

CHAPTER 9

Sales Force Recruitment and Selection

THE REAL VALUE OF HIRING GOOD EMPLOYEES

As we discussed in Chapter 8, organizations often claim employees are their most valuable resource, but just how valuable are they? More often than not, the value added by employees is difficult to assess; however, sales positions are unique because their value can be determined by actual sales in dollars or product units. Once individual employee value is determined, other important questions arise: What is the difference to the bottom line of selecting a good hire versus a poor hire? How does a company hire the right person? Can a selection assessment increase the probability of choosing a good hire?



In an effort to address these questions, Chally studied salesperson performance data over four years from a leading financial services provider. The average annual sales per sales representative was nearly \$1.1 million. However, performance across the sales force was highly variable, with poor hires averaging about \$300,000 in annual sales. Thus, if the company had hired an “average” salesperson instead of a poor performer, it would have generated almost \$800,000 in additional sales. Multiply this figure by the number of below average performers and the number of years a salesperson is expected to stay with the company, and it becomes apparent that avoiding hiring mistakes can dramatically increase profitability. Each time a territory is filled with a poor performer, the company loses a great deal of potential revenue.

Next, Chally investigated whether selection tests can significantly help a company identify the right people. Chally’s research found a company using a standardized test that wasn’t even a strong predictor of success (for example, a typical “personality” or “style” test such as Edwards Personal Preference Survey or Myers-Briggs) could increase average annual sales to \$1.2 million, a gain of \$100,000 over the average. However, if they incorporated a highly predictive, empirically validated test, average annual sales jump to \$1.4 million or nearly \$300,000 more than the average sales. In sum, increasing the output per employee and the average number of years an employee stays on the job results in large financial gains for a company.

Hiring better performers means hiring people that fit the job better and are likely to stay longer. Employing a validated selection assessment has significantly lowered turnover and increased revenue for a number of companies including:

- CopyMax and Media 24 each experienced a 32 percent reduction in turnover.
- Association of Financial Planners experienced a 27 percent increase in revenue one year and a 33 percent increase in year two after changing their hiring tools.

It is not uncommon for employers to reduce turnover by 30 percent while simultaneously increasing productivity by 30 percent by changing their personnel selection tools. These reductions in turnover and increases in productivity have an enormous impact on a company's bottom line. As Bill Gibson, director of GM fleet and commercial sales, reports, GM was able to increase sales by 50–60 thousand units while simultaneously improving customer retention, which translated into a \$1 billion revenue increase. Clearly, employees are an organization's most valuable resource.

Source: Chally Group Worldwide (2012).

LEARNING OBJECTIVES

Perhaps more than any other function of the sales manager, successfully recruiting new salespeople into the company is critical to the long-term success of the organization. As markets expand both domestically and internationally, companies continue to seek qualified new candidates to fill sales positions. At the same time, it is likely that talented people in the organization are being recruited, often by competitors, and leaving for other opportunities. Finally, competition for talented candidates is fierce and the cost of poor recruiting is high, in both direct and indirect costs. For all these reasons, recruiting and selecting salespeople has become a very important part of the sales manager's job. This chapter will outline the process of recruiting new salespeople into the organizations.

After reading this chapter, you should be able to

- Understand the key issues that drive the recruitment and selection of salespeople.
- Identify who is responsible for the recruitment and selection process.
- Understand a job analysis and how selection criteria are determined.
- Define the sources for new sales recruits.
- Explain the selection procedures.
- Understand the equal opportunity requirements for selecting salespeople.

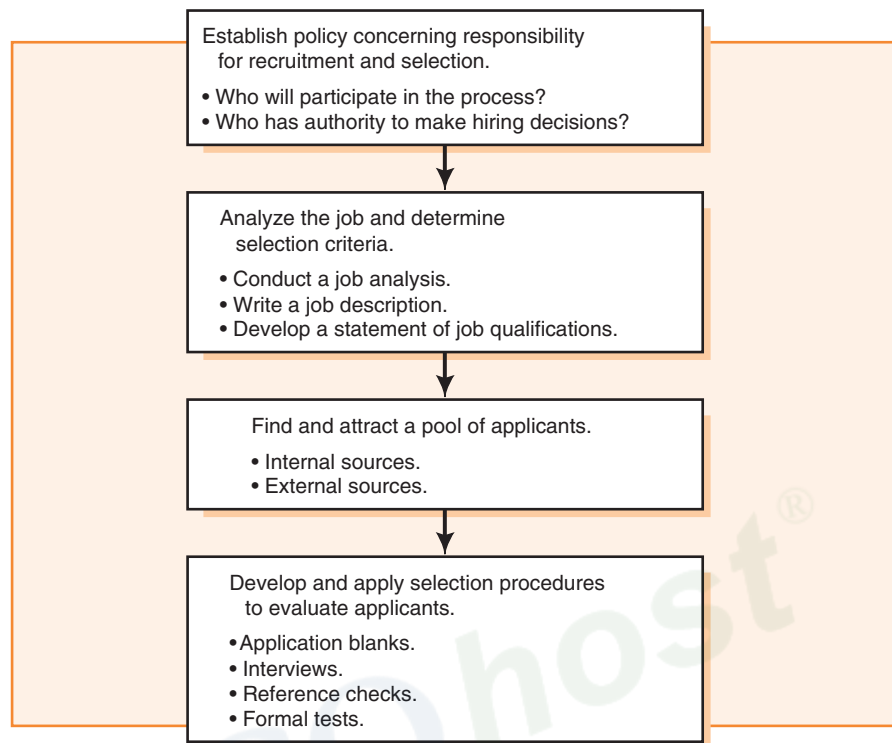
RECRUITMENT AND SELECTION ISSUES

The Real Value of Hiring Good Employees opener illustrates the variety of important issues that must be resolved when recruiting and selecting new salespeople. These issues are diagrammed in Exhibit 9.1.

The first decision to be made concerns who in the company will have the responsibility for hiring new salespeople. While it is common to assign this responsibility to field sales managers, top sales executives or personnel departments play a more active role and bear more of the burden for this important function in some firms.

EXHIBIT 9.1

The decision process for recruiting and selecting salespeople



Regardless of who has the responsibility for recruiting new sales reps, certain procedures should be followed to ensure that new recruits have the aptitude for the job and the potential to be successful. As discussed in Chapter 8, there do not seem to be any general characteristics that make some people better performers across all types of sales jobs. Therefore, a thoughtful recruitment process includes a thorough analysis of the job and a description of the qualifications that a new hire should have. The company then seeks to find and attract a pool of job applicants with the proper qualifications. The objective, in other words, is not to maximize the number of job applicants but to attract a few good applicants. This is because of the high costs involved in attracting and evaluating candidates. For instance, a large industrial services firm estimates that it spent more than \$750,000 for want ads, employment agency fees, psychological tests, and sales manager's time interviewing and evaluating candidates in order to hire 50 new salespeople. And it cost another \$1 million to train those new recruits. The final stage in the hiring process is to evaluate each applicant using personal history information, interviews, reference checks, and formal tests. The purpose is to determine which applicants have the characteristics and abilities for success. During this stage of the evaluation and selection process, managers must be especially careful not to violate equal employment opportunity laws and regulations.

The remaining sections of this chapter discuss the specific methods and procedures managers might use at each stage of the recruitment and selection process. The recruiting process is complex, and the selection of the right candidate is a function

of many different criteria. As demonstrated in Exhibit 9.2, companies use a variety of tools to help them identify the right candidates. Although the primary focus is on “how to do it” from a manager’s point of view, some material in this chapter should be useful for learning what is expected if you ever apply for a sales job.

Managers are always searching for tools that will enable them to make better hiring decisions. Here is a quiz for managers to help in defining the right candidate.

The right candidate is a function of the score to the quiz.

EXHIBIT 9.2 The Hiring Quiz

1. Are you in an industry with
 - a. Relatively few well-known competitors and few changes in relation to new products and service? (1 point)
 - b. New competition entering the market and rapid changes to products and services introduced? (2 points)
2. What category fits your product?
 - a. Capital equipment (1 point)
 - b. Consumer (2 points)
 - c. Service (3 points)
3. If your product is technical in nature, what is your level of technical sales support?
 - a. Strong (1 point)
 - b. Average (2 points)
 - c. Weak (3 points)
4. How do you market your product?
 - a. Heavily (1 point)
 - b. Very little (2 points)
 - c. Rely on sales staff to do it (3 points)
5. Are you interested in
 - a. The development of additional business within existing accounts? (1 point)
 - b. The management of an existing line of business within mature accounts? (2 points)
 - c. The promotion of a new product to prospective customers? (3 points)
6. How much time can you afford to hire and train new sales staff before receiving a return on your investment?
 - a. 30–90 days (1 point)
 - b. 91–180 days (2 points)
 - c. 181 days or more (3 points)
7. Will your sales staff work in an office where
 - a. Direct supervisor is present? (1 point)
 - b. No direct supervisor is present? (3 points)
8. Will your sales staff
 - a. Rely on other sales personnel to prospect and qualify potential customers? (2 points)
 - b. Qualify prospects themselves? (0 points)

EXHIBIT 9.2 The Hiring Quiz (continued)

9. How much time will you spend training your new hire?
 - a. 81 hours or more (1 point)
 - b. 41–80 hours (2 points)
 - c. 0–40 hours (3 points)
10. How much time will you spend coaching and counseling your new sales staff?
 - a. 21 hours or more per week (1 point)
 - b. 11–20 hours per week (2 points)
 - c. 0–10 hours per week (3 points)

Add your total points and then refer to the description below to determine the best type of individual for your sales efforts.

HOW TO SCORE

1. Add your total points from questions 1–10.
2. Match your point total to the corresponding point totals below.
3. Your ideal candidate will possess the characteristics indicated for the point total.

PRIMARY CHARACTERISTIC OF SALESPERSON

13 points or less: Tenacity, rapport building, work standards, oral communication, ability to learn

14–18 points: Leadership, planning and organization, job motivation, presence

19–28 points: Persuasiveness, negotiation, analysis, initiative, written communication

SECONDARY CHARACTERISTIC OF SALESPERSON

13 points or less: Planning and organization, listening, job motivation, initiative, written communication

14–18 points: Analysis, tenacity, oral communication, written communication, rapport building

19–28 points: Independence, listening, oral communication, presence, planning

SOURCE OF SALES RECRUITS

13 points or less: New college graduate or hire from within

14–18 points: Hire from within or competitive hire

19–28 points: Competitive hire

Source: Adapted from Walt Shedd, "Ten Steps to Top Sales Professionals," www.sellingpower.com, July 2012.

WHO IS RESPONSIBLE FOR RECRUITING AND SELECTING SALESPeOPLE?

Several years ago, an MBA student at the authors' school was recruited for a sales job with a major manufacturer of outdoor and garden equipment. She was interviewed extensively and wined and dined, not only by the sales manager, who was her prospective supervisor, but also by higher-level executives in the firm, including the vice president of marketing. All this attention from top-level managers surprised

the candidate. "After all," she said, "it's only a sales job. Is it common for so many executives to be involved in recruiting new salespeople?"

The student's question raises the issue of who should have the primary responsibility for recruiting and selecting new salespeople. The way in which a company answers this question typically depends on the size of the sales force and the kind of selling involved. In firms with small sales forces, the top-level sales manager commonly views the recruitment and selection of new people as a primary responsibility. In larger, multilevel sales forces, however, the job of attracting and choosing new recruits is usually too extensive and time-consuming for a single executive. In such firms, authority for recruitment and selection is commonly delegated to lower-level sales managers or staff specialists.

In companies where the sales job is not very difficult or complex, new recruits do not need any special qualifications, and turnover rates in the sales force are high—as in firms that sell retail consumer goods—first-level sales managers often have sole responsibility for hiring. When a firm must be more selective in choosing new recruits with certain qualifications and abilities, however, a recruiting specialist may assist first-level managers in evaluating candidates and making hiring decisions. These staff positions are usually filled by sales managers who are being groomed for higher-level executive positions.

In some firms, members of the personnel department—or outside personnel specialists—assist and advise sales managers in hiring new salespeople instead of assigning such duties to a member of the sales management staff. Companies like Ritz-Carlton use outside consultants to help them screen and isolate certain individuals with the specific skill sets needed for success. This approach helps reduce duplication of effort and avoids friction between the sales and personnel departments. One disadvantage is that personnel specialists may not be as knowledgeable about the job to be filled and the qualifications necessary as a member of the sales management staff. When the personnel department or outside specialist is involved in sales recruiting and hiring, they usually help attract applicants and aid in evaluating them. The sales manager, however, typically has the final responsibility for deciding whom to hire.

Finally, when the firm considers the sales force a training ground for sales and marketing managers, human resource executives or other top-level managers may participate in recruiting to ensure new salespeople have management potential. This was the situation in the firm that interviewed our MBA student. Although it wanted to hire her for "just a sales job," company executives saw that job as a stepping-stone to management responsibilities.

JOB ANALYSIS AND DETERMINATION OF SELECTION CRITERIA

Research relating salespeople's personal characteristics to sales aptitude and job performance suggests there is no single set of traits and abilities sales managers can

use as criteria in deciding what kind of recruits to hire. Different sales jobs require different skill sets, and this suggests people with different personality traits and abilities should be hired to fill them. The first activities in the recruitment and selection process thus should be the following:

1. Conduct a job analysis to determine what activities, tasks, responsibilities, and environmental influences are involved in the job to be filled.
2. Write a job description that details the findings of the job analysis.
3. Develop a statement of job qualifications that determine and describe the personal traits and abilities a person should have to perform the tasks and responsibilities involved in the job.

Most companies, particularly larger ones, have written job descriptions for sales force positions. Unfortunately, those job descriptions are often out of date and do not accurately reflect the current scope and content of the positions. The responsibilities of a given sales job change as the customers, the firm's account management policies, the competition, and other environmental factors change. Unfortunately firms often do not conduct new analyses and prepare updated descriptions to reflect those changes. Also, firms create new sales positions, and the tasks to be accomplished by people in these jobs may not be spelled out.

Consequently, a critical first step in the hiring process is for management to make sure the job to be filled has been analyzed recently and the findings have been written out in great detail. Without such a detailed and up-to-date description, the sales manager will have more difficulty deciding what kind of person is needed. In addition, prospective recruits will not really know for what position they are applying.

Who Conducts the Analysis and Prepares the Description?

In some firms, analyzing and describing sales jobs are assigned to someone in sales management. In other firms, the task is assigned to a job analysis specialist, who is either someone from the company's personnel department or an outside consultant. Regardless of who is responsible for analyzing and describing the various selling positions within a company, however, it is important that the person collect information about the job's content from two sources: (1) the current occupants of the job and (2) the sales managers who supervise the people in the job.

Current job occupants should be observed or interviewed, or both, to determine what they actually do. Sales managers at various levels should be asked what they think the job occupant should be doing in view of the firm's strategic sales program and account management policies. It is not uncommon for the results of the job analysis to discover salespeople doing things management does not know and not performing activities management believes are important. Such misunderstandings and inaccurate role perceptions illustrate the need for accurate and detailed job descriptions.¹

Job descriptions written to reflect a consensus between salespeople and their managers can serve several useful functions in addition to guiding the firm's recruiting efforts. They can guide the design of a sales training program to provide new salespeople with the skills to do their job more effectively. Similarly, detailed job descriptions can serve as standards for evaluating each salesperson's job performance, as discussed in Chapter 13.

In many companies, there are a variety of sales positions. In some cases, the job title may not even include the word sales, even though the responsibilities are primarily those of a sales representative. Exhibit 9.3 presents the job descriptions for several different types of sales positions at Dell Corporation. Note that in each description, the company seeks to delineate many of the items covered in the next section. It is also important to be aware that, while both positions are sales related, they require different skills and experience levels. While not all companies provide this kind of detailed job description, it is extremely beneficial to the probability of long-term success for the candidate if both the company and potential salesperson know exactly what the expectations are before employment.

Content of the Job Description

Good **job descriptions** of sales jobs typically cover the following dimensions and requirements:

1. The nature of product(s) or service(s) to be sold.
2. The types of customers to be called on, including the policies concerning the frequency with which calls are to be made and the types of personnel within customer organizations who should be contacted (e.g., buyers, purchasing agents, plant supervisors).
3. The specific tasks and responsibilities to be carried out, including planning tasks, research and information collection activities, specific selling tasks, other promotional duties, customer servicing activities, and clerical and reporting duties.
4. The relationships between the job occupant and other positions within the organization. To whom does the job occupant report? What are the salesperson's responsibilities to the immediate superior? How and under what circumstances does the salesperson interact with members of other departments, such as production or engineering?
5. The mental and physical demands of the job, including the amount of technical knowledge the salesperson should have concerning the company's products, other necessary skills, and the amount of travel involved.
6. The environmental pressures and constraints that might influence performance of the job, such as market trends, the strengths and weaknesses of the competition, the company's reputation among customers, and resource and supply problems.

EXHIBIT 9.3

Job description—
Dell Corporation

ACCOUNT EXECUTIVE IV GLOBAL ALLIANCES**Description**

Identifies and pursues strategic business opportunities through partnerships and/or strategic alliances.

- Responsible for selling Dell's products and services through large application and outsourcing vendors.
- May be responsible for special programs and/or solutions.
- Sells Dell Managed Service (DMS) and Dell Professional Service (DPS) lines.
- Teams with internal Dell resources and leads the cross-functional team in making the best business decisions.
- Focuses on delivering a positive customer experience according to Dell standards.

Responsible for building strong, complex alliances with global System Integrators (SIs).

- SIs who take advantage of the Dell direct model and help create new innovative approaches to the outsourcing marketplace.
 - Responsible for global, strategic, coordination of "go-to-market" strategies that help drive exponential sales growth into the outsourcing marketplace.

Qualifications

Sales thought leader, influencing how segment functions/engages client set.

- Leveraged to serve as coach/mentor.
 - Creates superior relationships with senior level executives and influential stakeholders to sustain a long-term relationship.
 - Has boardroom/executive presence.
 - Significant complexity through both SI relationships and Enterprise product/service solutions.

Strong history of complex relationship building.

- Sales history showing ability to sell solutions in complex environments.
- Strong understanding of operational issues and solutions.
- Proven strength in outsourcing and complex service environments.
- Ability to build solid virtual teams.
- Very strong negotiation skills and financial strength.
- Establishes organizational initiatives that enable greater focus on customers.
- Organizes Dell-wide teams in response to SI / customer needs / opportunities 15 years of sales experience or related, industry or segment experience.
- Five years or more specialty sales (System Integrator, Alliance Experience).

ESL (EDUCATION, STATE, AND LOCAL GOVERNMENT) LARGE BUSINESS—ACCOUNT EXECUTIVE**Description**

Principal Duties and Responsibilities:

Responsible for Education, State, and Local Government Middle Market account penetration, customer satisfaction and sales growth for long-term results.

1. Ability to act as a Territory Manager by organizing and leveraging all Dell resources to meet territory needs.
2. Develops and plans territory strategies and activities for education accounts such as, selecting accounts, selecting products for calls, identifying buyer influences, overcoming objections, introducing new products, selling all lines of business, making sales presentations and negotiating.
3. Provide customer and competitor feedback to management.
4. Attend and participate in industry sales conferences and trade shows.
5. Requires complex selling skills and responsibility.

Qualifications

- Knowledge, Skills, Education, and Abilities:
- Strong knowledge of industry, service, and enterprise products, and proactive selling skills.
- Experience dealing with objections.
- Strong organizational and planning skills.
- Strong verbal and written communication skills.
- Ability to operate remotely and travel.
- Bachelor's degree desired, with a minimum of seven years of related experience.
- Requires proven selling ability in previous positions.
- 8–10 years of sales experience.
- 5–7 years of related industry or segment experience.

Source: Adapted from the Dell website, www.dell.com, July 2012.

EXHIBIT 9.3

Job description—
Dell Corporation
(continued)

Determining Job Qualifications and Selection Criteria

Determining the qualifications a prospective employee should have to perform a given sales job is the most difficult part of the recruitment and selection process. The sales manager—perhaps with assistance from a workforce planning specialist or a vocational psychologist—should consider the relative importance of all the personal traits and characteristics discussed previously. These include physical attributes, mental abilities and experience, and personality traits.

The problem is that nearly all these characteristics are at least somewhat important in choosing new salespeople. No firm, for instance, would actively seek sales recruits who are unintelligent or lacking in self-confidence. At the same time, it is unlikely that many job candidates possess high levels of all the desirable characteristics. The task, then, is to decide which traits and abilities are most important in qualifying an individual for a particular job and which are less critical. Also, consideration should be given to trade-offs among the qualification criteria. Will a person with a deficiency in one important attribute still be considered acceptable if he or she has outstanding qualities in other areas? For example, will the firm be willing to hire someone with only average verbal ability and persuasiveness if that person has an extremely high degree of ambition and persistence?

Methods for Deciding on Selection Criteria

Simply examining the job description can assist decision makers making choices about the key qualifications in new salespeople. If the job requires extensive travel, for instance, management might look for applicants who are younger, have few family responsibilities, and want to travel. Similarly, statements in the job description concerning technical knowledge and skill can help management determine the educational background and previous job experience to look for when selecting from a pool of candidates. For example, in the Dell Corporation job descriptions in Exhibit 9.3, one of the positions (ESL Large Business Account Executive) required extensive travel and work experience. Criteria like these will often serve to limit the number of candidates.

Larger firms go one step further and evaluate the personal histories of their existing salespeople to determine what characteristics differentiate between good and poor performers. As seen in Chapter 8, this analysis seldom produces consistent results across different jobs and different companies. It can produce useful insight, however, when applied to a single type of sales job within a single firm.

Current salespeople might be divided into two groups according to their level of performance on the job: one group of high performers and one of low performers. The characteristics of the two groups are then compared on the basis of information from job application forms, records of personal interviews, and intelligence, aptitude, and personality test scores. Alternatively, statistical techniques might be used to look for significant correlations between variations in the personal characteristics of current salespeople and variations in their job performance. In either case, management attempts to identify personal attributes that differ significantly between high-performing and low-performing salespeople. The assumption is that there may be a cause-and-effect relationship between such attributes and job performance. If new employees are selected who have attributes similar to those of people who are currently performing the job successfully, they also may be successful.²

In addition to improving management's ability to specify relevant selection criteria for new salespeople, a firm should conduct a personnel history analysis for another compelling reason. Such analyses are necessary to validate the selection criteria the firm is using, as required by government regulations on equal employment opportunity in hiring. This issue is discussed later in this chapter. Besides comparing the characteristics of good and poor performers in a particular job, management might also try to analyze the unique characteristics of employees who have failed—people who either quit or were fired. One consulting firm, the Klein Institute for Aptitude Testing, suggests that the following characteristics are frequently found among salespeople who fail:

1. Instability of residence.
2. Failure in business within the past two years.

3. Unexplained gaps in the person's employment record.
4. Recent divorce or marital problems.
5. Excessive personal indebtedness; for example, bills could not be paid within two years from earnings on the new job.

The firm might attempt to identify such characteristics by conducting exit interviews with all salespeople who quit or are fired. However, although this sounds like a good idea, it seldom works well in practice. Salespeople who quit are often reluctant to discuss the real reasons for leaving a job, and people who are fired are not likely to cooperate in any research that will be of value to their former employer. However, some useful information about ex-salespeople can often be obtained from the application forms and test scores recorded when they were hired. They may also have spoken with the managers who were their supervisors at the time they left the company.

On the basis of these kinds of information, a written statement of job qualifications should be prepared that is specific enough to guide the selection of new salespeople. These qualifications can then be reflected in the forms and tests used in the selection process, such as the interview form in Exhibit 9.4.³

RECRUITING APPLICANTS

Some firms do not actively recruit salespeople. They simply choose new employees from applicants who come to them and ask for work. Although this may be a satisfactory policy for a few well-known firms with good products, strong positions in the market, and attractive compensation policies, today's labor market makes such an approach unworkable for most companies.

Firms that seek well-educated people for sales jobs must compete with many other occupations in attracting such individuals. To make matters worse, people with no selling experience frequently tend to have negative attitudes toward sales jobs. Also, the kinds of people who do seek employment in sales often do not have the qualifications a firm is looking for, particularly when the job involves relatively sophisticated selling, such as technical or new-business sales. Consequently, the company may have to evaluate many applicants to find one qualified person.

This is one area in which some firms try to be efficient but end up being inefficient and often ineffective. They attempt to hold down recruiting costs on the assumption that a good training program can convert marginal recruits into solid sales performers. As we saw in the last chapter, however, some of the determinants of sales success, such as aptitude and personal characteristics, are difficult or impossible to change through training or experience. Therefore, spending the money and effort to find well-qualified candidates is a profitable investment. In certain

EXHIBIT 9.4**Applicant interview form****Business Division Applicant Interview Form**

Applicant name: _____ Date: _____

Interview with: _____

Time: _____

1. _____
2. _____
3. _____
4. _____

Rating:

- 5—Excellent
- 4—Above average
- 3—Average
- 2—Fair
- 1—Poor

Directions: Check square that most correctly reflects characteristics applicable to candidate.
An outstanding candidate would score 95 to 100.

General appearance

1. Neatness, dress
2. Business image

1	2	3	4	5

Impressions

3. Positive mannerisms
4. Speech, expressions
5. Outgoing personality
6. Positive attitude

Potential sales ability

7. Persuasive communication
8. Aggressiveness
9. Sell and manage large accounts
10. Make executive calls
11. Organize and manage a territory
12. Work with others
13. Successful prior experience
14. Potential for career growth

Maturity

15. General intelligence, common sense
16. Self-confidence
17. Self-motivation, ambition
18. Composure, stability
19. Adaptability
20. Sense of ethics

General comments: _____

Overall rating (total score): _____

Would you recommend this candidate for the position? _____

Why or why not?

industries, and when environmental conditions make the job market tight for recruiting companies, even finding sufficient numbers of qualified individuals can be a challenge. For example, the life insurance industry reports that it must interview between 60 and 120 people to find one hire.⁴

In view of the difficulties in attracting qualified people to fill sales positions, a well-planned and effectively implemented recruiting effort is usually a crucial part of the firm's hiring program. The primary objective of the recruiting process should not be to maximize the total number of job applicants. Too many recruits can overload the selection process, forcing the manager to use less thorough screening and evaluation procedures. Intel, for example, receives thousands of applications every day. Besides, numbers do not ensure quality. The focus should not be on how many recruits can be found but on finding a few good ones.

Therefore, the recruiting process should be designed to be the first step in the selection process. Self-selection by the prospective employees is the most efficient means of selection. The recruiting effort should be implemented in a way that discourages unqualified people from applying. For example, many companies have adopted the Internet as a recruiting source for potential candidates. Often companies like IBM have a screening procedure by which candidates can provide certain key pieces of data about themselves, and the company will search its job openings to look for a match. It is important that recruiting communications point out both the attractive and unattractive aspects of the job to be filled, specify the job qualifications, and state the likely compensation. This will help ensure that only qualified and interested people apply for the job. Also, recruiting efforts should be focused only on sources of potential applicants where fully qualified people are most likely to be found.

Sales managers can go to a number of places to find recruits or leads concerning potential recruits. **Internal sources** consist of other people already employed in other departments within the firm, whereas **external sources** include people in other firms (who are often identified and referred by current members of the sales force), educational institutions, advertisements, and employment agencies.

Each source is likely to produce candidates with somewhat different backgrounds and characteristics. Therefore, while most firms seek recruits from more than one source, a company's recruiting efforts should be concentrated on sources that are most likely to produce the kinds of people needed. Research suggests that firms use many different sources for finding recruits, depending on the type of sales job they are trying to fill. When the job involves missionary or trade selling, firms rely most heavily on a variety of external sources, such as advertisements, employment agencies, and educational institutions. When the job involves technical selling requiring substantial product knowledge and industry experience, firms focus more heavily on employees in other departments within the company and on personal referrals of people working for other firms in the industry.⁵ The relative advantages and limitations of each of these sources of new recruits are discussed in more depth in the following sections.

LEADERSHIP The Challenge of Recruiting a Global Sales Force

What makes one salesperson successful and another a failure? This is a question sales professionals have been trying to answer for years. Indeed, as we have been discussing in earlier chapters, the characteristics of sales success are difficult, if not impossible, to identify. Consider then the challenge of a company recruiting a global sales force. Not only is it faced with the significant challenge of trying to determine the qualities to look for in a salesperson, but it must also deal with social and cultural differences.

Sales experts suggest that rather than focus on differences, firms should focus on the similarities. This is not to say that all salespeople should be the same, but rather, the focus should be on the sales tasks. Specifically, as companies seek to build long-term customer relationships, the basic qualities needed by the salesperson are the same whether they are selling in Orlando or Osaka, New York or New Delhi.

Empathy, communication, and the ability to be self-motivating are characteristics that salespeople need in today's selling environment, no matter where they work. In addition, the ability to understand, work with, and feel comfortable using technology is becoming a critical success factor in selling. Since salespeople are equipped with cell phones, and laptops, they need to be able to use the technology to maximize the customer relationship.

Focusing on the fundamental qualities needed to build a successful customer relationship rather than social and cultural differences enables companies to develop a more consistent pool of potential salespeople around the world. Coupled with effective ways of measuring the individual's abilities, this approach can give global sales managers a useful strategy in sales force recruitment.

All of the recruiting issues faced by sales managers are magnified as companies expand globally and seek to hire salespeople in new international markets. Cultural differences, language barriers, and legal restrictions create additional concerns about hiring the right people for the sales position. The key is for a company to have done its homework and research each new market before making the decision to enter it. For example, in many European countries it is much more difficult to terminate an employee than in the United States. This makes the hiring decision much more difficult. It is important for a company to understand the legal requirements of hiring new salespeople before hiring them. The Leadership box discusses the challenges of recruiting a global sales force.

People in nonsales departments within the firm, such as manufacturing, maintenance, engineering, or the office staff, sometimes have latent sales talent and are a common source of sales recruits. Past surveys suggest that more than half of U.S. industrial goods producers hire at least some of their salespeople from other internal departments.

Recruiting current company employees for the sales force has distinct advantages:

1. Company employees have established performance records, and they are more of a known quantity than outsiders.
2. Recruits from inside the firm should require less orientation and training because they are already familiar with the company's products, policies, and operations.

3. Recruiting from within can bolster company morale, as employees become aware that opportunities for advancement are available outside of their own departments or divisions.

To facilitate successful internal recruiting, the company's personnel department should always be kept abreast of sales staff needs. Because the personnel staff is familiar with the qualifications of all employees and continuously evaluates their performance, they are in the best position to identify people with the attributes necessary to fill available sales jobs.

Internal recruiting has some limitations. People in nonsales departments seldom have much previous selling experience. Also, internal recruiting can cause some animosity within the firm if supervisors of other departments think their best employees are being pirated by the sales force.

External Sources

Although it is often a good idea to start with internal sources when recruiting new salespeople, most of the time there will not be enough qualified internal candidates to meet the human resource needs of a firm's sales force. As a result, the vast majority of companies must expand the search to cover external sources.

Referral of People from Other Firms

In addition to being potential sales employees themselves, company personnel can provide management with leads to potential recruits from outside the firm. Current salespeople are in a good position to provide their superiors with leads to new recruits. They know the requirements of the job, they often have contacts with other salespeople who may be willing to change jobs, and they can do much to help "sell" an available job to potential recruits. Consequently, many sales managers make sure their salespeople are aware of the company's recruiting needs. Some companies offer bonuses as incentives for their salespeople to recruit new prospects. Such referrals from current employees must be handled tactfully so as not to cause hard feelings if the applicant is rejected later.

Customers can also be a source of sales recruits. Sometimes a customer's employees have the kinds of knowledge that make them attractive as prospective salespeople. For instance, department store employees can make good salespeople for the wholesalers or manufacturers that supply the store because they are familiar with the product and the procedures of store buyers. Cosmetics companies such as Estée Lauder and L'Oréal recruit from the ranks of department store personnel.

Customers with whom a firm has good relations may also provide leads concerning potential recruits who are working for other firms, particularly competitors.

Purchasing agents know what impresses them in a salesperson, they are familiar with the abilities of the sales reps who call on them, and they are sometimes aware when a sales rep is interested in changing jobs.

The question of whether a firm should recruit salespeople from its competitors, however, is controversial. Such people are knowledgeable about the industry from their experience. They also might be expected to “bring along” some of their current customers when they switch companies. This does not happen frequently, however, since customers are usually more loyal to a supplier than to the individual who represents that supplier.

On the other side of the argument, it is sometimes difficult to get salespeople who have worked for a competing firm to unlearn old practices and to conform to their new employer’s account management policies. Also, some managers think recruiting a competitor’s personnel is unethical. They believe it is unfair for firm B to recruit actively someone from firm A after A has spent the money to hire and train that person. Such people may be in a position to divulge A’s company secrets to B. Consequently, some firms refuse to recruit their competitor’s salespeople, although whether such policies are due to high ethical standards, the expense of retraining, or fear of possible retaliation is open to question.

Advertisements

A less selective means of attracting job applicants is to advertise the available position. When a technically qualified or experienced person is needed, an ad might be placed in an industry trade or technical journal. More common, advertisements are placed in the personnel or marketplace sections of local newspapers to attract applicants for relatively less demanding sales jobs that don’t require special qualifications. A well-written ad can be very effective for attracting applicants. As suggested, however, this is not necessarily a good thing. When a firm’s advertisements attract large numbers of applicants who are unqualified or only marginally interested, the firm must engage in costly screening to identify legitimate candidates.⁶ If a firm does use newspaper ads in recruiting, it must decide how much information about the job it should include in the ads. Many sales managers argue that *open ads*, which disclose the firm’s name, product to be sold, compensation, and specific job duties, generate a more select pool of high-quality applicants, lower selection costs, and decreased turnover rates than ads without such information. Open ads also avoid any ethical questions concerning possible deception.

However, for less attractive, high-turnover sales jobs—such as telemarketing selling—some sales managers prefer *blind ads*, which carry only minimal information, sometimes only a phone number. These maximize the number of applicants and give the manager an opportunity to explain the attractive features of the job in a personal meeting with the applicant.⁷

Employment Agencies

Employment agencies are sometimes used to find recruits, usually for more routine sales jobs such as retail sales. However, executive search firms such as Heidrick and Struggles specialize in finding applicants for more demanding sales jobs. Some sales managers have had unsatisfactory experiences with employment agencies. They charge that agencies are sometimes overzealous in attempting to earn their fees, and send applicants that do not meet the job qualifications. Others argue, however, that when a firm has problems with an employment agency, it is often the fault of the company for not understanding the agency's role and not providing sufficient information about the kinds of recruits it is seeking. When a firm carefully selects an agency with a good reputation, establishes a long-term relationship, and provides detailed descriptions of job qualifications, the agency can perform a valuable service. It locates and screens job applicants and reduces the amount of time and effort the company's sales managers must devote to recruiting.

In recent years, new online companies such as monster.com have taken the concept of the employment agency in a new direction. Increasingly, employment websites provide a valuable service, enabling employers to learn about potential candidates over the Internet. At the same time, individuals can learn about thousands of positions efficiently and effectively online.

Educational Institutions

College and university placement offices are a common source of recruits for firms that require salespeople with proven intellectual ability or technical backgrounds. Most educational institutions in fact allocate resources to "career management" departments that enhance the development of careers for their graduates. Educational institutions are a particularly effective source when the sales job is viewed as a first step toward a career in management. College graduates are often more socially poised than people of the same age without college training, and good grades provide evidence the person can think logically, budget time efficiently, and communicate reasonably well.

But younger college graduates seldom have much selling experience, and are likely to require more extensive orientation and training in selling fundamentals. Also, college-educated sales recruits have a reputation for "job hopping," unless the jobs are challenging and promotions are rapid. One insurance company, for instance, stopped recruiting college graduates when it found that such recruits did not stay with their jobs very long. Such early turnover is sometimes more the fault of the company than of the recruits. When recruiters paint an unrealistic picture of the job demands and rewards of the position to be filled, or when they recruit people who are overqualified for the job, high turnover is often the result.⁸

There is, however, a growing movement to professionalize the sales career, with a number of colleges and universities creating comprehensive sales programs, led by a group of schools in the University Sales Center Alliance. Currently there are more than a dozen schools offering a four-year degree in sales and many more that give students the opportunity to earn a certificate or minor in sales. These programs often require an internship to acquire real-world sales experience and provide valuable insight into various sales career options. Graduates of these programs are highly sought after by companies, as the time it takes for a graduate to become productive is reduced by 50 percent over other graduates. Moreover, they are 35 percent less likely to leave their employer. Although professional sales programs are valued by employers, universities are just now embracing them, primarily due to the outdated and incorrect belief that personal selling is not a true academic discipline.

Junior colleges and vocational schools are another source of sales recruits that has expanded rapidly in recent years. Many such schools have programs explicitly designed to prepare people for selling careers. Thus, companies do not have to contend with the negative attitudes toward selling they sometimes encounter in four-year college graduates. Junior colleges and vocational schools are particularly good sources of recruits for sales jobs that require reasonably well-developed mental and communications abilities, but where advanced technical knowledge or a four-year degree is not essential.

Internet

Increasingly, companies are seeking applications over the Internet. Indeed, as seen in Exhibit 9.3, companies such as Dell Corporation are posting jobs and requesting that candidates submit their applications over the Internet and appropriate action is taken. In many cases, younger candidates are as comfortable submitting Internet applications as they are filling them out on paper. In addition, by targeting the Internet application to specific job postings, the company can direct the information to the right people very efficiently. For example, Internet applications to Dell include a unique job reference so that the information can be sent to the right people at a specific geographic location.

While the use of the Internet to recruit salespeople is clearly increasing, the unique aspects of the sales position coupled with the need to meet and interview individuals in person make it a difficult tool for recruiting purposes. However, as a screening device it is effective since a large number of applications can be processed easily. Some companies, such as IBM, receive thousands of applications per day for positions throughout the company. By using the Internet, they can process these applications to the right people efficiently and effectively.

Increasingly one of the most useful recruiting tools for companies is social media, the Innovation box highlights the primary social tools used by business.

TECHNOLOGY Social Media as a Recruiting Tool



Social media is the new source for company recruiters looking to external sources for new employee. Social recruiting uses tools like LinkedIn, Facebook, and Twitter to position a company in front of the most qualified, talented, and largest pool of applicants. The challenge for the company is using the tools to find the right person for the job.

LinkedIn is a network of global professionals, each with their own personal network. In this forum, you can find, be introduced to, and collaborate with other professionals. The site includes multiple job boards and allows you to connect with individuals and companies. The typical way to use LinkedIn is to post available jobs and search for candidates. If the budget allows, you can also sign up for LinkedIn Talent Advantage, an exclusive suite of resources for recruiters. LinkedIn also allows for users to join groups that are relevant to their experience or field. In this manner, recruiters can build a network for connections that includes friends, family, employers, co-workers, clients, or local entrepreneurs. Connections are important since you never know when good talent will emerge. Even without posting a job, you can advertise via your network activity box to let everyone you are connected to know you are hiring.

Facebook provides a searchable directory that lists users and groups and offers three different tools for recruiters. One option is to post a job ad on Facebook Marketplace. This requires basic information such as location, job category, subcategory, title, why you need to fill this position, description and if you want to post an image with the job posting. One downside to this is that you can't target it to a specific group of people. Facebook pages are also free and can be used to share your business and products with users. Sometimes these business pages are used as recruiting tools directed at people who are already passionate about your company. The third option is the Facebook Ad that allows you to choose the exact audience that you are looking to target. You'll have to answer a series of questions about the job description and people characteristics and then Facebook tells you how many people fit that criterion. There is a fee either per click or impression.

Twitter is a micro blogging site that allows recruiters to advertise jobs fewer than 140 characters. If the company doesn't have a large network of followers, you can use the search function to search for people you know, by location, by industry or interest and by popularity etc. The company's Twitter account is also an opportunity to inform potential hires. Tweets say a lot about the company and how it communicates.

SELECTION PROCEDURES

After the qualifications necessary to fill a job have been determined and some applicants have been recruited, the final task is to determine which applicants best meet the qualifications and have the greatest aptitude for the job. To gain the information needed to evaluate each prospective employee, firms typically use some combination of the following **selection tools and procedures**.⁹

1. Application blanks
2. Personal interviews
3. Reference checks
4. Physical examinations
5. Psychological tests
 - a. Intelligence
 - b. Personality
 - c. Aptitude/skills

Past research studies suggest that, on average across all occupations, composites of psychological test scores have the greatest predictive validity for evaluating a potential employee's future job performance, whereas evaluations based on personal interviews have the lowest. In other words, test scores have the highest correlations with candidates' subsequent performance on the job and account for about 28 percent of the variance in subsequent performance across new hires. Ratings based on personal interviews, on the other hand, account for only about 2 percent of variance in subsequent performance.¹⁰ Given the ability of psychological tests to do a better job of predicting sales performance, it is surprising that firms actually use personal interviews much more frequently. A survey of selection procedures followed by 121 industrial firms suggests personal interviews are almost universally employed, while psychological tests are the least-used selection tool, although their use is increasing again. However, large firms are somewhat more thorough in their use of psychological tests—and the development of detailed job descriptions—than smaller firms.

Application Blanks

Although professional salespeople often have résumés to submit to prospective employers, many personnel experts believe a standard company application form makes it easier to assess applicants. A well-designed application blank helps ensure that the same information is obtained in the same form from all candidates.

The primary purpose of the application form is to collect basic information about the recruit's personal history. Forms typically ask for facts about the candidate's physical condition, education, business experience, military service, and outside interests/activities and can be used to screen for basic qualifications such as educational experience.

A second function of the application form is to help managers prepare for personal interviews with job candidates. Often a recruit's responses to items on the application raise questions that should be explored during an interview. If the application shows that a person has held several jobs within the past few years, for example, the interviewer should attempt to find out the reasons for these changes. Perhaps the interviewer can determine whether the applicant is a "job hopper" who is unlikely to stay with the company very long. Indeed, a study conducted at one pharmaceutical firm found that common application information—such as candidates' tenure in their previous jobs and their amount of sales experience—was able to distinguish salespeople more likely to stay with the hiring company over time from those who were more likely to quit.¹¹

Personal Interviews

In addition to probing into the applicant's history, personal interviews enable managers to gain insight into the applicant's mental abilities and personality. An interview provides a manager with the opportunity to assess a candidate's com-

munication skills, intelligence, sociability, aggressiveness, empathy, ambition, and other traits related to the qualifications necessary for the job. Different managers use many different interviewing approaches to accomplish these objectives. These methods of conducting personal interviews, however, can all be classified as either structured or unstructured.

In **structured interviews**, each applicant is asked the same predetermined questions. This approach is particularly good when the interviewer is inexperienced at evaluating candidates. The standard questions help guide the interview and ensure that all factors relevant to the candidate's qualifications are covered. Also, asking the same questions of all candidates makes it easier to compare their strengths and weaknesses. To facilitate such comparisons, many firms use a standard interview evaluation form on which interviewers rate each applicant's response to each question together with their overall impressions of the candidate.

One potential weakness of structured interviews is that the interviewer may rigidly stick to the prepared questions and fail to identify or probe the unique qualities of each candidate. In practice, though, structured interviews are often not as inflexible as the criticism implies. As a manager gains interviewing experience, he or she often learns to ask additional questions when an applicant's response is inadequate without disturbing the flow of the interview.¹²

At the other end of interviewing techniques is the **unstructured interview**. Such interviews seek to get the applicant talking freely on a variety of subjects. The interviewer asks only a few questions to direct the conversation to topics of interest, such as the applicant's work experiences, career objectives, and outside activities. The rationale for this approach is that significant insight into the applicant's character and motivations can be gained by allowing the applicant to talk freely with a minimum of direction. Also, the interviewer is free to spend more time on topics where the applicant's responses are interesting or unusual.

Successful, unstructured interviewing requires interviewers with experience and interpretive skills. Because there is no predetermined set of questions, there is always a danger that the interviewer will neglect some relevant topics. It is also more difficult to compare the responses of two or more applicants. Consequently, since most firms' sales managers have relatively little experience as interviewers, structured interviews are much more common in selecting new salespeople than unstructured approaches.

Within the interview itself, particularly those that are relatively unstructured, some sales managers use additional techniques to learn as much as possible about the applicant's character and aptitude. One such technique is the stress interview. The interviewer puts the applicant under stress in one of many ways, ranging from silence to constant, aggressive probing and questioning. The rationale for this technique is that the interviewer may learn how the applicant will respond to the stress encountered in selling situations.

Another approach is for the interviewer to ask the applicant to sell something. "Hand the prospect a stapler, a laptop computer, or any other object that's handy and ask him to 'sell' it. . . . A pro should be able to sell anything," says one

sales manager. "The one thing he's got to do is to ask for the order. Seven of ten fail to do so."¹³

Techniques like these can be useful to assess a candidate's character and selling skills, but they should be used as only one part of the interview. Sometimes sales managers become so obsessed with finding the "one best way" to assess candidates that they allow interviewing gimmicks to get in the way of real communication. After all, another purpose of job interviews is to provide candidates with information about the job and company so they will be interested in taking the job. One real danger with gimmicky interviewing techniques is that the applicant will be turned off and lose interest in working for the firm. Regardless of the interviewing technique more managers rely on interviews to evaluate sales candidates than any other selection tool. Yet as we saw earlier, there is some evidence that evaluations based on personal interviews are among the least-valid predictors of job performance.

If an applicant makes it past the face-to-face interviews, a reference check is often the next step. Some sales managers question the value of references because "they always say nice things." However, with a little resourcefulness, reference checks can be a valuable selection tool.

Checking references can ensure the accuracy of factual data about the applicant. It is naive to assume that everything a candidate has written on a résumé or application form is true. Facts about previous job experiences and college degrees should be checked. As we have seen, individuals do not always tell the truth on their résumés (before becoming vice president, Joe Biden was caught providing false information on his résumé).

The discovery of false data on a candidate's application raises a question about basic honesty as well as about what the candidate is trying to hide. References can supply additional information and opinions about a prospect's aptitude and past job performance. Calling a number of references and probing them in depth can be time-consuming and costly, but it can also produce worthwhile information and protect against making expensive hiring mistakes.¹⁴

Physical Examinations

One typically does not think of selling as physically demanding, yet sales jobs often require a great deal of stamina and the physical ability to withstand lots of stress. Consequently, even though physical examinations are relatively expensive compared with other selection tools, many sales managers see them as valuable aids for evaluating candidates.

However, managers should be very cautious in requiring medical examinations, including specific tests for such things as drug use or the HIV virus, for prospective employees. Under the Americans with Disabilities Act (discussed in more detail later in this chapter), it is no longer advisable to use a standard physical examination for all positions. If used, the physical exam should focus only on attributes directly related to the requirements of the job to be filled. For example, in many sales positions, conditions such as diabetes or epilepsy would have little or no impact on

the candidate's ability to perform. Therefore, questions concerning such conditions should be avoided, and any information collected for emergency situations should be kept confidential. Under the law's guidelines, a physical examination should be performed only after a job offer has been extended. And the job offer cannot be made conditional on the results of the physical exam unless all new hires for a position are subjected to the same physical exam and the results of those exams are treated as confidential medical records.¹⁵

Tests

A final set of selection tools used by many firms consists of tests aimed at measuring an applicant's mental abilities and personality traits. The most commonly used tests can be grouped into three types: (1) intelligence, (2) aptitude, and (3) personality tests. Within each category exist a variety of different tests used by different companies. The Innovation box highlights how psychometric testing can be used in the sales hiring process.

INNOVATION Psychometric Testing in the Sales Hiring Process



Research suggests that newly hired sales professionals do not possess job specific traits one third of the time even though they successfully complete the job interview process and initial training. As a result companies look for options to help improve the recruiting process. One solution is to test candidates using a psychometric instrument that is directly connected to a specific job profile and must be integrated into a strategic approach for recruitment and selection. When executed properly the test can be an objective decision making tool that is tied directly to a specific hiring decision. The goal is to determine a candidate's fitness for a particular role.

While companies generally contract out testing to full-service sales training providers, it is important that the hiring manager first identify the specific traits needed for success. Traits are specific, innate capabilities possessed by a candidate to one degree or another. So the question becomes not whether or not the candidate can fulfill a job profile (or description) but whether he or she can execute the specific company strategies. As a result, the psychometric test measures the traits identified in the job profile that reflect the company's defined strategy to serve customers, win market share, or outperform the competition.

Recruiting professionals believe in the old adage—hire slowly, fire quickly. Companies often learn the hard way that it is good strategy to spend the money up front on the hiring process to avoid spending additional resources in the long run to train a person who lacks the necessary traits for the role.

Intelligence Tests

Intelligence tests are useful for determining whether an applicant has sufficient mental ability to perform a job successfully. Sales managers tend to believe these are the most useful of all the tests commonly used in selecting salespeople. General intelligence tests are designed to measure an applicant's overall mental abilities by examining how well the applicant comprehends, reasons, and learns. The Wonderlic Personnel Test is one common general intelligence test. It is popular because it is short; it consists of 50 items and requires only about 12 minutes to complete. The

WPT can be administered using paper, a computer, or over the Internet. Finally, it is available in more than 15 languages, including Chinese and Russian.

When the job to be filled requires special competence in one or a few areas of mental ability, a specialized intelligence test might be used to evaluate candidates. Tests are available for measuring such things as speed of learning, number facility, memory, logical reasoning, and verbal ability.

Aptitude Tests

Aptitude tests are designed to determine whether an applicant has an interest in, or the ability to perform, certain tasks and activities. For example, the Strong Interest Inventory asks respondents to indicate whether they like or dislike a variety of situations and activities. This can determine whether applicants' interests are similar to those of people who are successful in a variety of different occupations, including selling. Other tests measure skills or abilities, such as mechanical or mathematical aptitude, that might be related to success in particular selling jobs.

One problem with at least some aptitude tests is that instead of measuring a person's innate abilities, they measure current level of skill at certain tasks. At least some skills necessary for successful selling can be taught, or improved, through a well-designed training program. Therefore, rejecting applicants because they currently do not have the necessary skills can mean losing people who could be trained to be successful salespeople.

Personality Tests

Many general personality tests evaluate an individual on numerous traits. For example, the Edwards Personal Preference Schedule—offered by many testing organizations—measures 24 traits such as sociability, aggressiveness, and independence. Such tests, however, contain many questions, require substantial time to complete, and gather information about some traits that may be irrelevant for evaluating future salespeople. Consequently, more limited personality tests have been developed in recent years that concentrate on only a few traits thought to be directly relevant to a person's future success in sales.¹⁶ These are often designed and administered by individual testing services. For example, Walden Testing has a specific test to assess an individual's selling skills.

Concerns about the Use of Tests

During the 1950s and early 1960s, tests—particularly general intelligence and sales aptitude tests—were widely used as selection tools for evaluating potential salespeople. However, due to a number of legal concerns and restrictions posed by civil rights legislation and equal opportunity hiring practices, companies had cut back the use of these tests until recently. Now, current evidence suggests that properly

designed and administered tests are valid selection tools, which has spurred an increase in their popularity, although they are somewhat more widely used in large firms than in smaller ones.¹⁷

Despite the empirical evidence, however, managers continue to be leery of tests, and many firms do not use them as part of their evaluation of sales recruits. There are a number of reasons for these negative attitudes.

For one thing, despite the evidence that tests have relatively high predictive validity on average, some managers continue to doubt that tests are valid for predicting the future success of salespeople in their specific firm. As discussed in Chapter 8, no personality traits have been found to positively affect performance across a variety of selling jobs in different firms. Thus, specific tests that measure such abilities and traits may be valid for selecting salespeople for some jobs but invalid for others. Also, tests for measuring specific abilities and characteristics of applicants do not always produce consistent scores. Some commercially available tests have not been developed using established scientific measurement procedures; as a result, their reliability and validity are questionable. Even when a firm believes a particular trait, such as empathy or sociability, is related to job performance, there is still a question about which test should be used to measure that trait.

A related concern, particularly in the case of personality tests, is that some creative and talented people may be rejected simply because their personalities do not conform to test norms. Many sales jobs require creative people, particularly when those people are being groomed for future management responsibilities. Yet these people seldom fit an average personality profile because the “average” person is not particularly creative.

Another concern about testing involves the possible reactions of the people who are tested. A reasonably intelligent, “test-wise” person can “fudge” the results of many tests by selecting answers he or she thinks management will want. These answers may not accurately reflect that person’s feelings or behavior. Also, many prospective employees view extensive testing as a burden and perhaps an invasion of privacy. Therefore, some managers fear that requiring a large battery of tests may turn off a candidate and reduce the likelihood of accepting a job with the firm.

Finally, a given test may discriminate between people of different races or sexes, and the use of such tests is illegal. Consequently, some firms have abandoned the use of tests rather than risk a legal challenge.

Guidelines for the Appropriate Use of Tests

To avoid, or at least minimize, the preceding testing problems, managers should keep the following guidelines in mind:

1. Test scores should be considered as a single input in the selection decision. Managers should not rely on them to do the work of other parts of the selection

process, such as interviewing and checking references. Candidates should not be eliminated solely on the basis of test scores. The best approach is to incorporate information from multiple sources (such as a test, interview, and selection process). The different types of data increase confidence by using multiple sources to corroborate the decision. Chally's "How to Select a Sales Force that Sells" (2005) provides a lot of guidance on how information from a written test, interview, and reference check can be integrated to select a salesperson.

2. Applicants should be tested on only those abilities and traits that management, on the basis of a thorough job analysis, has determined to be relevant for the specific job. Broad tests that evaluate a large number of traits not relevant to a specific job are probably inappropriate.
3. When possible, tests with built-in internal consistency checks should be used. Then the person who analyzes the test results can determine whether the applicant responded honestly or was faking some answers. Many recently designed tests ask similar questions with slightly different wording several times throughout the test. If respondents are answering honestly, they should always give the same response to similar questions.
4. A firm should conduct empirical studies to ensure the tests are valid for predicting an applicant's future performance in the job. This kind of hard evidence of test validity is particularly important in view of the government's equal employment opportunity requirements. Often this requires hiring an expert consultant in employment testing such as an industrial-organizational psychologist or using a testing firm that has such expertise on staff.
5. It is important to include both high and low performers in a validation study. Simply benchmarking and identifying top employees will not identify the traits and skills that differentiate good from poor performers.

EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS IN SELECTING SALESPeOPLE

The number of federal lawsuits alleging workplace discrimination is large and growing.¹⁸ The primary basis for these suits is Title VII of the 1964 Civil Rights Act, which forbids discrimination in employment on the basis of race, sex, religion, color, or national origin. A number of federal laws have extended this protection against job discrimination to include such factors as age and physical and mental disabilities, as summarized in Exhibit 9.5. Consequently, extreme care should be taken to ensure the selection tools a firm uses in hiring salespeople—especially its interviewing and testing procedures—are not biased against any subgroup of the labor force. Exhibit 9.6 offers guidelines concerning the kinds of illegal or sensitive questions managers should avoid when conducting employment interviews or designing application forms.

Requirements for Tests

Section 703(h) of the 1964 Civil Rights Act approves the use of “professionally developed ability tests,” provided such tests are not “designed, intended, or used to discriminate because of race, color, religion, sex, or national origin.” Suppose, however, an employer innocently uses a test that does discriminate by having a larger proportion of men than women, or a larger percentage of whites than blacks, receive passing scores. Has the employer violated the law? Not necessarily.

In such cases, the employer must prove the test scores are valid predictors of successful performance on the job in question. In other words, it is legal for a firm to hire more men than women for a job if it can be proven that men possess more of some trait or ability that will enable them to do the job better. This requires that the employer have empirical evidence showing a significant relationship between scores on the test and actual job performance. The procedures a firm might use to produce this kind of evidence were described earlier in this chapter when discussing how to determine whether particular job qualifications are valid.¹⁹

Requirements for Interviews and Application Blanks

Because it is illegal to discriminate in hiring on the basis of race, sex, religion, age, and national origin, there is no reason for a firm to ask for such information on its job application forms or during personal interviews. It is wise to avoid all questions in any way related to such factors. Then there will be no question in the applicant’s mind about whether the hiring decision was biased or unfair. This is easier said than done, however, because some seemingly innocent questions can be viewed as attempts to gain information that might be used to discriminate against a candidate.

Legislative Act

Civil Rights Act of 1866

Civil Rights Act of 1964 (Title VII)

Age Discrimination in Employment Act (1967)

Fair Employment Opportunity Act (1972)

Rehabilitation Act of 1973

Vietnam Era Veterans Re adjustment Act (1974)

Americans with Disabilities Act (1990)

Purpose

Gives blacks the same rights as whites and has since been extended by the courts to include all ethnic groups.

Prohibits discrimination in employment based on race, color, religion, national origin, or sex.

Prohibits discrimination against people ages 40 to 70.

Founded the Equal Employment Opportunity Commission to ensure compliance with the Civil Rights Act.

Requires affirmative action to hire and promote handicapped persons if the firm employs 50 or more workers and is seeking a federal contract in excess of \$50,000.

Requires affirmative action to hire Vietnam veterans and disabled veterans of any war by firms holding federal contracts in excess of \$10,000.

Prohibits discrimination based on handicaps or disabilities—either physical or mental. Applied to all employers with 25 or more employees beginning July 26, 1992, and extended to employers with 15 or more workers on July 26, 1994.

EXHIBIT 9.5

Legislation affecting recruitment and selection

EXHIBIT 9.6
Illegal or sensitive questions that should be eliminated from employment applications and interviews

Category	Illegal or Sensitive Topics
Nationality or race	It is not permissible to make comments or ask questions related to the race, color, national origin, or descent of an applicant (or even his or her spouse). An applicant should not be asked to provide a photograph. An applicant can be asked to demonstrate proficiency in another language if that is a requirement of the job, but he or she cannot be asked if that is his or her native language. An applicant may be asked if he or she is a U.S. citizen but not whether he or she is a native or naturalized citizen. It is permissible to ask if the individual has the legal right to remain and work in the United States.
Religion	It is not permissible to ask about an individual's religious beliefs. In addition, do not ask whether the company's schedule would interfere with the individual's religion.
Sex and marital status	An applicant's gender should not be a part of the hiring discussion, unless it is directly related to the job itself. In addition, questions about the spouse (for example, spouse's employment status) are not permitted. Finally, no questions regarding family size (currently or planned in the future) are permitted.
Age	It is permitted to ask if the individual is a minor or over the age of 70; however, the applicant should not be asked specific questions about his or her age or date of birth.
Physical characteristics, disabilities, health problems	Avoid all questions related to an individual's personal health situation. However, once a description of the job has been provided, the applicant may be asked whether or not he or she has any physical or mental condition that would limit his or her ability to perform the job.
Height and weight	It is important to be sensitive to questions about height and weight because, while they are not illegal, they could provide the basis for discrimination on certain demographic and or ethnic groups (women, Asians, and others). Financial situation (bankruptcy) Questions about an individual's financial situation should be avoided as it is illegal to deny employment to someone solely on the basis of whether or not he or she has filed for bankruptcy.
Arrests and convictions	It is illegal to ask about prior arrests; however, it is permissible to ask about convictions provided the employer provides a statement about how the information will be used in the selection process.

SUMMARY

This chapter reviewed the issues that surround the recruitment and selection of new salespeople. The issues discussed ranged from who is responsible for these tasks to the impact of federal legislation barring job discrimination on selection procedures.

Two factors are primary in determining who has the responsibility for recruiting and selecting salespeople: (1) the size of the sales force and (2) the kind of selling involved. In general, the smaller the sales force, the more sophisticated the selling task; and the more the sales force is used as a training ground for marketing and sales managers, the more likely it is that higher-level people, including the sales manager, will be directly involved in

the recruitment and selection effort. To ensure that recruits have the aptitude for the job, it is useful to look at the recruitment and selection procedures as a three-step process. The steps are (1) a job analysis and description, (2) the recruitment of a pool of applicants, and (3) the selection of the best applicants from the available pool.

The job analysis and description phase includes a detailed examination of the job to determine what activities, tasks, responsibilities, and environmental influences are involved. This analysis may be conducted by someone in the sales management ranks or by a job analysis specialist. Regardless of who does it, it is important for that person to prepare a job description that details the findings of the job analysis. Finally, the job description is used to develop a statement of job qualifications, which lists and describes the personal traits and abilities a person should have to perform the tasks and responsibilities involved.

The pool of recruits from which the firm finally selects can be generated from a number of sources, including (1) people within the company, (2) people in other firms, (3) educational institutions, (4) advertisements, and (5) employment agencies. Each source has its own advantages and disadvantages. Some, such as advertisements, typically produce a large pool. The key question the sales manager needs to address is which source or combination of sources is likely to produce the largest pool of good, qualified recruits.

Once the qualifications necessary to fill a job have been determined and applicants have been recruited, the final task is to determine which applicant best meets the qualifications and has the greatest aptitude for the job. To make this determination, firms often use most, and in some cases all, of the following tools and procedures: (1) application blanks, (2) face-to-face interviews, (3) reference checks, (4) physical examinations, and (5) intelligence, aptitude, and personality tests. Although most employers find the interview and then the application blank most helpful, each device seems to perform some functions better than the other alternatives. This may explain why most firms use a combination of selection tools.

Title VII of the 1964 Civil Rights Act forbids discrimination in employment on the basis of race, sex, color, religion, or national origin. A firm must be careful, therefore, about how it uses tests, how it structures its application form, and the questions it asks during personal interviews so as not to be charged with noncompliance with the act. A firm that uses tests, for example, must be able to demonstrate empirically that the attributes measured are related to the salesperson's performance on the job.

KEY TERMS

job description	selection tools and	unstructured interview
internal sources	procedures	
external sources	structured interview	

BREAKOUT QUESTIONS

1. The sales manager for one of the nation's largest producers of consumer goods has identified eight factors that appear to be positively related to effective performance. The manager of human resources, who is concerned about high turnover rates