

Compensation Motivation: Compensating and Motivating Your Sales Personnel

by Dr. Larry Craft

Harry Hunter and Fred Farmer interviewed for the same sales position. Harry and Fred both passed the initial interview with flying colors and proceeded to take the pre-employment tests. As the sales manager reviewed the test results, there were distinct differences. Harry had a high degree of Intensity/Drive, Social Motivation, and Interpersonal Confidence. Said more simply, Harry had high Ego Drive and motivation to achieve results quickly and effectively. He was an 'Order-maker' who had a sense of urgency and achievement motivation to 'make things happen.' Harry was a Racehorse.

On the other hand, Fred had low scores on these three Ego Drive scales. He was more laid back and easygoing. He was more motivated by the process than the goal; more motivated by security and predictability than opportunity. He was an 'Order-taker' who lacked the creativity and initiative to make things happen. Fred was a Work Horse.

Because of the organization's immediate needs, both Harry and Fred were hired and placed into similar sales positions, but different locations. The position was standard for the industry. Job duties included receiving inbound customer service calls and occasionally tending the retail counter. The salaried position paid \$28,000 per year with a shared bonus that had previously averaged \$2,500 per salesperson. The employment benefit package included excellent vacation, health insurance, and retirement benefits. The sales manager would have bet his bottom dollar that 'Racehorse Harry' would have been his best salesperson with Fred coming in a distant second. Instead, over the next few months, Harry became a profound disappointment while Fred thrived in the daily routines and met all expectations. As standard procedure, the sales manager met with Harry for his quarterly review and pulled out Harry's employment personality test results. By the time the meeting had ended, both the manager and Harry understood the problem and the solution. The bottom line: Harry was bored by the lack of challenge and potential. He was restless to get into a real race that had true risk and reward. While Fred's temperament seemed perfectly suited for the mundane and repetitive job duties, Harry needed something more-much more.

The sales manager realized Harry's true potential and reengineered Harry's job description and compensation. Instead of relying on customers to walk in the door, Harry would go out and find them. Instead of waiting for the customer to bring the product to the counter, Harry would take the product to the customer. Instead of waiting for the customer to buy, Harry would define the need and match the product to the need, making the sale. Instead of a salary of \$28,000



plus a small bonus, Harry would receive a \$24,000 salary and the potential to earn over \$70,000 a year.

Over the next few months, the sales manager saw his region's productivity and retention increase dramatically as he added Work Horses to his customer support division and Racehorses to his outside sales division. He made sure his Racehorses had the space to run and a compensation system that motivated them to the highest levels of productivity.

Author's Note: To determine your applicants' Ego Drive and Empathy, simply administer the 15-minute CraftMetrics Personality Inventory (CMPI) and choose the SalesBuilder Report option.