

## **Employment Testing: Q and A** by Dr. Larry Craft

### **How does the economy affect sales organizations and their hiring? How do the priorities change?**

We have found that different industries are affected by the economy in different ways. Since one of our primary markets is the professional staffing industry, we can monitor the economy and recognize economic fluctuations that may be precursors to major changes. That industry is impacted prior to other industries and the impact is quite dramatic. Supply (the job seeker) increases and demand (the client company) decreases. To survive, their marketing priorities must change instantly as they switch their emphasis from finding qualified employees to finding client companies who are still hiring. Much like you find with evolutionary changes, those staffing companies who are slow to adapt to the economic changes fall prey to the larger, better financed companies. By the way, we have recently seen a significant increase in the staffing industry's hiring activity. In the 25 years we've been helping them hire their sales personnel, this increase has consistently indicated an end to the recession.

On the other hand, another one of our primary markets, the financial services industry, does not appear to be significantly affected by economic downturns when it comes to hiring activity. In the life insurance industry, for example, most managers for the major companies have recruiting requirements they must meet. The higher the unemployment, the greater the opportunity they have to reach their recruiting goals. A new phenomenon, the low interest rates that have resulted from the economic downturn, is also having an impact in the financial services industry. Our mortgage company clients and banks that are involved in the mortgage markets are hiring aggressively.

### **What are the most common mistakes sales organizations make in hiring salespeople? Are there different mistakes when hiring experienced reps as opposed to new recruits?**

The mistake that most directly impacts the sales department's bottom line is hiring easy-going Plow Horses when the dynamics of the sales position requires hiring highly driven Racehorses. During an economic downturn when customers are hard to find, it takes a goal-oriented Racehorse to find the buyer and make the sale. The difference between the two is not "nurture," it is "nature" and you can't train or supervise one into becoming the other. The second most costly mistake is to hire inexperienced sales personnel and then fail to provide the sales training they need to succeed. Highly driven Racehorses won't wait around very long if the training isn't there to give them a quick start. Managers will notice the problem when voluntary terminations are higher than involuntary terminations. This isn't a "selection" problem; it's a "development" problem.

### **How can testing help companies avoid these errors?**

Managers must first use a good selection/assessment tool that can't be "faked" by the opportunistic sales applicant. Then the manager must make sure the Plow Horses are put into salaried customer service positions where they excel, and the Racehorses are put into commissioned sales positions where they thrive on the daily challenges and opportunities. To avoid the second problem, managers should administer a "training needs" assessment as part of their Internet pre-screener to make sure the training is compatible to the skills and abilities of the applicant.

### **Before analyzing and testing possible hires, should sales organizations do some kind of self-assessments about their own sales process, corporate culture, etc. to find the best matches?**

When managers are incompatible with sales personnel in two particular areas, Intensity/Drive and Social Motivation, productivity can be negatively impacted. If the manager has an easy-going and methodical temperament, and the salesperson is highly driven, the Racehorse salesperson feels "bogged down in the mud" and can't run. In the opposite scenario, the easy-going Plow Horse frustrates the Racehorse manager who wants immediate results. Racehorse managers work best with sales personnel who are Racehorses and vice versa. Another area of incompatibility between managers and sales personnel is Social Drive. Managers who don't crave public recognition typically don't give it to recognition-starved sales personnel who thrive on it. And this negatively impacts the salesperson's motivation. Managers who have high Social Motivation, on the other hand, are perplexed and frustrated when the low Social Motivation salesperson doesn't respond to peer competition and public recognition. Self-assessment personality profiles should be administered to the manager to make sure the manager is hiring sales personnel who are compatible, especially in these two areas that affect motivation, Intensity/Drive and Social Motivation. The organizational culture can also be a factor that affects the salesperson's motivation, especially when it comes to large, bureaucratic organizations vs. small businesses. Highly driven Racehorses thrive in small businesses in which they have direct and immediate access to solutions to problems that impede their success. They can still be successful in larger corporations if management provides them with autonomy and independence to pursue and reach their goals.

### **Is there a general sense that there are good and bad sales candidates and the key is simply to weed out the latter in favor of the former? Does your experience reinforce that or are there candidates who mesh well with some sales jobs but not with others?**

Too often, "good" and "bad" have to do with compatibility factors either with the manager or the job description. Rather than firing the incompatible salesperson, simply put them in positions that are more compatible or place them with managers who are more compatible. For example, a way to significantly increase the sales department's productivity is to put your easy-going Plow Horses in

customer service positions and put your Racehorses into positions that require a sense of urgency and goal-orientation. If your horses are placed in “the most appropriate stable,” you’ll most likely see a dramatic increase in productivity.

### **What can smaller sales organizations without the budget to afford large scale testing do to improve their hiring practices?**

First, it is important to point out the fact that the costs of turnover are significantly greater than the costs of testing, which can run as little as \$45.00 per candidate. Even the smallest organizations can afford testing, especially when the test results can also be used for motivation, development, and training. That said, the least expensive alternative is to have a structured interview process that measures the Can Do, Will Do, and Follow-through. The Can Do interview needs to measure the candidate’s Skills, Knowledge, and Experience. The Will Do interview should measure the candidate’s Personality and Motivation. The Follow-through interview needs to measure the Follow-through factors associated with Work Ethic and Self-discipline.

### **Can testing also help sales organizations retain top performers who might otherwise move on? How?**

Testing can focus on compatibility factors that impact sales retention. It can also be used to assess training needs that match the new salesperson’s skills, knowledge, and ability. In addition, Internet attitude surveys can be regularly administered to assess the salesperson’s attitude that is typically a precursor to termination. When the “scores” on certain attitude factors change significantly from the norms, management (or external consultants) can step in with intervention strategies that improve the salesperson’s attitude and prevent turnover.

### **Can you change a Plow Horse into a Racehorse or should you hire all Racehorses and fire your Plow Horses?**

Though you can’t really change a Plow Horse into a Racehorse, you can help them compensate (in both directions). The Racehorse needs to learn that self-discipline and focus are the keys to success while the Plow Horse needs to realize that traditional, even-paced, efforts are typically insufficient when it comes to commissioned sales positions. They need to “turn it on” and have higher initial selling activity to compensate for their easygoing lack of urgency. If the position demands intense prospecting, presenting, and closing, you may have to put your Plow Horses into another pasture, such as customer service and other positions that do not demand such high drive and motivation as commissioned sales reps.

### **How can you measure drive and motivation when so many applicants “fake” tests and simply say what you want to hear?**

When we recognize the test-taking behavior that we have found to be characteristic of “faking,” we warn them “real time” to go back and start over again and “Don’t Sell Yourself.” Unlike most questionnaires that use

“inconsistency response checks” to determine faking, we use three different proven technologies in concert to make sure they are not really as ideal as they are saying they are. This social desirability/good impression technology allows us to ask half the questions (other questionnaires must ask) to generate the same validity and reliability.

**Should I try to hire employees who are compatible to my unique leadership style or should I require that they “flex” to my style?**

The answer is “both.” Quite often you don’t have the luxury of matching, so the manager has to flex into the salesperson’s unique personality and motivation. For example, if the manager has low Social Motivation (need for status/prestige recognition) and the salesperson’s is high, we find that the manager needs to compensate and take the “unnatural stretch” to provide sales personnel with the production boards, newsletters, contests, and social awards that “feed their ego.” Low Social Motivation managers will find that quite difficult because they don’t need it and project that into their salespeople. High Social Motivation managers need to take the unnatural stretch to feed low Social Motivation salespeople something other than status/prestige acknowledgment. They will have to relate the sales activity and results to the specific and unique needs (not social recognition needs), such as money to pay the bills or support the family or a future management position. The bottom line: don’t motivate all your salespeople in the same way. Find out what motivates them via a personality test and use that information to honor the salesperson’s unique style and unique needs. If it is possible, matching is preferable when it comes to sales managers and sales personnel.

**When it comes to Attitude Surveys, what categories of questions do you ask and how are they worded to get the most honest results?**

We use a Most People approach by asking “What do most of the salespeople in your office feel about the quality of sales training in your office?” We find that this unique approach reduces “test anxiety” and allows them to be more honest. Of course, if they don’t know others well, we tell them to estimate the general consensus. We also recommend it be administered every 90 days from date of hire (agreed in writing as a condition of employment) for at least the first year and intervention strategies be employed (via outside consultants) to positively impact voluntary turnover once the “retention index” drops into the yellow zone (red zone means high likelihood of termination). We have found that their attitudes change significantly at least 60 days prior to voluntary turnover as they send out signals of their discontent. Critical Timing Intervention is an important step to increasing retention. In the survey we ask questions pertaining to perceived feelings about compensation, relationships with peers and management, competitiveness of the products, quality of the sales and product knowledge training, office/staff support, home office support, convenience of the office, advertising, pricing, delivery, esprit de corps, and honesty/integrity of management. When we use the Most



People approach, we find that they are typically more genuine and less emotional about their responses.