

Effective Strategies to Best Sales Recruitment Practices & Talent Management

EXECUTIVE WHITE PAPER



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The Keys to Best Executive Sales Recruitment Practices & Talent Management

"A company's employees are its greatest asset and your people are your product. When a company fails to grasp this simple business tenet, the result is invariably and oppositional "us and them" divide between management and front-line staff. "
~ Sir Richard Branson

Most people would agree that Sir Richard Branson, the founder of the Virgin Group of over 400 companies, has a long history of being an entrepreneur with a vision and the ability to impart that vision into those working with and for him. Creating this culture where everyone is striving to create the best in their work environment through their desire to succeed as an individual and a company is something every business has the potential to achieve.

This sense of loyalty, or this ability to work for the collective good instead of a focus that is solely based on personal growth and advancement, is not typical in most businesses and for most employees, particularly in the high-demand world of sales. Learning how to bring the right senior-level sales executives into an organization and then manage them in a way where they feel empowered, important, and an integral part of the success achieved is critical for a business to thrive, grow and expand.





How this occurs is not a mystery. However, it is a learning experience for many organizations, businesses, Human Resource managers and managers in charge of hiring and recruitment top sales talent for a company. Many of the common practices in professional sales recruitment are outdated, ineffective, and were designed with very traditional hierarchical business management practices in mind.

Today, with an increase in emphasis on teams, managers as coaches, regular performance reviews, and feedback as well as greater mobility of sales professionals to leave jobs for better opportunities, correct recruitment and talent management becomes even more important. This is more pronounced than ever for top sales professionals and executives as the number of potential applicants on the market drops while the number of vacant positions continues to increase.



Recruiter Focus with Executive Sales Professionals

In the not too distant past recruiters relied heavily on personal references to attract highly qualified executive sales professionals. However, with the increasing shortage of candidates for these top sales positions, techniques such as networking directly with the prospective candidate become more important.



In the LinkedIn 4th annual report 2015 Global Recruiting Trends researchers found that:

- 49% of small businesses and 43% of large companies report that recruiting the most skilled candidates is their priority for 2015.
- 72% of companies in the United States are using some type of passive candidate recruiting, which is above the global average of 61%
- With top candidates, about 25% are active, which means they are looking for work or a change in employment, with 75% being considered passive, or looking on social media, open to talk to a recruiter, or not actively seeking new employment. This is evident with top sales professionals who are typically not interested in leaving a job until a better opportunity is available.

For recruiting and interesting anyone currently in an executive sales position knowing what to offer to entice them to consider a move, and how to use tracking systems to keep these highly desirable candidates on the radar should be a priority for any company.

In another study by Bullhorn titled "North America Staffing and Recruiting Trends Report" it was found that within job vacancies in general, sales tended to be the third highest industry in number of vacant positions and overall growth. The only other industries having higher placement growth included finance and legal, meaning that competition in the area of sales, particularly senior-level positions, is a major factor in attracting candidates.

The focus in hiring executive sales professionals needs to be different than hiring for the general sales staff. Unlike candidates for entry-level sales positions, finding the right match for the executive sales professional is going to need to rely on attracting top producers within both the 25% active job seeker category but, even more importantly, in those 75% passive candidates.



Social Media Recruitment Trends and their Impact

To help understand some important statistics about recruitment and job seekers taking a look at some of the statistics, and some of the trends, is always a good starting point.

Some of the most interesting studies on job seekers using social media and mobile devices reported in the Jobvite Job Seeker National Study of 2014 found that:



- Approximately 35% of the currently employed will change jobs every five years
- Only 47% of employed people stay with the same employer for more than 10 years
- Of the entire pool of employed, unemployed either activity seeking work or currently working, 71% report they are looking for a new job
- 51% of employed individuals are looking for a different job
- Job seekers using social media for a job search where most commonly using LinkedIn, Google+ and Facebook to find a job. The numbers were 23% for LinkedIn and 19% for Google+ and Facebook.
- While recruiters prefer posting jobs to LinkedIn (about 94%), only 36% of job seekers use this social media site for employment opportunities
- About 83% of job seekers use Facebook for job searches while only 65% of recruiters post on these sites.

Not all companies use social media as a major part of their search for the most qualified and best match employees. Failing to do so, as per the numbers highlighted above, will result in not connecting with potential top candidates in any industry, profession or field.

To further highlight this finding, think about what type of social media executive sales professionals are viewing on a regular basis. They will be on social media and using it as a way for both reaching current customers and finding new target markets. This includes those sites such as Twitter, LinkedIn and Facebook, which are also ideal places to boost your company's



talent brand and appeal to potential sales executives looking for, or willing to consider, a change in employment.



Connecting with these professionals on social media, particularly for those not actively seeking but passively open to new opportunities, is essential for a company. In addition, the social media contact allows any prospective employer to evaluate the executive sales candidates level of comfort and competence in using social media, providing additional insights into how to the professional will perform.



Recruiting Begins with Branding

For anyone with experience in recruiting and hiring, having brand recognition in a company or business is always critical. While employers have always wanted reliable, top quality career professionals, now potential employees, particularly senior employees, want to work for top companies where there is potential to advance and increase earnings.



An already experienced and high performing executive sales professional is not going to leave a job for an unknown company or a company with a bad reputation. When recruiting these professionals marketing your talent brand, company reputation, and sales opportunities is going to be critical. In many ways, and in today's employment market, being able to sell your company to the potential candidate will be as important in interesting and retaining them as any other factor.

Glassdoor for Employers has compiled a few interesting statistics to show just how important the company brand, that talent brand, is to qualified applicants for executive positions. What they found was:

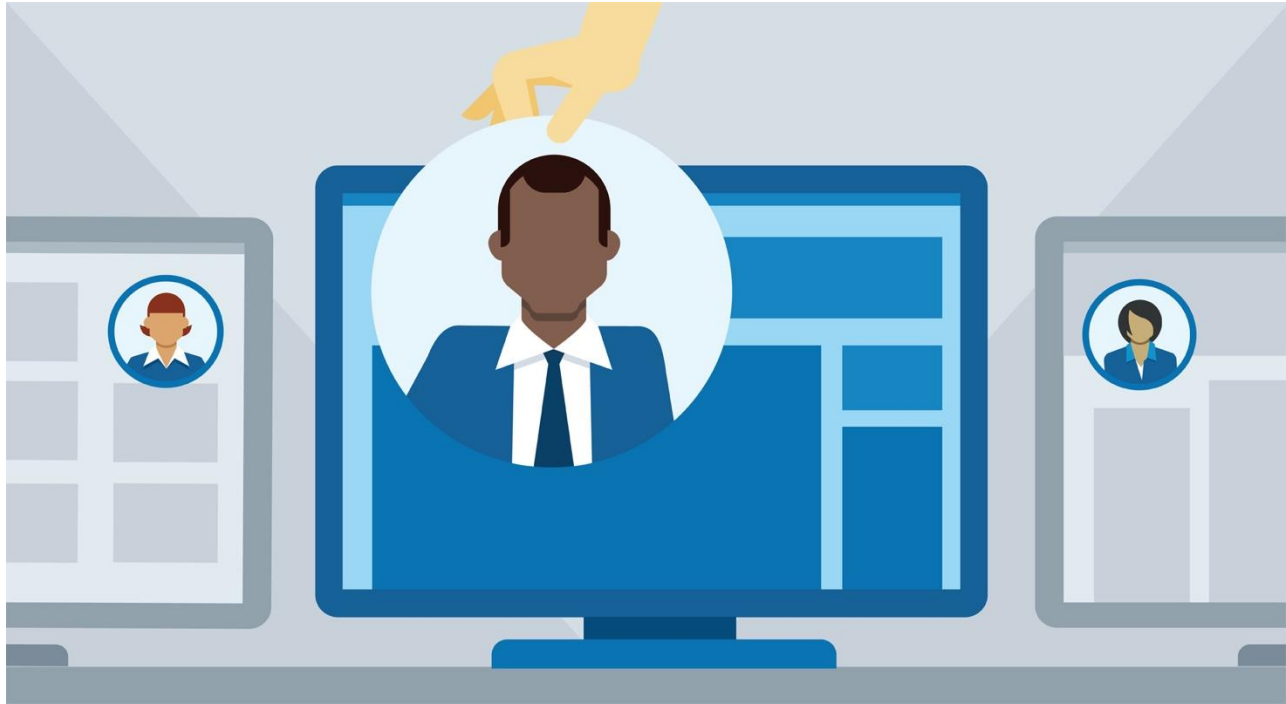
- 45% of those currently employed millennials left their previous job because of a lack of career growth opportunities
- 69% would not consider a job with any company with a bad reputation
- 84% would leave a current job if recruited by a company with a top reputation
- 80% of Millennials report that before considering a new position they look at cultural fit with the new employers and also their future career potential with the new company.

In many ways hiring top performers is about both parties, the company and the professional, recognizing and valuing the reputation and brand of the other. Designing the interview and the application process to allow this type of information sharing for these top sales professionals and positions can be critical in attracting and retaining those currently employed but willing to make a move.

Why is it so important to have a top professional see your talent brand as beneficial to their career goals?

Eda Gultekin blogged about this on LinkedIn in 2011 and reported that surveys found that the cost of hiring with companies with a positive, strong talent brand was 50% less than companies rated with a poor to moderate talent brand by candidates.





In addition, these top companies had a 28% lower turnover rate, adding to their experienced, long-term employees and limiting the need to continually replace their workforce. By hiring the right sales professionals not only do you obtain a great employee, but you also help your bottom line. **Recruiting with this in mind is essential when filling these top positions in any sales organization.**

With the impact of social media both on active and passive candidates in the potential employee pool, branding becomes critical. Employers need to ensure their company profile is updated and accurate, and that it reflects their philosophy, mission statement, and their emphasis or interest in promoting a positive culture within the business or organization.



Considerations for Interviewing

While finding the right professionals for executive sales positions is one step, the next is developing an application process that works for both the company and the candidate, and then preparing for the interview process.

For employees in these senior sales positions the same techniques used for job postings and interviews for entry level positions are no longer effective and may actually drive highly-qualified candidates away. When using social media and recruiting on an ongoing basis to create a database of potential candidates, the application process needs to be specific and detailed, providing the candidates with a good understanding of the experience, technical knowledge and subject matter expertise you expect from the applicants.



Keep in mind the issues already addressed about marketing your brand and explaining to the executive sales professional what you are able to bring to the table as the company. This could include:

- Incentives and achievement recognition
- Opportunities for advancement up the corporate ladder
- Increased ability and control over the sales of the department and more leadership responsibilities or autonomy than at the current company
- A different culture in the workplace including a more coaching philosophy to management rather than a top-down perspective
- Projections for company growth

It is also important to focus in on what the successful candidate will get out of leaving their current executive sales position and hiring on with your company. The last point, the focus on projections for company growth, is a critical factor for any executive sales professional. They have to see the benefit on a short and long-term perspective in changing careers. Remember, this is not just a sales professional and a top performer you are hiring, it is a person who will have a distinctive role as a sales leader within your company.

Having a process for the interview will also be critical. There should be a structure and a panel, if possible, to allow you to have all involved parties present during the interview process.



Questions should be developed in advance and focus in on a variety of different areas to allow the candidate to share relevant experience, explain how he or she will meet your expectations as outlined in the application and screening stages, but also to allow the interview panel to get a sense of how the individual will work within the current sales team and corporate culture.



Be sure to provide time to ask questions that relate directly to the information, and also have the time to allow the executive sales professional to ask questions about the company. The process should look for a best fit in all areas, without an emphasis on simply bottom line sales.

Be prepared for an experienced sales professional to ask detailed questions about:

- Opportunities for advancement within the company
- The overall financial stability and anticipated growth of the company in more than just general terms
- Training opportunities, including sales leadership training and leadership skill development
- Questions about unique options to involve in the offer such as telecommunicating, flexible scheduling, alternatives for incentives and other considerations that can be tied into both the goals of the company as well as the candidate.

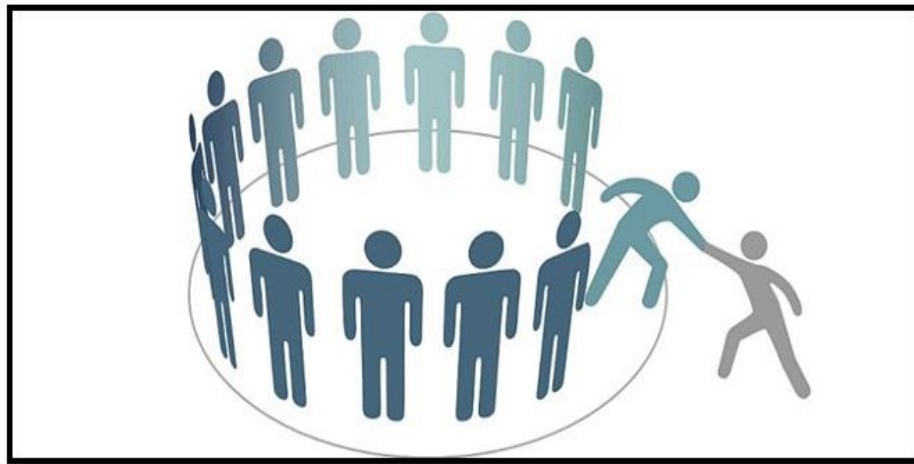
As the company, you should also be prepared to discuss issues such as compensation, rewards packages, benefits for overachieving expectations and even for the negotiation of the base salary rate. In the 2015 CareerBuilder Candidate Behavior Study it was found that approximately 18% of all applicants offered a job across all positions actually rejected the original offer by the company and instead negotiated for a different offer that worked for both the candidate and the company.



Employee Retention Challenges

Once qualified staff are in place, keeping them content and satisfied in their job is critical. Remember, even if they are working in a sales leadership capacity, they will continue to be exposed to outside recruiters. As passive candidates any challenges with their employment, the workplace culture, or perceived lack of appreciation or recognition can result in the employee looking elsewhere.

The United States Bureau of Labor Statistics reports that employees leaving businesses, which they term as quit rates, tend to be a good indicator of an employee's belief they can find equal or better-paying work elsewhere. Quit rates do not include layoffs, terminations by the employer or leaving the workplace due to illness, death or retirement.



The quits, or the turnover, for June 2015 was about 2.7 million. This is consistent with the previous month and equated to a 1.9 percentage of total separations, which includes both voluntary and involuntary employment loss.

While these turnovers can cost a business up to 33% of the total salary and benefits for the position vacated, there is more than just a financial impact to constant sales staff loss. There is a morale issue at work as well, creating frustration within the sales teams, departments, and sectors of small and large businesses alike. As executive sales professionals are a key component of the overall sales for a business, constant turnover can have a big impact on the bottom line.

To understand the reasons for turnover, taking a closer look at the most common reasons provided on exit surveys from businesses and then looking at how these issues can be resolved within a company is critical. Companies that fail to do this are destined to keep repeating the mistakes, resulting in a downward spiral in their employee confidence, trust, and loyalty to the brand.



Incorrect Hiring Practices

This is a very important consideration for recruiters, hiring panels, managers and HR professionals. Failing to use an effective reviewing, interviewing and reference check procedure all contribute to challenges once the employee is on the books.

The result of poor interviewing practices, failing to ask the right questions during the interview, and failing to complete reference checks and background checks are common mistakes. However, not having a good understanding of the goals and abilities of the candidate to both master the job as well as work well with the team is even more common.

Fortune 500 companies seem very tuned into understanding candidates on more than just a superficial level. Over 80% of these companies use some type of psychometric testing (aptitude or personality testing) as part of the hiring practice.

On the other hand retail, food service, and IT companies have the highest turnover rates for employees and tend to have very limited interviewing and assessment during the hiring process. While there is a definite difference between these employees and executive sales professionals, having a structured hiring practice with psychometric testing does have its benefits when matching teams and considering the executive sales professional's role as a leader.

The incorrect hiring process can also lead to a mismatch between the candidate and the job description. Not all sales jobs are the same, and top performing sales professionals in one industry may not have the knowledge, skills and ability across other sector.



Problems with Management

As with incorrect hiring practices, problems with senior management or “bad bosses” are typically a workplace culture issue. Employees don’t leave companies they leave bosses. In a study by Accenture, about 31% of professionals leaving their job do so because they don’t like their boss, not because of an issue with the job itself.

To dig deeper into this, Melissa Llarena, coach and employee-transition expert, reports that employee distrust is one of the most common reasons she hears for employees leaving a good job, even mid to top level supervisors, leaders and managers. This distrust then impacts the company’s talent brand, resulting in even more challenges in attracting new, qualified, and well-suited candidates.



One possible solution to this problem starts from the top down. Management needs to create a culture where there are expectations at all levels, and direct management is supported in their efforts to coach, train and provide feedback for their employees.

In other words, the manager becomes a resource to make the unit, team or department more productive. Hiring executive sales professionals to fill this role, or to step into this role in the future, means looking beyond just sales abilities.

Alternatively, and to support the importance of good relationships within the workplace, the CareerBuilder Survey in 2015 of 3008 workers found that 54% didn’t want to change jobs because they liked the people they worked with. Almost 35% said they would stay because they liked their boss and felt valued. For executive sales professionals the ability to relate to upper management, to feel valued in their role, and to be given the autonomy to do their job is essential in long-term retention.

Feeling valued means being recognized in a meaningful way for contributions made to the company. It doesn’t include simply being handed a bonus; there has to be recognition, appreciation and interest shown by senior management for professionals in executive sales to report being in a positive and rewarding work environment.



Lack of Empowerment

An article from March 2013 from Forbes entitled “I’m Outta Here! Why 2 Million Americans Quit Every Month (And 5 Steps to Turn the Epidemic Around)”, author Alan Hall indicates that about 31% of people that leave feel a lack of empowerment. Adding to that 50% of Millennials, 46% of Gen Y, and 21% of Gen X employees want to become their own boss and have the ability to make decisions.

This also brings a culture of accountability and “manage as a coach” to the forefront of employee retention. When employees are able to feel empowered to make decisions, to suggest improvements, and to see the opportunity to advance their career they are more likely to remain with a company and have strong company loyalty. Hiring senior staff that accept this as the norm within the department or company will be critical. When staff knows that all the way along the management chain there will be a collaborate effort to assist, retention is a natural result.



Passed Over

About a third, or approximately 36%, of 3000 employees polled by CareerBuilder in 2015 reported that they believed they were overlooked for a promotion. This is essential as recruiters on social media sites and those active with talking with passive candidates will quickly pick up on this source of discontent.

In the 2015 CareerBuilder survey about 45% of workers indicating they were planning to leave their job reported concerns with advancement opportunities. This included 35% who felt they deserved an advancement but were not offered the position or received no feedback as to why they did not get the job.

However, job title alone wasn't a big factor in deciding to stay. When asked if they would prefer a wage increase, an increase in benefits, or a more prestigious job title, about 55% of those asked said the wage and benefits increase would make them stay, but the title change would not have any impact on their decision.

Once in the job, talking to executive talent and ensuring they understand the hiring criteria or advancement process will be essential. When professionals understand why they missed the promotion they can work towards making the necessary changes without becoming hostile or disengaged.



What Works



It is very interesting to review information on what works for employee retention, even at the executive sales level, as it is a very personal and relatively industry-specific set of ideas. Some of the ideas generated on different industry surveys including those from CareerBuilder, Monster, and other employment websites showed the following as significant options that employees would like to see offered at their current job.

- Flexible work schedules
- Work from home options
- Transparency in promotions and advancements
- Increased salary
- Increased and more comprehensive benefits
- Increased employee recognition programs throughout the company
- Regular feedback and rewards for exceeding expectations or requirements
- Fitness centers
- Daycare centers at the workplace
- Shortened work weeks
- Increased opportunities for paid or company-sponsored professional development, education and training (academic reimbursement)



As evidenced by this list, the things that top employees are looking for to stay with a company will vary. Developing, as a company or business, what works for your employees can be a simple way to start changing the company culture. This will give employees a say in their workplace. It will provide empowerment and opportunities as well as leading to more discussion and the possibility for more of an employee-centered culture.

The most important aspect of employee retention, however, is not the perks and small changes to the workplace. It starts with an effective hiring practice that provides the opportunity to reach the best quality potential candidates, both active and passive, for the posting. It then continues on through getting to know the candidates with structured CRM techniques and follows through with talent branding of a company.

This last point, making the company a supportive, high-potential workplace environment, is still the most important factor in attracting the best candidates for executive sales positions and retaining your top sales and leadership talent.





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