

**CHAPTER: 5 – Profiling Recruiting Salespeople**

**Issue of HRM in General:**

HRM Related to **Organizing**: allocating resources. (Human Resources)

**HRM Stages:**

1. **Attracting Quality Workforce** (Ex, Attracting Salespeople Representatives)
2. **Developing Quality Workforce** (Ex, Training Salespeople Reps.)
3. **Retaining Quality Workforce** (Ex, How to retain Salespeople Reps within the organization)

**Quality Input → Quality Process → Quality Output**

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- **Attracting : Recruiting : Selecting** : The process of searching for quality salespeople inside and outside the organization.

**How can we view HRM as a strategic issue?**

**A:** By linking it with the business strategy. By linking it to the Mission, the Vision, and the Value system of the Organization.

**Current Strategy → Organization Future**

The secret behind success or failure in an organization is **HRM**.

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**Job Analysis:**

1. Job Description →
2. Job Specification (Qualification) → SELECTION

*Selection is a prediction process.*

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## **MKT 330 – Class 10 – Monday, October 25 2010**

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**Salespeople** are important because they are the link between the customer and the organization.

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**1- Strategic Issue:**

- Business Strategy
- Future

**2- Job Analysis:**

- Job Description
- Job Specification (Qualification)

**3- Recruitment:**

- Outside
- Inside (Promotion within the organization)

4- **Selection** (Prediction process based on the above)

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**Usually:**

**Non-Routine Jobs (Challenging Jobs):** Demand > Supply

**Routine Jobs (Regular Jobs):** Supply > Demand

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<Answer Case Questions>

H.W.:

Chapter 5: Case 5-2 ; Page 156-158

(Read Case and Answer questions by the end of the case)

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*Look At Page 154: Sample Case Exhibit 5-B.*

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**Plan → Recruit ⇒ Select → Hire** ⇒ Assimilate new people into Sales Force.

**Plan:** Determine how many people you want, conduct job analysis, prepare job description, and determine hiring qualifications.

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**Face 2 Face Communications are the best way to Communicate.**

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**Task:** Make an interview with your partner, and be interviewed as well.

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## MKT 330 – Class 13 – Saturday, November 06 2010

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For years, psychologists turned to cognitive ability, brainpower, as a predictor of job performance. Smarter people were considered more likely to succeed on the job. But intelligence is only part of the story.

Other important factors in job performance - creativity, leadership, integrity, attendance and cooperation - are related to personality, not intelligence.

When psychologists are trying to determine what kind of personality someone has, they look at the "Big Five": whether someone is an extravert; whether they are agreeable; whether they are conscientious; whether they're emotionally stable; and whether they're open to experience.

Beyond that, though, psychologists disagree.

One research camp argues that conscientiousness - being responsible, dependable, organized and persistent - is generic to success.

But using conscientiousness as a standard of job performance won't work for all jobs. For some jobs, particularly creative ones, conscientiousness may be a liability, rather than an asset. Some research shows that while conscientiousness predicts performance in realistic and conventional jobs, it impedes success in investigative, artistic, and social jobs that require innovation, creativity, and spontaneity.

Interpersonal skills are another predictor of job performance. As the workplace moves toward teamwork and service-oriented jobs, evaluating interpersonal skills becomes increasingly important.

Psychologists say that what they call 'contextual performance' also leads to good job performance. Contextual performance means doing things beyond the simple job performance, such as volunteering, putting in extra effort, cooperating, following rules and procedures, and endorsing the goals of the organization.

If you're looking to see if you'll do well at a job, you need to see if you have the personality that fits the job, not just the smarts to do the job.

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**Reject error:** Rejecting who should have been accepted.

**Accept error:** Accepting who should have been rejected.

**Correct Decision:** Accept who deserves to be accepted and reject who deserves to be rejected.

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**Sources for Recruiting Sales Representatives:**

**Referrals:**

- From own employees: know what type of people we want
- From someone at another company: know what we do and may know who is best for us
- Recruiting Agencies

**Disadvantages:** You may not get enough referrals (**offer incentives for employees to refer**)

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**Current Employees:** Take people from other departments from within the company to work as a sales representative. (The employee from an another department may have more know how; coming for production department for example)

**Advantage:** Boosting Morals (**Treated as A promotion**)

Also, it's less costly than referrals.

(Try setting a cross-functional company where employees have shift in tasks)

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- 1. Name one Ultimate goal for the training of Sales People**
  - 2. Many people think that training is a waste of time. Do you agree?**
  - 3. When you train people, in general, should you focus on their strengths or weaknesses?**
  - 4. They say that "training for sales must be strategy based or objective based" what does that mean?**
  - 5. Who should be trained? New hires or experienced sales people?**
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**Chapter 7:**

**Developing and Conducting a Sales Training Program:**

- 1- Training Assessment
  - 2- Program Design
  - 3- Reinforcement
  - 4- Evaluation
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**Intrinsic Motivation:** is a motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on any external pressure

**Extrinsic Motivation:** comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. Competition is in general extrinsic because it encourages the performer to win and beat others, not to enjoy the intrinsic rewards of the activity. A crowd cheering on the individual and trophies are also extrinsic incentives.

**Learning vs. Training**

**Learning Organization Principles:**

- 1- System Thinking
  - 2- Personal Mastery
  - 3- Mental Models
  - 4- Shared Vision
  - 5- Team Learning
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**What is the Value of Sales Training?**

- Gain Know-How Skills- Product Knowledge
- Knowledge Management and Learning Organization
- Broad Knowledge and Specific Knowledge
- Product Knowledge
- Customer Knowledge and Customer Relationship
- Selling Skills and Selling Techniques
- Training needs stems from the trainee
- Sales productivity and effectiveness

**Very Organized Information...? Guess Not...**

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**Value of Sales Training:**

- 1- Many companies design training programs without thoroughly assessing training needs.
  - 2- The customer is absent and ignored, South West Airlines engage their frequent flyers with major stages of the HR process. You know why?
  - 3- Fade Out and no-reinforcement. Sooner or Later knowledge dissipates.
  - 4- Selecting the wrong people or selecting the wrong program. Quality might be the problem for the sales rep. Training will be a waste of time and money.
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**360-Degree Feedback:** It's a multiscore assessment analysis is a feedback in which you gather information from 4 sources of information. It is believed that when you divide the circle into four quarters, 90 degree of feedbacks will be provided by other employees in your firm, the other 90 will be coming from customers and suppliers, the 3<sup>rd</sup> 90 from managers, and the 4<sup>th</sup> last feedback from your own self.

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**Two Basic Attitudes toward Training Employees:**

**1) Train Immediately because...**

- No rep should be placed in the field until he or she is fully trained
- Cannot risk exposing customers to poorly trained reps.

**2) Delay Training Because...**

- Much easier to train people who have some field experience
  - Weak salespeople are eliminated before company spends money on training them.
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**Learning** is not a one time shot or a quick fix. It's a continuing process. Specifically for sales people because they don't interact with physical or technical things, rather, they interact with humans. People are so complex and variable that they need someone with high levels of competency, skill, knowledge, courtesy, responsiveness, resilience and above all passion to learn and develop. Learning is an endless journey. So when? It is all the time?

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**How do we learn?**

- 1- By Reading
- 2- By Doing and experimenting: failure and mistakes
- 3- By thinking and reflection: deep reflection and ones own evaluation (hold yourself accountable)
- 4- By dialogue and debate
- 5- By listening
- 6- By Teaching
- 7- By Observing

Principle oriented sales people? Happy Salespeople can make customers happy.

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**Decentralized Training Forms:**

- 1- Field Sales office instructions
  - 2- Use of senior people.
  - 3- On the job training.
  - 4- Sales seminars.
  - 5- Self Guided assignments
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**Centralized Training Forms:**

Using schools or company training centers to train people.

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- 1- Task Related: Knowledge, Skill, Abilities. (KSA)
  - 2- Growth Related KSA's: including adaptive and coping skills, goal setting, awareness and attitude building and training in general.
  - 3- Meta KSA: a continuous process of building the KSA's. Self life long learning.
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- 1- Product Knowledge and application – easy via sales rep notebook computers.
  - 2- Knowledge of competitive products.
  - 3- Knowledge of customers- build that knowledge and gain it.....
  - 4- .....
  - 5- .....
  - 6- .....
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- 1- Knowledge of the legal and ethical constraints on selling.
  - 2- Selling Skills
  - 3- Relationship-building skills- require building trust, candor, and honesty.
  - 4- Team selling skills- team learning and learning how to work with a team and make the most of team work.
  - 5- Territory / Time management skills.
  - 6- Computer based selling skills.
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**Urgent and important / Urgent and not important**

Not urgent and important / Not urgent and not important

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## **MKT 330 – Class 19 – Monday, December 15 2010**

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- 1- **Attitude toward selling and toward training** – check figure 7-4. Amplifying and signifying the importance of sales job is very important step in motivating sales people for training.
  - 2- **Emotional intelligence or social intelligence:** Deep awareness of your emotions and feelings and those of others while adjusting your behavior accordingly. This enables you to put yourself in the position of your customers.
  - 3- **Adaptability training:** Being also responsive and reflexive.
  - 4- **Creativity:** Finding creative solutions.
  - 5- **Coping Training:** Resilience and Ability to handle difficult situations. Some customers are very difficult to handle.
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### **META KSA's:**

- 1- Self Management Training
  - 2- Learning Orientation.
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### **Teaching Methods:**

- 1- Lectures
  - 2- Discussions
  - 3- Demonstrations: An appliance co. divides its new sales people into small groups to live for months in a house that is full with appliances, where they learn by using these appliances in their daily lives.
  - 4- Role Playing and Critiques
  - 5- CDs and DVDs, MP3, iPods, and other electronic tools.
  - 6- Web-Based Training
  - 7- On the job Training, and Mentoring.
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**Managers should ask the following Questions:**

**Select the most important ones from the list below:**

- Is your training aligned with your company's strategic goals?
  - Does top management support your training?
  - Does it reflect the needs of your customers?
  - Is it immediately relevant to your business?
  - Are the salespeople empowered to leverage what they learn?
  - Is the training reinforced?
  - Are the results of the training measurable?
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Training outcomes must be measured against the objectives for which the training was designed. Outcomes fall into one of the following four categories:

- 1- **Reactions** via trainees' comments and feedback.
  - 2- **Learning Outcomes:** information gained using before and after test of information.
  - 3- **Behavior and action direct observation** by the boss or the customer.
  - 4- **Results:** including improved performance through increased sales, profit, better customers retention, and number of new accounts.
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Xerox found that most of its salespeople retained only 13% of the information learned in training after 30 days unless it was reinforced.

There are many ways to reinforce, for example, a coach who may reinforce it during actual calls.

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**End of Chapter 7**

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CHAPTER 8 is not included

## **Chapter: 9 – Sales Force Compensation**

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- Compensation Plan is not an ad hoc process.
- This means that everything must be strategic and objective.
- For Example, when your company is planning to enter a new geographic market to increase market share, which compensation method would you adopt?

Using commission is probably better than straight salary

- Product life cycle is also an example.
- A Sales compensation plan should change to reflect the company's evolution in its business environment.

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- The compensation plan should match the culture of the company.
  - New strategy is to build a long term relationship with your customer and create life time customers. So sales people will be rewarded and compensated for building such relationships with customers, keeping customers, and increasing their value. We saw here two variables: Strategy and Reward or compensation.
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### **Objectives of Sales Force Compensation Plan:**

- Treat customers properly
  - Attract and keep good people
  - Efforts + Results = Reward
  - Motivate the salesperson
  - Economical yet competitive
  - Flexible and Stable
  - Simple
  - Fair and Choice
  - Security and Incentive
  - Motivate the salesperson
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### **Designing a sales compensation plan:**

So it's a "design" task.

Some useful considerations:

- There are inherent conflicts in the objectives of most compensation plans. You cannot satisfy all.
- No single plan fits all situations.
- Management should pay its sales force at a level competitive with salespeople in other firms.
- Sales people may provide input – (just input...?)

### **2- Identify specific objectives and what controls sales success?**

- Price
- Quality and Brand Equity.
- Competition
- Customer
- Promotion and Distribution
- Sales Reps (Creativity and selling capabilities)

The point here is that a firm should try to base most of each salesperson's compensation on factors over which the rep has a maximum control.

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### **3- Establish the level of compensation**

Read book more...

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**Indirect Monetary Compensation:**

1- Nonfinancial compensation in the form of honors, recognition, a pat on the back and opportunities for promotion.

Most traditional managers refrain from doing that!

2- Indirect Monetary Benefit like fringe benefits or just benefits. Paid Holidays.

Flexible Benefit:

- Profit Sharing and Stock Purchase Plans.
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**External Readings about Leadership – Evolution**

- Traits Theory or the great man theory
  - Behavioral Theories
  - X and Y theory
  - Contingency Theory of Leadership
  - Transformational and Transactional leadership
  - Visionary leadership
  - Level Five Leadership
  - Servant Leadership
  - Authentic Leadership
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**Leadership Effectiveness:**

Personal Characteristic + Managerial Skills → Leadership Style (Transactional or Transformational) → Leadership Effectiveness

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**Leadership Characteristics and Skills:**

**Personal Characteristics:**

- Self-Confidence
- Initiative
- Energy
- Creativity
- Maturity

**Managerial Skills:**

- Problem-Solving Skills
  - Interpersonal Skills
  - Communication Skills
  - Persuasive Skills
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## Two Leadership Styles:

### ➡ **Transactional Leadership**

- Those supervisory activities regarding the day-to-day operation and control of the sales force.
- Clarifying Rules
- Providing Verbal Feedback

### ➡ **Transformational Leadership**

- Transforms the basic values, beliefs, and attitudes of followers such that they are willing to perform at levels above and beyond expectations.
  - Articulating a Vision
  - Fostering group goals
  - Role Modeling
  - Providing Individualized Support
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