

Churning Vs. Earning

How Behavioral Assessment Reduces Employee Turnover

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– Michael Thorne,
Senior Vice President,
Yankee Candle Company

EMPLOYEE TURNOVER is famously expensive. Experts estimate that the cost of replacing a typical employee is approximately 150 percent of that employee's annual compensation. For sales personnel, though, the figure is far higher, because the departure of a key player usually means lost sales and lower revenue.

To make matters worse, many sales teams generally experience a higher turnover rate than other groups inside a company, according to Dave Stein, CEO of ES Research, a firm that measures and analyzes sales training. "The average tenure of a sales professional gets smaller every year," he explains.

Even so, there are many sales teams that remain more or less intact, even in highly competitive industries. What's their secret? Many organizations utilize behavioral assessments to match sales professionals with the right sales jobs, thereby ensuring their personal success as well as higher job satisfaction. This, in turn, reduces or eliminates expensive churning of sales personnel.

What is Behavioral Assessment?

Scientists have long known that individuals have measurable characteristics that determine what motivates them and provide the underpinning for professional success. Sales managers can take advantage of this scientific fact by using what's known as a "behavioral survey," a question-based tool that measures psychological profiles.

Because behavior is both consistent and predictable, behavioral surveys provide a scientifically valid way to accomplish the following:

1. Create an ideal profile for each sales job, then match the characteristics of the individual on the team to that profile.
2. Craft progressive career paths within the company that match the desires and goals of individual contributors.
3. Target sales training more precisely so that it increases sales performance, which inevitably increases job satisfaction.
4. Customize coaching to the needs of the individual, taking into account how each individual employee is best able to learn.

As a result of using this type of survey, sales professionals in the organization are far more likely to fulfill their potential, and feel happier in their jobs, causing sales employee turnover rates to plummet.

Better Job Assignments

It's a myth that all sales professionals have similar personal characteristics. For example, it takes a different temperament and skill set to be a "hunter" (who develops new accounts) rather than a "farmer" (who maintains the relationship).


But that's just the start. In many sales organizations, jobs have become increasingly specialized, with specific roles: lead nurturing, opportunity development, inbound marketing, field sales, sales support, and so forth.

Depending on personal characteristics, a sales professional will feel comfortable or uncomfortable in any one of these roles. When a sales manager tries to cram a "square peg in a round hole," it inevitably creates job dissatisfaction and the possibility that the individual will look elsewhere for employment.

With behavioral assessment, a sales manager can confirm whether or not an employee is a good fit for a particular sales job. For example, The LBA Group, a Florida-based CPA firm, uses the Predictive Index (PI), a behavioral assessment tool from PI Worldwide, to make sure that people get assigned to the right jobs from the start of their employment.

LBA's management sees behavior assessment as a way to better understand the diverse ways that people

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approach problems and challenges. Managing director Kim White estimates the cost of the assessment is one-half to one-third what she would pay for recruiting fees for one person for one year. "It's worth it to me," she says. "We don't have much turnover. We pride ourselves on that. We want people to be long-term players."

The Right Career Path

It's not enough to get the right people into the right jobs short term. Sales professionals also want to know where they're headed long term. Unfortunately, many companies assume that the only upward career path for sales professionals is into sales management, even though many sales professionals have little or no intrinsic interest in being managers.

With behavioral assessment, sales managers can customize long-term incentives to accommodate the different personality types of individual sales employees.

Case in point: South Central Media, a company that specializes in radio advertising and coordinated marketing efforts. The company uses PI both to place and train sales personnel throughout the organization into career paths where they're most likely to be successful.

For example, all the department heads at South Central Media take PI assessments and are encouraged to share the results with their team. Individual contributors also take PI assessments, which are then used to map out the best course for career growth, according to the company's president, Craig Jacobus.

As a result, South Central Media enjoys an extremely low employee turnover. "We've got employees who have been with our company over 30 years, and the number of employees who have been here for 10 years is staggering," he explains. "We don't

lose many people, and I think PI has a lot to do with that fact."

More Effective Sales Training

The primary purpose of sales training is to increase sales. When sales training works, and sales professionals increase their ability to sell, job satisfaction naturally goes up and turnover goes down.

Unfortunately, many companies initiate sales training programs that don't actually increase sales, according to Stein. "Mismatches are common because companies often don't understand the strengths and weaknesses of their sales resources," he says.

By contrast, selling-skills assessments allow sales managers to accurately measure how well the sales team (and the individuals within it) are performing key sales tasks, and then to select appropriate sales training that's customized to specifically address weaknesses.

For example, the Clark-Mortenson Agency (one of the largest independently owned insurance and financial services agencies in northern New England) uses the Selling Skills Assessment Tool (SSAT) from PI Worldwide to diagnose problems in their sales process and guide the development of sales training programs.

At the agency, every salesperson completes an online assessment, which provides him or her with a quantitative analysis to determine current strengths and areas of growth. Those aspects are then addressed through a training course specifically designed to augment the strengths and shore up the weaknesses.

Superior Sales Coaching

To have long-term impact, sales training must be reinforced through consistent management coaching. However, it is very difficult for managers to provide appropriate coaching to each individual on the sales team with

a "one size fits all" approach.

Behavioral assessment makes sales coaching more effective because it provides insights into each employee's natural behavior and workplace drives. At the same time, it provides the sales managers with valuable perspective into their own behavioral needs and natural coaching style.

As a result, sales managers can more easily adapt their communication style to the coaching needs of the individual performer, thereby helping to ensure that new sales skills are integrated into day-to-day behavior.

For example, the Yankee Candle Company uses PI to determine each salesperson's natural behavior style and then provides customized coaching that improves sales performance, according to Yankee Candle Senior Vice President Michael Thorne. "If the manager understands how the rep makes decisions and receives information, this unlocks tremendous potential for better communications and, ultimately, better business results," he explains.

In summary, behavioral assessment offers a scientifically proven way to better match individuals to sales jobs and career paths and better harness sales training and sales coaching to improve sales performance. This, in turn, creates an environment where sales personnel experience higher levels of job satisfaction, thereby reducing costly employee turnover.

— GEOFFREY JAMES



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