%		
	Disagree	3	4.48%		
	Strongly disagree	0	0.0%		

The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>I am now more motivated to work with buyers</li> </ul>	Agree	27	40.30%	3.82	0.82
	Neutral	23	34.33%		
	Strongly agree	15	22.39%		
	Disagree	2	2.99%		
	Strongly disagree	0	0.0%		
The sales training program that I completed affected my behavior: <ul style="list-style-type: none"> <li>I am now more motivated to work with sellers</li> </ul>	Neutral	30	45.45%	3.70	0.84
	Agree	20	30.30%		
	Strongly Agree	14	21.21%		
	Disagree	2	3.03%		
	Strongly disagree	0	0.0%		

Table 4.8

*Results from Section Five of the Survey Instrument*

<i>Question</i>	<i>Responses</i>	<i>Frequency</i>	<i>Percent</i>	<i>Mean</i>	<i>SD</i>
The information that I learned and obtained in the sales training program that I completed helped me: <ul style="list-style-type: none"> <li>To increase my overall productivity</li> </ul>	Agree	32	48.48%	3.68	0.88
	Neutral	18	27.27%		
	Strongly agree	10	15.15%		
	Disagree	5	7.58%		
	Strongly disagree	1	1.52%		
The information that I learned and obtained in the sales training program that I completed helped me: <ul style="list-style-type: none"> <li>To increase my overall morale</li> </ul>	Agree	27	40.30%	3.58	0.84
	Neutral	25	37.31%		
	Strongly agree	9	13.43%		
	Disagree	6	8.96%		
	Strongly disagree	0	0.0%		
The information that I learned and obtained in the sales training program that I completed helped me: <ul style="list-style-type: none"> <li>To increase my efficiency in meeting buyer's demands</li> </ul>	Neutral	28	41.79%	3.66	0.86
	Agree	22	32.84%		
	Strongly Agree	13	19.40%		
	Disagree	4	5.97%		
	Strongly disagree	0	0.0%		

The information that I learned and obtained in the sales training program that I completed helped me: <ul style="list-style-type: none"> <li>To increase my efficiency in meeting seller's demands</li> </ul>	Agree	25	37.88%	3.67	0.87
	Neutral	24	36.36%		
	Strongly agree	13	18.18%		
	Disagree	5	7.58%		
	Strongly disagree	0	0.0%		
Based on what I learned and incorporated from the training program, my sales have increased by:	Not applicable, did not experience an increase in sales based on what I learned from the sales training program	27	40.30%		
	\$1 - \$10,000	13	19.40%		
	\$20,001- \$30,000	9	13.43%		
	\$10,001 - \$20,000	6	8.96%		
	\$30,001- \$40,000	6	8.96%		
	\$50,001+	4	5.97%		
\$40,001- \$50,000	2	2.99%			

#### Hypotheses One(a) – One(c)

*H<sub>1(a)</sub>: There is a positive relationship between results and reaction, controlling for learning and behavior.*

*H<sub>1(b)</sub>: There is a positive relationship between results and learning, controlling for reaction and behavior.*

*H<sub>1(c)</sub>: There is a positive relationship between results and behavior, controlling for reaction and learning.*

Hypothesis 1(a) was accepted with a p value of 0.01. There was a positive relationship between results and reaction, controlling for learning and behavior. Hypothesis 1(b) had a p value of 0.39 and was rejected. There was not a positive relationship between results and learning, controlling for reaction and behavior. The final hypothesis, 1(c), was accepted with a p value of 0.0002. There was a positive relationship between results and behavior, controlling for reaction and learning.

## Summary

The purpose of the research was to examine the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of the Realtors. Of those who went through their brokerage's sales training program, nearly 60% had some type of increase in sales revenue.

## Chapter V

### Conclusions, Recommendations and Summary

The goal of this research was to understand the performance outcomes of the sales training program. In particular, the purpose was to examine the effectiveness of sales training programs by evaluating the reaction, learning, behavior, and results of the Realtors. In Chapter two previous research findings were reviewed and summarized. For context, a review of theoretical frameworks used in previous research to study training methods was presented. Specifically, established methods for quantifying a training method's effectiveness were analyzed and compared from the perspective of its usefulness. Based on this analysis, the constructs used in this framework were described. Finally, the research hypotheses were formulated and presented. Chapter Three detailed the methods used to test the proposed research hypotheses. It included a justification of the sample, description of data collection procedures, and the process of instrument development. Basic assumptions of the study were presented. Finally, the statistical procedures for the data analyses were outlined. In Chapter Four the characteristics of the respondent sample were discussed. The data set was evaluated for assumptions that are required for further statistical analysis. The three research hypotheses were then tested according to the procedure outlined in Chapter Three. The findings were described and discussed for each hypothesis. This chapter provides a summary of the study outcomes and a discussion of conclusions formulated based upon the research findings. A number of theoretical, methodological, and practical recommendations are presented that might be of interest to

researchers, as well as real estate professionals. The chapter concludes by providing recommendations for future research.

### Hypotheses

The following hypotheses statements guided this study:

1. There is a positive relationship between results and reaction, controlling for learning and behavior.
2. There is a positive relationship between results and learning, controlling for reaction and behavior.
3. There is a positive relationship between results and behavior, controlling for reaction and learning.

### Conclusions

Over half of those who went through their brokerage's sales training program had an increase in sales revenue generated. Hypothesis 1a was accepted in regards to Realtors reaction to liking what they were learning as was that of Hypothesis 1c in regards to Realtors behavior of implementing what was learned in their sales training program but significance was not found in Hypothesis 1c which was what the Realtors learned. Ultimately, over half of those Realtors who liked what they were learning implemented that which was learned in their day-to-day business operations and found that result to more sales and revenue generated.

### Recommendations for Practice

Recommendations for practice are for Brokers to require Realtors to go through the brokerage's sales training program before beginning work for the brokerage. In this study over 55% of the sample population did not or had not gone through their respective brokerages sales training program. This would be a win-win scenario because the Realtors will make more

money which in turn means the brokerage will make more money. In addition to the continuing education requirement, at least once and preferably twice a year, all Realtors should be required to repeat the sales training as a refresher as well as for an update on current trends and market analysis. Some type of monetary incentive could be used to entice participation, such as, a higher commission on the next closing or over an agreed upon time-frame.

#### Recommendations for Future Research

1. Replicate with a larger sample population.
2. Replicate with more specific target area such as by region of the United States of America or even more specifically, by state in the United States of America, to determine who is and who is not going through the sales training programs as well as if it is required or not by the brokerage.
3. Make it specific to brokerages to discern effectiveness of individual training programs.

#### Summary

This study has shown the importance of attending the sales training program provided by their brokerage. Attendance should be required as it is a win-win for the agent and the brokerage in sales revenue generated.

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# Appendix A

## IRB Protocol Review Form

### AUBURN UNIVERSITY INSTITUTIONAL REVIEW BOARD for RESEARCH INVOLVING HUMANSUBJECTS RESEARCH PROTOCOL REVIEW FORM

For Information or help contact THE OFFICE OF HUMAN SUBJECTS RESEARCH, 307 Samford Hall, Auburn University  
Phone: 334-844-5966 e-mail: hsubjec@auburn.edu Web Address: <http://www.auburn.edu/research/vpr/ghsl/>

Complete this form using Adobe Acrobat Writer (versions 5.0 and greater). Hand written copies not accepted.

- PROPOSED START DATE of STUDY: May 24, 2010
- PROPOSED REVIEW CATEGORY (Check one):  FULL BOARD  EXPEDITED  EXEMPT
- PROJECT TITLE: AN ANALYSIS OF SALES TRAINING EFFECTIVENESS WITHIN THE HOUSING MARKET
- J. Cheney Robinson IV Doctoral Candidate EFLT 904-214-6933 robinij@auburn.edu  
PRINCIPAL INVESTIGATOR TITLE DEPT PHONE AU E-MAIL  
4861 Blackwood Forest Dr, Jacksonville, FL 32257  
MAILING ADDRESS FAX ALTERNATE E-MAIL
- SOURCE OF FUNDING SUPPORT:  Not Applicable  Internal  External Agency: \_\_\_\_\_  Pending  Received
- LIST ANY CONTRACTORS, SUB-CONTRACTORS, OTHER ENTITIES OR IRBs ASSOCIATED WITH THIS PROJECT:

#### 6. GENERAL RESEARCH PROJECT CHARACTERISTICS

6A. Mandatory CITI Training	6B. Research Methodology
<p>Names of key personnel who have completed CITI: J. Cheney Robinson IV ✓ Dr. James E. Witte ✓</p> <p>CITI group completed for this study: <input checked="" type="checkbox"/> Social/Behavioral <input type="checkbox"/> Biomedical</p> <p>Protocol-Specific modules completed:  <input type="checkbox"/> Genetic <input type="checkbox"/> Vet.'s Administration  <input type="checkbox"/> International <input type="checkbox"/> Prisoner Research  <input type="checkbox"/> Public School Students <input type="checkbox"/> Pregnant Women/Fetuses  <input type="checkbox"/> Other Workers as Research Subject</p>	<p>Please check all descriptors that best apply to the research methodology.</p> <p>Data Source(s): <input checked="" type="checkbox"/> New Data <input type="checkbox"/> Existing Data</p> <p>Will data be recorded so that participants can be directly or indirectly identified?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Data collection will involve the use of:  <input type="checkbox"/> Educational Tests (cognitive diagnostic, aptitude, etc.) <input type="checkbox"/> Interview / Observation  <input checked="" type="checkbox"/> Surveys / Questionnaires <input type="checkbox"/> Physical / Physiological Measures or Specimens (see Section 6E.)  <input type="checkbox"/> Internet / electronic <input type="checkbox"/> Private records or files  <input type="checkbox"/> Audio / Video / Photos</p>
6C. Participant Information	6D. Risks to Participants
<p>Please check all descriptors that apply to the participant population.  <input checked="" type="checkbox"/> Males <input checked="" type="checkbox"/> Females <input type="checkbox"/> AU students</p> <p>Vulnerable Populations  <input type="checkbox"/> Pregnant Women/Fetuses <input type="checkbox"/> Children and/or Adolescents (under age 19 in AL)  <input type="checkbox"/> Prisoners                  Persons with:  <input type="checkbox"/> Economic Disadvantages <input type="checkbox"/> Physical Disabilities  <input type="checkbox"/> Educational Disadvantages <input type="checkbox"/> Intellectual Disabilities</p> <p>Do you plan to compensate your participants? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Please identify all risks that participants might encounter in this research.  <input checked="" type="checkbox"/> Breach of Confidentiality <input type="checkbox"/> Coercion  <input type="checkbox"/> Deception <input type="checkbox"/> Physical  <input type="checkbox"/> Psychological <input type="checkbox"/> Social  <input type="checkbox"/> None <input type="checkbox"/> Other</p> <p>*Note that if the investigator is using or accessing confidential or identifiable data, breach of confidentiality is always a risk.</p>
6E. Institutional Biosafety Approval	
Do you need IBC Approval for this study? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes - BUA # _____ Expiration date _____	

The Auburn University Institutional Review Board has approved this document for use from 5/24/10 to 5/24/11  
 Protocol # 11-168 EX 1105

#### FOR OHSR OFFICE USE ONLY

DATE RECEIVED IN OHSR: 5-6-11 by UB PROTOCOL # 11-168 EX 1105  
 DATE OF IRB REVIEW: 5/24/11 by KEL APPROVAL CATEGORY: 45 CFR 46.101(b)(2)  
 DATE OF IRB APPROVAL: 5/24/11 by KIE INTERVAL FOR CONTINUING REVIEW: 1 year  
 COMMENTS: revisions 4/2/11, approved SRA

Appendix B  
Information Letter

**Department of Educational Foundations, Leadership, and Technology**  
College of Education  
4036 Haley Center, Auburn University, AL 36849 ~ Phone (334) 844-4460

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**INFORMATION LETTER**  
**for a Research Study entitled**  
**"An Analysis of Sales Training Effectiveness Within the Housing Market"**

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You are invited to participate in a research study that has the purpose of examining the effectiveness of sales training programs in relationship to the housing market. The study is being conducted by John Cheney Robinson, IV, under the direction of Dr. James E. Witte, Associate Professor, in the Auburn University Department of Educational Foundations, Leadership, and Technology. You were selected as a possible participant because you are a Keller Williams Realtor located in Florida and are age 18 or older.

Your participation is complete voluntary. If you decide to participate in this research study, you will be asked to complete the survey through the link provided. Your total time commitment will be approximately 15 to 20 minutes.

If you change your mind about participating, you can withdraw at any time by closing your browser window. Once you've submitted anonymous data, it cannot be withdrawn since it will be unidentifiable. Your decision about whether or not to participate or stop participating will not jeopardize your future relations with Auburn University or the Department of Educational Foundations, Leadership, and Technology.

Any data obtained in connection with this study will remain anonymous. We will protect your privacy and the data you provide by coding the information on a password protected computer. Information collected through your participation may be used to fulfill an educational requirement, published in a professional journal, and/or presented at a professional conference.

If you have questions about this study, please contact John Cheney Robinson, IV, at [robinij@auburn.edu](mailto:robinij@auburn.edu) or 334-844-4460, or Dr. James E. Witte, at [witteje@auburn.edu](mailto:witteje@auburn.edu) or 334-844-3054.

If you have questions about your rights as a research participant, you may contact the Auburn University Office of Human Subjects Research or the Institutional Review Board by phone (334) 844-5966 or e-mail at [hsubjec@auburn.edu](mailto:hsubjec@auburn.edu) or [IRBChair@auburn.edu](mailto:IRBChair@auburn.edu).

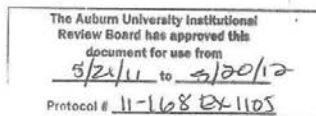
HAVING READ THE INFORMATION ABOVE, YOU MUST DECIDE IF YOU WANT TO PARTICIPATE IN THIS RESEARCH PROJECT. IF YOU DECIDE TO PARTICIPATE, PLEASE CLICK ON THE LINK BELOW. YOU MAY PRINT A COPY OF THIS LETTER TO KEEP.

John Cheney Robinson, IV      March 1, 2011  
Investigator                      Date

Dr. James E. Witte              March 1, 2011  
Co-Investigator                  Date

The Auburn University Institutional Review Board has approved this document for use from May 21, 2011 to May 20, 2012. Protocol #11-168 EX1105.

<http://www.zoomerang.com/Survey/WEB22BB6TP6LHS/Preview>



## Appendix C

### Coding for Section One of the Survey Instrument

<i>Question</i>	<i>Response (Assigned Coding)</i>
1. Please indicate which of the following applies to you (more than one answer may apply).	Realtor (0) Broker (1) Broker Associate (2)
2. How long have you been in your current position?	Open-ended question; depends on participant's response
3. In total, how many years have you been in the real estate industry?	Open-ended question; depends on participant's response
4. Are you a member of a professional club/organization within the real estate industry?	Yes (0) No (1)
5. How many hours per week do you work within the real estate industry?	Open-ended question; depends on participant's response
6. How often do you work weekends?	Once a month (0) Twice a month (1) Three times a month (2) Every weekend (3)
7. Please indicate the region in which your firm is located:	Northeast (0) Midwest (1) South (2) West (3)
8. Have you completed a sales training program with your current employer?	Yes (0) No (1)
9. How long has it been since you completed the sales training program?	Open-ended question; depends on participant's response
10. Why did you complete the sales training program (more than one answer may apply)?	Required by my current employer (0) My employer paid for the training (1) I voluntarily signed up for and took the training (2) I paid "out-of-pocket" for the training without being compensated by my employer (3) I paid "out-of-pocket" for the training and my employer compensated me (4)
11. Prior to completing the sales training program, which of the following applied to you (more than one answer may apply)?	I took the training program, because I thought it would benefit me (0) I took the training program, because it was required of me (1) I thought the training program would increase my overall sales (2) I thought the training program would increase my knowledge of the subject area (3) I thought the training program would teach me what I was doing wrong (4) I thought the training program would decrease my overall mistakes (5) I thought the training program would increase my overall confidence in selling (6) I did not have any prior expectations going into the training program (7)

## Appendix D

### Coding for Section Two of the Survey Instrument--Measuring for Reaction

<i>Question</i>	<i>Response (Assigned Coding)</i>
12. How would you rate the subject content of the sales training?  What was your overall rating of the leader/teacher for the sales training?	Poor (1) Fair (2) Good (3) Very Good (4) Excellent (5)
13. What was the ratio of lecture to discussion for the sales training program?	Too much lecture (0) Balanced (1) Too much discussion (2)
14. Rate the leader/teacher of the training program on the following: <ul style="list-style-type: none"> <li>• Clarifying objectives</li> <li>• Keeping the session alive and interesting</li> <li>• Using audiovisual aids</li> <li>• Maintaining a friendly and helpful manner</li> <li>• Illustrating and clarifying points</li> <li>• Summarizing</li> </ul>	Poor (1) Fair (2) Good (3) Very Good (4) Excellent (5)
15. To what extent will it help you do a better job in your position?	To a large extent (0) To some extent (1) Very little (2)
16. What benefits do you feel you got from this training program?	New knowledge that is pertinent (0) Specific approaches, skills, or techniques that I can apply on the job (1) Change of attitude that will help me in my job (2) Helped confirm some of my ideas (3) Gave me a good chance to look objectively at myself and my job (4)
17. How would you rate the overall program?  How were the meeting facilities (i.e., environment, atmosphere, etc.)?	Poor (1) Fair (2) Good (3) Very Good (4) Excellent (5)
18. Would you like to attend future program of a similar nature?	Yes (1) No (2) Not sure (3)

## Appendix E

### Coding for Section Three of the Survey Instrument--Measuring for Learning

<i>Question</i>	<i>Response (Assigned Coding)</i>
19. Was the training you received general in nature or a specialized area?	General in Nature (1) Specialized Area (2)
If you answered “specialized area” in question #19, please select the specialized area. More than one answer may apply.	Listings (0) Buyers (1) Team Building (2) Overcoming Objections (3) Lead Generation (4) Negotiating (5) Short Sales (6) Foreclosures (7) Marketing (8) Selling (9)
20. Based on the sales training program, I learned the following: <ul style="list-style-type: none"> <li>• How to work with a buyer</li> <li>• How to conduct a buyer consultation</li> <li>• How to work with a seller</li> <li>• How to conduct a listing appointment</li> <li>• How to build a team</li> <li>• How to overcome objections with buyers</li> <li>• How to overcome objections with sellers</li> <li>• How to create lead generation</li> <li>• How to create negotiating skills</li> <li>• How to handle short sales</li> <li>• How to handle foreclosures</li> <li>• How to create a marketing plan</li> <li>• The “art” of selling</li> </ul>	Not Applicable (0) Poor (1) Fair (2) Good (3) Very Good (4) Excellent (5)

## Appendix F

### Coding for Section Four of the Survey Instrument--Measuring for Behavior

<i>Question</i>	<i>Response (Assigned Coding)</i>
<p>21. The sales training program that I completed affected my behavior:</p> <ul style="list-style-type: none"> <li>• In a positive manner</li> <li>• By improving my overall confidence with working with buyers</li> <li>• By improving my overall confidence with working with sellers</li> <li>• By improving my overall attitude with working with buyers</li> <li>• By improving my overall attitude with working with sellers</li> <li>• I am now more motivated to work with buyers</li> <li>• I am now more motivated to work with sellers</li> </ul>	<p>Strongly Disagree (1)  Disagree (2)  Neutral (3)  Agree (4)  Strongly Agree (5)</p>

## Appendix G

### Coding for Section Five of the Survey Instrument--Measuring for Results

<i>Question</i>	<i>Response (Assigned Coding)</i>
<p>22. The information that I learned and obtained in the sales training program that I completed helped me:</p> <ul style="list-style-type: none"> <li>• To increase my overall productivity</li> <li>• To increase my overall morale</li> <li>• To increase my efficiency in meeting buyer's demands</li> <li>• To increase my efficiency in meeting seller's demands</li> </ul>	<p>Strongly Disagree (1)            Disagree (2)            Neutral (3)            Agree (4)            Strongly Agree (5)</p>
<p>23. Based on what I learned and incorporated from the training program, my sales have increased by:</p>	<p>\$1 - \$10,000 (0)            \$10,001 - \$20,000 (1)            \$20,001- \$30,000 (2)            \$30,001- \$40,000 (3)            \$40,001- \$50,000 (4)            \$50,001+ (5)            Not applicable, did not experience an increase in sales based on what I learned from the sales training program (6)</p>

## Appendix H

### Coding for Section Six of the Survey Instrument

<i>Question</i>	<i>Response (Assigned Coding)</i>
24. Gender	Female (0) Male (1)
25. Ethnicity	African American (0) Asian or Pacific Islander (1) Caucasian/White (2) Hispanic or Latino origin (3) Native American (4) Other Ethnic Background (5)
If you selected "Other Ethnic Background" in question #24, please describe below.	Open-ended question; depends on participant's response.
26. Marital Status	Single (0) Married (1) Domestic Partnership (2) Divorced (3) Widowed (4)
27. Age at the end of 2011:	32 and younger (0) 33-44 (1) 45-63 (2) 64-76 (3) 77 and older (4)
28. Highest educational level attained	Some High School (0) High School Graduate (1) Some College (2) Associate Specialty Degree (3) Bachelor's Degree (4) Master's Degree (5) Doctorate (6)
29. Total household income	Less than \$25,000 (0) \$25,000 – \$49,999 (1) \$50,000 – \$74,999 (2) \$75,000 – \$99,999 (3) \$100,000 or greater (4)
30. Home ownership	Rent (0) Own (1)