

Chapter 4: Recruiting and Selecting the Right Salespeople

INTRODUCING THE CHAPTER

This chapter introduces the recruiting and selection process that firms use and discusses the key processes that sales managers use. The chapter opens by describing the planning process involved with determining hiring numbers, developing the ideal candidate profile, and writing a job description.

Developing a candidate pool may prompt a sales manager to recruit candidates from within the company. However, the internal candidate pools may not be large enough to satisfy the hiring needs. Sales managers need to use a series of tools to recruit a pool of candidates from outside the company. The chapter discusses the pros and cons of using a variety of recruiting sources, such as advertisements, third-party recruiters, colleges and universities, job and career fairs, and online postings.

Once sales managers have identified their pools of candidates, they need to work through a goal-directed process that involves screening candidates, assessing their fit to the organization, determining their will and ability to do the job, returning to screening again, and then selecting their winners. Using a variety of tools from applications forms, testing and a battery of various interviews, sales managers determine their top candidates for their open positions.

They need to avoid common hiring mistakes such as rushing to hire someone, failing to conduct a proper job analysis, not generating a sufficiently large enough hiring pool, conducting interviews that are poorly planned and/or executed, and not performing a background check. Companies need to also evaluate the success of their recruiting and selection efforts by tracking their numbers of applicants generated, hired, and retained in ratio to their performance.

Chapter Objectives

After completing this chapter, students should be able to:

- Understand why having a formal recruiting and selection process improves the quality of newly hired salespeople.
- Discuss why it's important to define the right people for the organization, and include that information in the ideal candidate profile and job description.
- Compile a strategic list of sources (internal and external to the firm) for recruiting a pool of sales candidates.
- List common recruiting mistakes and ways to avoid them.
- Explain the goal-directed focus of the selection process stages.
- Explain why it's important to have a diverse salesforce.

Chapter Outline

- I. Successful Hiring Requires an Ongoing Process
- II. Planning to Hire
 - A. Calculating the Turnover Rate
 - B. Conducting a Job Analysis and Ideal Candidate Profile Research
 - C. Writing a Job Description
 - D. Ideal Candidate Profile
- III. Finding and Recruiting Applicants
 - A. Recruiting Internal Applicants
 - B. Recruiting External Applicants
 - 1. Referrals
 - 2. Advertisements
 - 3. Third-Party Recruiters
 - 4. Educational Institutions
 - 5. Job Fairs, Career Conferences, and Tradeshow
 - 6. Online Postings
- IV. Selection Procedures
 - A. Examining a Candidate's Fit
 - B. Creating a Goal-Directed Selection Process
 - C. Application Forms
 - D. Testing
 - E. Personal Interviews
 - 1. Structured Interviews
 - 2. Semi-Structured Interviews
 - 3. Other Types of Interviews
 - F. Background Verification
 - G. Physical Exams and Drug Testing
 - H. Making the Job Offer
 - I. Transitioning New Hires
 - J. Why a Diverse Salesforce is Important
 - K. Avoiding Common Hiring Mistakes
 - 1. Rushing to Hire Someone
 - 2. Failing to Conduct a Proper Job Analysis
 - 3. Not Generating a Sufficiently Large Applicant Pool
 - 4. Poor Interview Planning
 - 5. Not Conducting a Comprehensive Interview
 - 6. Not Performing a Background Check
- V. Evaluating the Success of the Firm's Salesforce Recruiting and Selection Efforts
- VI. Managing Your Career
- VII. Summary

MANAGING YOUR CAREER

Understanding the recruiting and selection process that companies design will help students who are engaged in career search opportunities. They will take selection processes, such as applications, to heart knowing that the firm uses such tools to winnow down their pool of candidates. Engage in a discussion with students about what words they think are stronger to include on a resume and/or application form enabling them to make it through the early screening processes. Pair up students in the class and have them conduct mock interviews with one another for an entry-level sales role. Add a third person to each pairing to be the observer, providing feedback to both the interviewer and the interviewee.

SUPPLEMENTAL VIDEOS DISCUSSION SUGGESTIONS

The One Question You Must Ask When Hiring a Salesperson (Anthony Iannarino): Anthony talks about the one question that you must ask when hiring for an open territory without a salesperson in place: Will my customers in this territory want to buy from this person? You can use this video to kick off a discussion about how involved managers need to be in their salespeople's territories and how they can maintain strong understanding of customers. Have students develop an action plan that will help a manager stay current with their salespeople's customers.

LinkedIn's Sales Leader's #1 Interview Question (Mike Gamson): Mike talks about two interview questions that he relies upon. He used to rely heavily on asking *how heavy is the earth?* He has since moved onto asking *what's the first thing you did for money?* Ask students to discuss what might be the inherent value in asking a question for which the candidate has no answer (weight of the world). Steer the conversation toward the value of understanding how well people think of their feet might be when recruiting and selection salespeople (but the thinking on the feet does not involve lying or making up data). Then use Mike's second question (his current #1 interview question) and have each student answer that question while their peers are writing down the characteristics cued by each person's story.

Recruiting and Hiring Great Salespeople — Top 5 Traits of Salespeople (Steve Suggs): Steve talks about the five top traits that managers should look for in the best salespeople: (1) attitudes, (2) motivations, (3) character, (4) personality, and (5) sales skills. Ask students to think about all of the selection tools they read about in this chapter, then ask them to identify the tools that will help them assess attitudes, motivations, character, and personality. How should they be involved with these assessments?

QUESTIONS AND PROBLEMS

1. What is a shortcoming of most firms' recruiting processes according to Chris Corcoran with memoryBlue?

The firm must be assessing *and* selling during the recruitment process. Some firms focus too much on assessment and not on ensuring that the candidate understands the benefits of joining the company.

2. Explain why an organization should have an ongoing selection process in place as opposed to only when needed. How does the size and type of a firm impact this process?

Firms should have an ongoing sales recruitment and selection process in place because the longer an open territory goes without a competent salesperson working it, the more revenue the company loses to a competitor.

3. How would you determine the turnover rate for a salesforce with 146 employees if five people left for higher-paying positions, three retired, two were dismissed, and two moved because of their spouse or partner's job?

Annual turnover rate = $(5+3+2+2)/146 = 8\%$

4. What can be learned from investigating the reasons for turnover? Why would you want to know an industry's average turnover rate?

Investigating turnover can allow a firm to determine if the firm is offering insufficient compensation and rewards. They may also learn if there are leadership issues in the firm (incompetence or lack of connections). Insights may also suggest that the firm's product offerings are insufficient for the market. Such analysis can reveal whether the turnover is concentrated among a specific segment of representatives (e.g., higher turnover among new reps may suggest more training is needed). Knowing the industry's average turnover rate allows a firm to determine if environmental or organizational issues are at play, or the turnover may simply be reflective of what's happening in the industry.

5. How would a firm benefit from conducting a job analysis? How and why should a sales manager be involved?

Having an accurate and current job analysis and job description that lists job qualifications allows the sales manager to better select the right candidates for the position from the pool of applicants. Because a job analysis involves interviewing current salespeople and their supervisors, the manager can quickly learn where she or he has blind spots about the role. By conducting the interviews, the manager is not only gathering the data for updating the job description, but he or she is also signaling to the people in the organization that their work is important enough for the manager to be involved and gathering stronger understanding.

6. What is the difference between a job analysis and a job description? What job elements are typically included in a job description? What departments in a firm might use it?

The job analysis is the examination of the duties, activities, and behaviors expected of a person employed in a position. The manager learns what the salesperson does on the job, and how the salesperson should ideally spend his or her time. The job description includes the salesperson's specific tasks and responsibilities, products that the person will sell, customers on which they will call, and other demands of the job. The job description results from a synthesis of the data gathered through the job analysis.

7. What is the value of the ideal candidate profile? What type of research is needed to develop a robust ideal candidate profile? Why do higher performing firms focus on determining an ideal candidate's profile?

The ideal candidate profile is personal characteristics reflective of the top-performing salespeople who do a specific job. The model recommended for identifying the ideal candidate profile is called the four forces model: (1) backward-looking approach taps historical data to identify characteristics of high-performance salespeople, (2) forward-looking approach ensures that the firm is thinking about characteristics necessary for the organization's position in market five years from now, (3) strategic-focus approach ensures that the ideal candidate profile is aspirational and signals to the firm and its associates the vision for the future associate's role, and (4) operational-focus approach ensures that the ideal candidate profile is not "too far removed" from the current profile so the criteria are attainable. High-performance sales units focus on the ideal candidate profile as a tool because it is useful for purposeful signaling, suggesting that the unit's leader is moving the organization forward. Talking about the ideal candidate profile can help to change the culture of the unit in alignment with the desired culture for the future.

8. An organization needs to hire five new salespeople. It offers jobs to 15 percent of those it recruits, and 60 percent of those accept the offer. How many applicants does the company need to recruit?

$X = (5 / (.15 \times .60)) = 56$ applicants need to be recruited

9. What are the pros and cons of recruiting internal versus external candidates for sales positions? What are possible recruitment sources that can be used to identify candidates outside the firm?

Internal candidates understand a lot about the firm, its products, and its markets. Managers hiring from within can access a lot of information about internal candidates that can be useful for the selection process. However, the internal candidates are likely coming from other areas of the company (engineering, marketing, customer service, manufacturing) and they may lack sales knowledge and skills. External candidates can be generated through a large number of recruiting sources, so the manager may have access to higher quality sales talent. That talent pool may also attract more diverse candidates thereby allowing the firm to address diversity objectives.

10. What types of tests can be used to select candidates? What is the difference between a selection test with high validity versus low validity?

Psychological tests, personality tests, intelligence tests, ability tests, aptitude tests. A test with high validity means that the test differentiates applicants based on who will be successful and unsuccessful on the job.

11. What goals frame the selection process? What is the relationship between the selection tools and the ideal candidate profile?

The goals which frame the selection process of more-productive sales units includes: (1) screening, (2) determining fit, (3) determining will and ability to do the job, (4) returning to screening, and (5) selecting winners. The selection tools must be mapped onto the various goal stage of the selection process. The manager lists the ideal candidate profile characteristics and then identifies at least two selection tools that will be used to assess each characteristic.

12. Discuss the advantages and disadvantages of different types of interviews. What are some ways to improve the interview process and thereby identify successful candidates?

Type of Interview	Pros	Cons
Structured	<ul style="list-style-type: none"> • Easy to record and compare responses • Ensures all applicants treated the same way • Ensures all important areas are covered 	<ul style="list-style-type: none"> • Inexperienced managers may fail to probe
Semi-structured	<ul style="list-style-type: none"> • Provides discussion-based insights 	
Stress	<ul style="list-style-type: none"> • Assess call reluctance • Assess handling of confrontational customers 	<ul style="list-style-type: none"> • May discourage interviewee • Interviewee may view firm negatively
Field observation	<ul style="list-style-type: none"> • Gives realistic job preview • Assess fit to customers & culture 	

13. Why is a background check important, and what is the best way to conduct one?

Candidates may exaggerate or lie about their past performance, so background checks allow a manager to verify the information gathered during the recruiting and selection process. Background checks may involve contacting the references provided by the applicants and asking how best to manage the candidate. To go beyond the references given by the candidate, a hiring manager might ask that reference if he or she might suggest others who also know the candidate.

14. Why does the diversity of a salesforce need to reflect the differences in the racial and ethnic consumer base?

Demographic shifts reflect changes in the buying community served.

ROLE PLAY

Fisan Medical Devices: Salesperson Interviews

Students are organized into groups of three where each student takes on one of three roles: Whitney Johnson (sales manager), Mark Jahns (marketing manager), and Carlos Lopez (human resources director). Each student is to develop a plan for conducted the structured, unstructured, and ride-along interview components. Before the students begin the role play, make sure that each student brought a recommended plan of action. Those plans will include sample questions for the structured and unstructured interviews as well as an observation form that the sales representative will complete following the ride-along.

ANSWERS FOR CHAPTER CASELETS

Caselet 4.1: Securian

Case Questions:

- 1. What recommendations would you offer Roger Myers for evaluating the current recruitment and selection process at Securian?**

To reduce the overall territory turnover rate, Myers should conduct an examination of the salespeople who left the firm, probing beyond their stated reasons. Each salesperson provided a legitimate reason for leaving, but what forces/characteristics may have motivated them to leave? Myers should construct a spreadsheet and determine applicant source (inside vs. outside medium — Internet, college interviews, job fair, salesperson recommendation etc.), test scores (marginal vs. high and comparison of results if more than one test was administered), type of interview (structured, unstructured), examination of answers given if records exist, and reference checks. The key is to analyze all the steps in the hiring process and make changes so that the best person is selected for the sales position.

- 2. How would it help to compare the performances of all salespeople who either resigned or were let go?**

Actual sales performance vs. forecasted and/or quotas would help understand the salesperson's motivation and ability to perform. Were turnovers performing below expectations (as two apparently were)? Then, are there indicators in the selection process that might predict marginal performance? Were test scores, ride-along comments, etc. also marginal? Managers might be less concerned if low performers are leaving for other opportunities. Conversely, a sales manager wants to keep top performers.

- 3. Would it be helpful for Myers to know how each salesperson was originally recruited? Why?**

Myers should consider the firm's ideal candidate profile. This might show that the ideal candidate was recruited from a specific source: university sales centers, private sales recruiters, a specific Internet search engine, etc. The same is true of those leaving the firm. If the majority of turnovers were recruited from the same source, this implies that the source attracts applicants who are unlikely to have long-term tenure at Securian.

- 4. Should Myers scrutinize the notes from the former salespeople's personal interviews or study their preemployment test scores? Assuming these items were available, what insight might they provide him?**

Absolutely, Myers should examine any information/data that are available. Possible insight includes: how closely did the salesperson provide answers to correct ones in structured interviews, were the answers well thought out or random in nature, and did the test scores indicate the interviewee possessed the required personality or attitudes to succeed?

- 5. How would you recommend that Securian recruit and select new salespersons?**

After conducting a thorough analysis of salespersons who left the firm, Myers should recommend that Securian continue to follow an adjusted (if warranted) sales recruitment process as discussed in

this chapter. That said, more firms are adopting the Goal Directed Sales Process discussed on page 97. Research shows that firms that added two additional steps in the recruitment process were more successful. Those two steps include: (1) adding the assessment of fit and (2) a return to screening. This second step allows managers whose instincts or intuition told them something was not right to pass on any candidate. It is important to remember that sales managers often hire the best candidate even when there are doubts rather than leaving an open territory that is highly competitive!

Caselet 4.2: Tri-States Bottling Company

Case Questions:

1. How typical was Jones's interview? Was any part of the interview unexpected?

More typical than one might expect. Basically, the applicant met with the sales manager and his assistant, had lunch, and then went on a ride-along with a veteran salesperson. Perhaps Jones was not expecting the ride-along, but given her professional sales major, she should have known a ride-along was possible.

2. What personal qualities are explored in a double interview, over lunch, and on a ride-along?

The double interview allowed Allen and Chin to compare answers to questions and impressions, over lunch gave insight into Jones' personality and social intelligence, and the ride-along allowed Jones to see what the job would entail and permitted Contento to evaluate Jones' interactions/reactions during and after a sales call. All are important because it is difficult to assess a sales candidate in a single interview.

3. What mistake did Jones make? Was it preventable?

Jones exhibited poor judgement by (1) making up an excuse to go to the bathroom and (2) not apologizing to Contento and explaining that it was a restroom emergency. Anyone who has been a salesperson knows that such an emergency can and will happen. Bill Contento likely got the impression that Jones left the sales presentation for no good reason and this behavior reflected poorly on himself and his distributorship!

Yes, the mistake was preventable. All salespeople, including Jones, must use their time wisely. If you have a sales call, then make sure you make bathroom stops even when not absolutely necessary. If with another person from your company or a customer, be contrite and do your best to not let it happen again.

4. Can you suggest a more appropriate way of handling the situation Jones faced?

The direct approach is best. At a good time, if there is one, say: "I'm so sorry, but I must go to the bathroom." Go to the bathroom as quickly as possible and return to the sales call.

5. What do you think Contento told Allen?

It is not clear, but it is likely that Contento said: "You won't believe what Jones did? Right in the middle of my sales presentation she walked out to get a Coca-Cola — can you believe that?" If Jones had handled the situation as detailed in question 4, Contento would have understood and at worst case said: "She had to go to the bathroom in the middle of my presentation, BUT she was honest, apologized, and explained herself!"

6. If you were the hiring manager, would you proceed with the recruiting Jones? Why or why not?

Not given the current facts. First, this was an abbreviated interview. Second, an additional interview will allow a more thorough evaluation of Briana Jones' potential. Third, it would be instructive for sales manager, Allen, to send an applicant on more than one ride-along. Fourth, what did Allen expect Jones to do on the sales call? Perhaps Allen should call Jones and ask her how she thought the interview went? Then, say Bill Contento was surprised when you left the call for a soda — was there some reason you did this? Bottom line: sales managers need to understand why applicants do something, not just judge yes/no; hire/not hire!

Note to instructor: This situation happened to a student of one of the authors and the student was not hired. Whether this incident was the main reason or whether it was the entirety of the interview is not known.

OTHER IN-CLASS EXERCISES

Interviewing Day

Have every student come to class prepared to conduct and to be interviewed. Each student should arrive to class with a copy of his/her resume and an outline of an interview script. In advance of class, prepare a “fish bowl” containing small slips of paper, with one slip of paper per student. On the papers, number the slips as 1-Interviewer, 1-Candidate, 2-Interviewer, 2-Candidate, etc. After everyone has drawn a slip of paper (on the way into the classroom), ask the students to find their partners and conduct their interviews. Allow 15 minutes for the first interview. Students conducting the interview must prepare feedback that is submitted to the professor. Complete a second round of interviews where students switch “sides” of the table and pair up with a different student. Allow 15 minutes for the second interview. Students conducting the interview must prepare feedback that is submitted to the professor. In the follow up to the class (either in the next class session, as a learning management system post, or via an e-mail, send the student a summary of the positive and constructive feedback that all students can take away to improve their skills as a candidate.

The Value of Job Descriptions

Ask your Career Center professionals to provide you with 4-5 different job descriptions for positions being advertised to students that involve the sales function. Set up 4-5 stations in the classroom where one of the job descriptions is displayed. Have students visit each station with a group of students, review the job description, identify the key characteristics that the company will likely be screening for, and identify the likely selection tools that the company might use to assess those characteristics. After the students have visited all 4-5 stations, ask the teams to summarize the characteristics that were in common across the job descriptions and identify those unique to a specific role. Have a full class discussion about the commonalities that firms appear to be seeking when hiring sales professionals. Also discuss the types of selection tools that the students will likely encounter as firms engage in the recruiting and selection process