

Use These HR Disciplines to be an Essential Part of Sales Force Effectiveness

HR has a role to play in ensuring sales force productivity, but too often they are left out of the process. (This article was published in WorldatWork's Sales Compensation Focus newsletter.)

Too often, I observe HR professionals with a limited role as it pertains to sales force effectiveness.

When asked why they aren't more involved, common responses include, "That's the role of sales leadership" or "Sales kind of does its own thing." Indeed, sales leadership carries the burden for sales effectiveness, and the sales force is, by nature, a rather autonomous group, with a relatively explicit performance-management system. That may suggest HR doesn't need to take a prevalent role. In an age where some question the very nature of the HR function, as pointed out in a 2014 Harvard Business Review article, now more than ever human resources needs to increase its involvement in sales force effectiveness.

In simple terms, the consequence for companies not involving human resources in sales force effectiveness is stalled growth. A growing organization with human sales channels needs talented, motivated and productive sales professionals to access the market and outmaneuver the competition. Recruiting, motivating and boosting productivity of a top-notch sales force goes beyond the scope of sales leadership. To increase productivity and growth, organizations should rely on core HR disciplines.

This article examines three of the core HR disciplines and examples of related initiatives that help drive sales force effectiveness and productivity. These initiatives go well beyond the baseline tasks of human resources.

Talent

Sales management will often request help from its HR partners with pricing and recruiting specific job roles. Many times this is a responsive, tactical endeavor. And sometimes the sales management team accuses human resources of "not getting it" when it comes to understanding the scope of the position and skill set required for those jobs.

A strategic approach requires that human resources understand the company's go-to-market approach and where it plans to expand its market coverage. To illustrate how an HR business partner can work with the sales team, we examine the example of a recent client engagement with a fast-growing software company that wanted to expand upmarket from its core, small-to-mid-sized business (SMB) segment.

The SMB segment had been phenomenally successful for the company's suite of communication applications. However, initial efforts to grow the upmarket enterprise segment floundered; the company fell well short of its year-to-date revenue forecast. The new head of enterprise asked her company's HR business partner to assist in recruiting new salespeople for the segment. Upon taking the assignment, the HR partner studied the performance trends of salespeople in both the enterprise and SMB segments, interviewed current employees and managers in these jobs, and met with marketing representatives to better understand what made the enterprise segment unique. This person also connected with Radford to see how similar companies deploy sales talent across the various segments.

The business strategy had been to grow enterprise talent from within— and specifically in this case, recruit salespeople who were successful in SMB into the new enterprise segment. But few succeeded, and the talent drain from SMB started showing up in that team's performance. Attempts to recruit from the outside had struggled as well. Many candidates passed on the opportunity because the company could not meet their pay requirements, and those who accepted the offer were falling well below the new-hire quota levels.

The HR business partner spent hours with the enterprise segment head evaluating the data. Together, they concluded that success required a talent upgrade and better training for newly hired and transferred reps. This initiative had as much to do with managing poor performers as it did hiring better salespeople, and for those salespeople seemingly right for the role, training made a significant impact.

Motivation

The next core element of human resources that is pivotal to creating and maintaining a high-performing sales team is motivation. Most HR professionals use employee-engagement surveys to measure the engagement and motivation of their workforce. Sales employees can have a different perspective from the rest of the employee population, however, and often the engagement survey comes up short for them.

In the course of our work with salespeople, we regularly observe that they are considerably more motivated by product quality, marketing influence and achievable goals than their non-sales colleagues. Salespeople tend to be less motivated by performance management and equity rewards. There is no doubt compensation ranks high on their list of concerns— and Radford's research finds that highly productive sales organizations tend to use highly leveraged compensation plans. But are these organizations more productive because they pay more, or are they paying more because they're more productive? Paying at or above the market doesn't mean performance will follow. In fact, that philosophy ignores the fundamental interdependency between sales pay and performance.

An HR leader once told me of a discussion with his business leadership who insisted the company was paying below market, as numerous open sales positions went unfilled. A sales recruiter suggested candidates wanted a higher base salary than the company was willing to offer, yet the compensation manager argued the company's target pay and pay mix fell in line with competitive benchmarks. It wasn't until the HR leader observed a number of recruiting sessions did it become clear that candidates wanted a higher base salary because the recruiter could not speak to the upside opportunity. "There were a few posts on Glassdoor saying that our reps were not hitting quota, and the recruiters weren't offering any info to counter the perception," said the recruiter. Pay and performance are integral components of sales force engagement and motivation.

Sales compensation can get very complex, and many companies do a poor job of communicating to key stakeholders, including human resources, about how the plans work and how well they align to the business

objectives. Not only did the HR leader in this case understand the design of his company's sales compensation program, but he also observed how well managers and recruiters used the plans to motivate current and prospective salespeople.

Productivity

Numerous studies indicate a strong correlation between sales force effectiveness and time allocation. Organizations that spend less time on administrative duties and more time on sales generally demonstrate greater sales productivity. There are diminishing returns, though, to increased sales time given the critical contribution salespeople can make to marketing, finance and operations, and to other sales colleagues.

Time studies can reveal a lot about a sales force. These studies can also frustrate and take productivity away from the people targeted for greater productivity. A more practical solution can be to shadow a sample of salespeople as they go about their day. I recently spent about two weeks in separate, ride-along sessions with over 30 salespeople to audit the company's sales job descriptions. These sessions, like others I've participated in throughout my career, provided keen insight on how the sales force spends its time, and what gets in the way of selling.

In this case, the salespeople were struggling to make sense of a new order management system. This system was meant to provide pricing and availability to speed the bid process on complex solution configurations. It wasn't working as planned, and these salespeople spent early mornings and late nights manually configuring the orders so they could respond to proposal requests. Management was aware of the problem, but seemingly out of touch when the company suggested increasing sales quotas as a way to address declining margins. Though well intended, investment in the system was robbing the sales force of productivity. Management thought this a temporary issue, but the salespeople saw it as one of many botched system rollouts — systems they were forced to use and kept them from being more efficient. Meanwhile, deals had gotten more competitive, and customers more demanding. Not surprisingly, the sales force was less productive and saw no tangible evidence of company investments to reverse the trend.

This example illustrates a core HR discipline designed to help employees be more efficient. For sales employees such initiatives are crucial, as productivity ties to sales capacity, quota levels and motivation of the sales force. Higher quotas without higher productivity mean less sales compensation; this is not a formula for sales force effectiveness. HR intervention in this case prevented the quota increases that were certain to crush sales force motivation.

Within any sales organization lies the opportunity for increased productivity that can translate directly to the company's top-line growth. Sales organizations need core, HR disciplines to align talent with the go-to-market strategy, assess opportunities for increased motivation, and identify barriers of productivity. HR has a very relevant, hands-on, data-driven role in contributing to sales force effectiveness.

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