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The Ultimate Guide to Hiring Effective Sales People

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Introduction

Sales people are the lifeblood of your organisation. They're responsible for driving top-line revenue; they're the face of your brand with prospects; and your company's first impression with pretty much every customer you have.

If you're a sales manager you know the pressure to bring in top talent and how tough it is to hire good sales people. Cost estimates for a bad sales hire can run into the millions. Even taking a more conservative approach, a 2012 report by the DePaul University Centre for Sales Leadership put the average cost to hire, train and replace a sales person at \$114,957. That's a big chunk off anyone's bottom line, and it doesn't account for delays in revenue growth, impact to reputation, and so many other indirect costs.

The stakes in getting it right when hiring sales people are higher than probably any other role in your company.

This eBook provides valuable insights into the challenges you're up against, what to look for when evaluating candidates, how to conduct interviews that will get you real insights to predict success, and even what to do when you do make the occasional mistake – hey, you're only human.



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Why Hiring Good Sales People is so Hard



You were excited when you hired your new sales person. This new guy was going to really shine. He had a great resume. In the interview, he impressed you with his enthusiasm and said all the right things. He was even a success at a company in your industry. You were happy. Your boss was happy.

But now, six months later, the results aren't there and it seems like the person down the hall is not the same person you hired. What went wrong? Why is hiring sales people so difficult?

If this story sounds familiar, don't worry, you're not alone. In fact, some studies show that as many as 50% of candidates who are successful in one job fail in their next role. The reason they failed, and the answer to how to avoid it in the future, may surprise you.

Part of the reason is that environment plays a huge role in the success of a sales person. Environment is everything from your processes, to team structure, to the level of support and resources. If your environment or processes are vastly different from where they came from, that can impede success.

Another reason, frankly, is that even mediocre sales people are great at selling themselves. They know the product and they know your pain points. It's not hard to make that sale. But an even more interesting reason that has emerged in recent years is the idea that we're actually looking for the wrong traits when we evaluate someone for a sales job.

What makes a successful sales person?

Close your eyes and imagine a person you would expect to be a good sales person. You're probably picturing someone outgoing, assertive, enthusiastic, and ambitious; a typical extrovert. And the more extroverted the better, right?



Maybe not.

For a while now, psychologists have been pointing to a weak link between extroversion and sales performance. In one such study Adam Grant of the Wharton School of Business looked at the personality profiles and revenue generation of 340 outbound call center sales employees in the US.

Extroverts are not the top earning sales people

- Wharton School of Business Survey

What Grant found was that typical extroverts (as measured using the validated Big 5 personality measure) performed no better than their introverted colleagues. More interesting, though, is who did perform the best. The group in the middle—what psychologists call ambiverts—outperformed both groups. These ambiverts generated 24% more revenue than their extroverted colleagues.

The secret to sales success, it seems, is actually to recruit someone who is more balanced on the introversion/extroversion scale. The problem with highly extroverted

people, Grant notes, is that they're likely to focus heavily on their own perspectives. They're more likely than introverts to dominate a conversation and that makes them less adept at listening to the needs of others, which is a crucial skill for sales, especially in B2B. Swing the pendulum the other way, though, and you end up with someone who is too analytical and not outgoing enough to build the relationships necessary in sales.

The extroversion/introversion scale is one of four trait scales that we measure with The McQuaig Psychometric System (our assessments are based on the same Big 5 model as Grant's research). We call it the Sociable/Analytical scale. At one end you have someone who is extremely people oriented, sociable and outgoing, and at the other end, someone who is analytical and oriented towards facts and ideas rather than people and emotions.

How do you find your ideal?

The challenge for sales managers is that these traits can be faked short-term; in an interview, for example. A study done by Michigan State University found that **interviews are only accurate predictors of future performance 14% of the time**, but they are used to make 90% of hiring decisions.

HR and hiring managers need a way to identify a candidate's natural disposition in order to be certain they are making a good hiring decision.

Behaviour-based interviewing can help. Behaviour-based reference checking can be even more useful. And scientifically sound assessments can provide an even higher level of insight to empower better decision making.

What Grant's research doesn't mention are the other critical traits of a successful sales person. Whether a person is an introvert, extrovert or ambivert is just one aspect of personality and, based on our research, not the most important to look at in a sales role – especially if you're looking for what's called a "hunter" or "rainmaker"; someone who is consistently good at new business generation



The #1 Trait to Look for When Hiring Sales People

In the last chapter, we looked at some of the reasons behind why a new sales hire may not perform like you expected them to. They seemed to have everything needed for success, but the numbers just didn't materialise.

Now, we're going to look specifically at the key traits for success in that role of a hunter or a rainmaker. The sales person who goes out there and consistently brings in new business.

Earlier, we cited some research, and our own experience, that showed that extroverts don't necessarily make the best sales people. Mounting research suggests that it's the more balanced person on the extroversion/introversion scale that performs better in a sales role. However, there's another, more important, trait to be looking at when evaluating a candidate for a sales role.

When we look at our own research and the results from working with over 1200 clients around the world, we see trends emerge. The most common trait we see in successful hunter-type sales people is a high level of dominance on the McQuaig trait scale. People with high levels of dominance are competitive, risk takers, results-driven and highly motivated. They thrive on challenge and they're not happy unless they're achieving results.



Someone who scores high here is actually motivated by failure, **it pushes them to try harder to achieve sales targets.**

This last point is incredibly important. Statistics show that **80% of sales require at least five follow-up calls while 44% of sales people stop after one follow up.** This is the trait that allows someone to persevere in the face of frequent rejection without letting it slow them down.

The other interesting thing about this trait is that it's the one most ingrained into our nature. That makes it the hardest one to fake and compensate for. Our experience shows that, while a person can stretch to be more dominant for a time, the stress of this is ultimately too much for them. It's not something that you can develop for and hope to change them long-term.

That's why you may see all the right characteristics from someone in an interview, and they may even show the right stuff early on in a job, but they ultimately fail if they are not naturals in this area.

How do you find your ideal hunter?

As we noted in the last chapter, the challenge for sales managers is determining who really possesses the traits required to be a successful hunter. It's very difficult to get at this trait in an interview. A candidate may be very engaging and build rapport quickly, but that doesn't translate to being good closers and doing what it takes to make the sale. You can't see how they'll react to rejection or how motivated they are to go after their goals.

There are three primary tools that can help you get at these insights:

- Behaviour-based interviewing
- Behaviour-based reference checking
- Scientifically sound behavioural assessments

We'll give you some interview strategies in the next chapter. As for assessments, a good one will give you an idea of a person's true behavioural makeup to support your decision-making. It's not a magic bullet. You still have to have the other steps in a good recruiting process, but it can give you an advantage when it comes to the final decision.

One of those other steps is knowing what you need and having a profile to measure candidates against. Know if you're looking for a hunter and what that looks like. Alternatively, know if the right kind of sales person is more of a farmer who needs to patiently cultivate relationships like an inside sales person might.

Find Your Target Using The McQuaig Psychometric System



www.mcquaig.co.uk/hiring-sales-people



Interview Strategies for Hiring Successful Sales People



According to a study by Michigan State University, 90 percent of hiring decisions are made based on interviews, but those interviews are only accurate predictors of future performance 14 percent of the time.

Unstructured interviews – the kind most people use – are only slightly better than flipping a coin. Those are troubling numbers, and a clear sign that you need an interview strategy if you’re going to find that A-level sales person you are looking for.

Why are interviews so ineffective for assessing sales candidates?

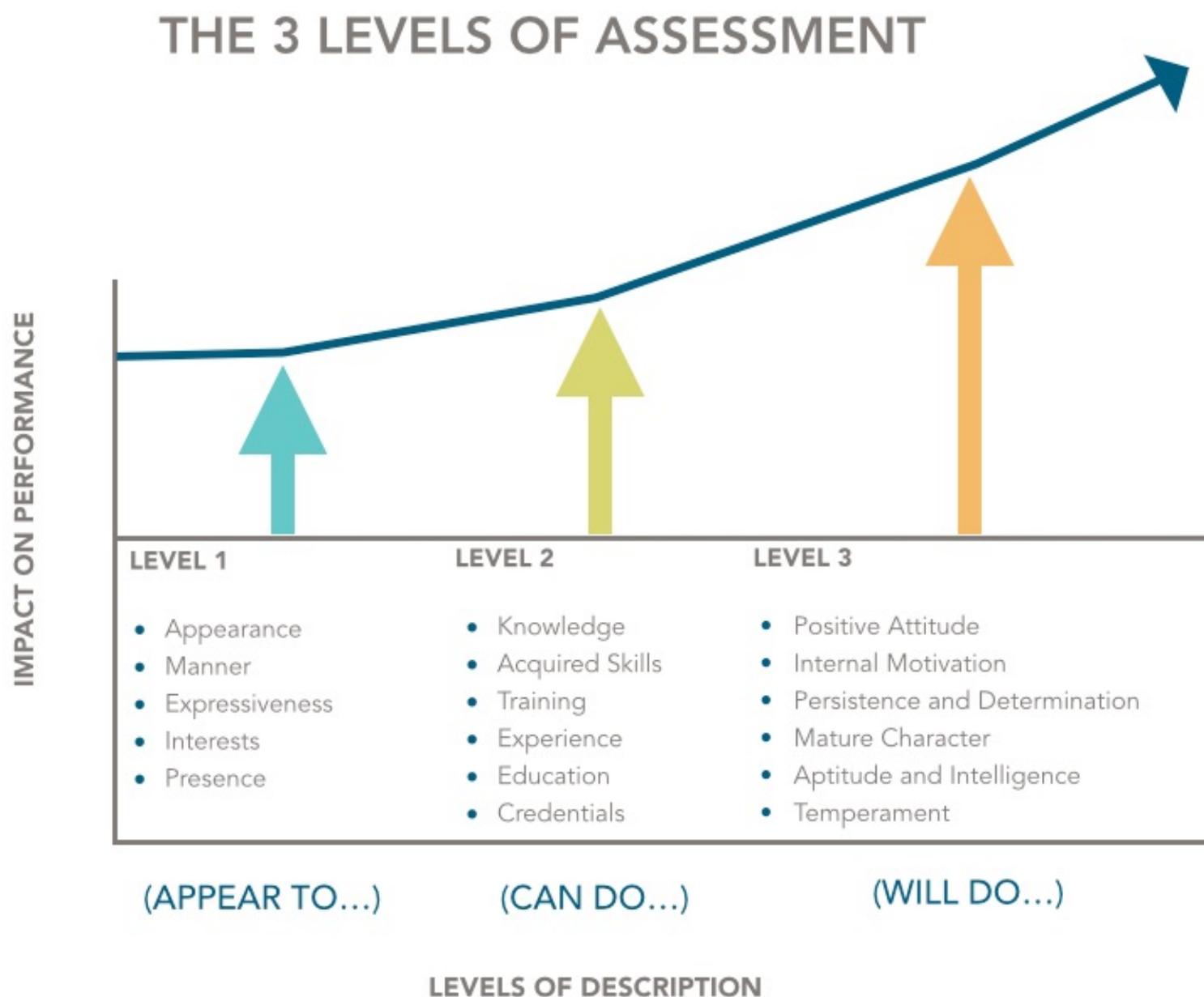
Part of the reason lies in approach. When conducting interviews, most managers go through a checklist of questions and consider themselves done after all the boxes have been ticked. Questions tend to be closed, “Can you?” “Did you?” “Will you?” Decisions are made based on first impressions, gut instinct and a review of qualifications on the resume. On their own, these just are not effective methods or measures.

How to measure candidates

There are three levels of assessment to use when considering candidates for a role (see diagram). The first level is the first impression. It's based on appearance, mannerisms, expressiveness and presence. A study done at Princeton University suggests that in just 100 milliseconds, people are making decisions about you, or you're making decisions about candidates based on their appearance.

The second level is the kind of information you would find on somebody's resume. This level encompasses learned skills, experience, education and credentials. This level has a greater impact on predicting performance on the job. We call that the "Can do" level.

It's the third level, though, that tells you the most about future performance. Look at some of the characteristics level three uncovers for you and think about them in terms of assessing a successful sales person.



Are they self-motivated? Do they have the persistence to make eight follow-up calls to make the sale? Do they have the maturity and capacity to learn what works with your prospects and adapt? Will their temperament fit with your culture?

Conducting interviews that will enable you to find and hire successful sales people is part of a three-step process and it begins before you ever look at a single candidate's resume.

Step 1 – define the job

Consider and document all the Level 2 and Level 3 requirements for success in the role. What do they need to have and what's a nice-to-have? Create a target that you will use to measure all candidates against.

An assessment tool like The McQuaig Psychometric System will allow you to create a job profile that benchmarks many of these Level 3 criteria. The system will then compare candidates to your target, providing you with a level of job fit.

Step 2 – Assess candidates

By using the job profile created in step 1 to write your job description, you've created a flood of candidates who are confident that they meet your specific criteria. Now, it's time to separate the wheat from the chaff. This is where the right kind of interviewing technique makes all the difference.

Conducting the right kind of interview

There are a number of different types of interview questions you can ask, and you'll ask them all in most interviews. To be sure to get at those Level 3 criteria, though, you have to include behavioural interview questions. They look something like this: "Tell me about time when you were faced with X and what you did about it."

These questions will pull out specific examples of past behaviour, which is a great indicator of how someone will behave in the future. The questions you ask will be role-specific, but they should also be customised to each candidate based on the questions/concerns that arose during your resume review and screening interviews.

To develop the questions, start by picking a Level 3 trait and consider how a successful sales person would use it on the job. Then turn those desired actions into questions. If you've got a long sales cycle and you're not sure if this candidate has the determination to keep on prospects, maybe something like: "Tell me about a time when you had a prospect you felt needed your product, but who wasn't responding to your calls and what you did."

The McQuaig Psychometric System provides customised behavioural interview questions for each candidate who completes an assessment, making it easy to get at the information that matters.

Asking the right questions is just half the battle, though. If you ask a behavioural interview question, note the response and move onto the next one on your list, you're missing the boat. You have to know what information you need to get from the response and if you don't get it, you need to follow up and make sure you do. **Effective probing is critical for successful interviewing.**

To take control and get the response you're looking for, you need to probe them with **the SARR method.**

Situation: What was the situation? Get a description of what they were facing, who the players were.

Action: What did they do? Them specifically, not "we."

Result: What was the outcome? Did they close the deal? Cut bait and turn their attention to better prospects?

Reporting: Who were they reporting to? This is a great question because it helps you later with your reference checking and puts them on notice that you will be checking into their stories.

Using SARR probing enables you to draw out the silent one, drill down with the vague responder and focus the verbal explosion, getting to the information that allows you to make a better hiring decision.

Step 3 – Document & decide

Review all your documented results from assessments, interview notes and reference

check notes against the original target profile you created and, yes, check your gut, then choose the candidate that most closely matches your criteria.

Be Consistent

The final piece in the interview strategy is consistency. You have to have a documented process that you go through for each candidate. Don't cut corners. Don't change the hiring team players for each candidate. Consistency is critical for comparing apples to apples.

That's not to say you don't customise elements of your interview to each candidate. We've talked about how to do that above, but the process absolutely has to be consistent.

Create a target, measure against it by getting at the important information and, be consistent. Follow these steps and that rainmaker is as good as yours.

Learn how

**The McQuaig Psychometric
System can help you find
and develop great sales
people at**

www.mcquaig.co.uk/hiring-sales-people



What To Do When You Make a Bad Hire

Dave is your top sales person. Since coming on board, he's consistently beat his numbers and increased revenue. He's now responsible for a huge chunk of your total sales volume. In short, he's a superstar.

The problem is that Dave is despised by others in the company. They say he's rude, disrespectful, abusive, and his name comes up repeatedly in exit interviews. You're worried he's poisoning the environment, but that revenue is important to the organisation. What do you do?

This kind of scenario happens a lot, and not just with sales people. It can happen with any top performer. When it does, the first thing to acknowledge is that you can't ignore it and hope it goes away. It won't. Very likely, for every one incident you're aware of, there are four or five that haven't reached you.

You have to act and it leaves you, really, with only two options: fix the problem or get rid of Dave. The trick is to figure out which route to go and how to approach it.



Fixing the situation

Before making the decision to fire Dave, take a good hard look at the issues. You might find Dave is not the problem at all, or you may find that the problem can be fixed. Ask yourself, honestly, if there are poor process or organisational disconnects that are leaving him frustrated and affecting his performance; or maybe the rest of the company works at a different pace than Dave. For a driving person like Dave, either of those situations can lead to legitimate challenges that he may just be handling poorly.

Fixing processes

Talk to Dave and, if he complains of process breakdowns, poor support and service levels, you may want to look into those. If you find he has legitimate concerns, try turning his negative impact into a positive one for the company.

Give him the accountability of a key stakeholder in a project to improve the processes that he's so critical of; explain to him that you need his keen insights to help

make the company better. His love of recognition will relish that. By his nature, though, a sales person like Dave will struggle with the routine of driving a large project like that, so don't put him in charge of managing the actual project. His involvement, though, will make him part of the solution rather than the problem.

Fixing relationships

You may find that the conflict stems from a combative relationship between a top sales person who is assertive, driving, dominant and results-oriented and support roles filled with people who work at a more steady pace, are more analytical, rule-oriented and methodical. Two people like that may have great difficulty communicating effectively, if they don't know how to adapt.

For example, someone like Dave works well under pressure and hates structure. Whereas, someone who excels in a support role likely doesn't work well under pressure and needs that structure to cope. These two types can work together, but they have to know how and that starts with awareness of themselves and each other.



In this situation, the solution may reside in helping Dave understand his colleagues and vice-versa. We work with many clients to build behaviour profiles into their coaching programs, helping teams to work more effectively and managers to manage more effectively by understanding each other's behavioural traits and how to adapt their interactions accordingly.

It's critical that Dave's manager has these insights to effectively coach him.

You have to also consider, that you may be espousing a corporate culture of one type, but hiring people who, by their nature, are going to butt up against it. That's why it's so important to consider these same traits in the hiring process as well.

Getting rid of Dave

But what if it's not the processes or clashing personalities? What if Dave just has to go? He's causing you to lose other good people and you have to act. First, take a breath. This may not be as bad as you think.

The fear here is that you'll lose sales; that without Dave, your revenue will plunge and you won't be able to replace him. What many who have faced this situation say, though, is that this nightmare scenario rarely materialises. Instead, what happens

is that morale and productivity goes up when you get rid of the problem, erasing any initial hit to sales.

You have to be prepared, though. There are steps you should take to lessen the blow of losing Dave – in fact, these steps are good practices to have in place even without someone like Dave on board.

1. **Connect with your clients.** Make sure that Dave's clients have a relationship with the company, not just with Dave. That way, his sudden disappearance doesn't leave them vulnerable.
2. **Fill your pipeline.** Be on the lookout for candidates who can take Dave's place. Maybe even bring some in before letting Dave go. Use the information in the earlier chapters to define your ideal candidate and create a process to find and assess candidates.
3. **Train your other sales people.** Figure out what Dave is doing right and develop a program to train your other sales people to adopt those techniques and behaviours, while avoiding the ones causing the problems.

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For more information please visit;

E: info@holstgroup.co.uk

T: 0845 456 4000

A: 31 Market Place, Henley-on-Thames, Oxfordshire, RG9 2AA