

## **“WASTE INDUSTRY” Validation Study: Sales**

**March 2007**

**Conducted by The Executive Group** 

Rick Tiemann, President

Michael Karson, PhD, A.B.P.P. (Clinical)

### **Purpose**

The purpose of the validation study was to create a “BEST IN CLASS” selection process for Sales Personnel which differentiates Sales Reps, Account Reps and Territory Reps in terms of job fit.

### **Overview**

We evaluated assessment data from 310 employees, including 163 Sales Reps, 47 Account Reps and 100 Territory Reps. This group consisted of 48 Chairman’s Club Winners and 262 employees hired using the Personnel Report since October 2004.

### **The Process**

Each employee was rated on an overall performance scale from 1 (*poor performer*) to 7 (*top performer*). Twenty-four employees were not included in the data analysis because they had quit and were not rated. There are too many reasons why people quit to assume a negative performance. Twenty-three employees were terminated and as well they were not rated. Because they were terminated we assigned an overall performance rating of 1 to this group.

The group included 186 men and 124 women. There were 255 people identified as White, and 55 identified as another or as an unknown race. No disparate impact was found.

There was no relationship between performance ratings and either sex or race. The new scales developed from these data would not have adversely impacted either women or non-Whites.

### **The Outcome**

The Executive Group’s analysis of the validation study data led to the development of three new scales: the Sales Rep Scale, the Account Rep Scale, and the Territory Rep Scale. The score on the scales will be reported on the last page of *The Sales Personnel Report* when the subject is applying for a position as an Outside Sales applicant. The scales can help to quantify how closely the applicant’s characteristics match up with our benchmarks of performance for selection purposes.

## **Summary of Findings**

This Company already uses selection techniques that limit the pool of employees to the kinds of people who generally excel at sales. In other words, the entire group, regardless of performance rating, was generally extroverted and competitive, and showed evidence of self-control and good coping skills. What distinguished top performers from mediocre and poor performers in each job category were more subtle signs, discussed below.

One major implication of the observation that even the bad salespeople looked generally like salespeople is that the new scales should only be applied to applicants who look in other respects like salespeople. Thus, the Sales Personnel Report will not compute the Sales Scales if the candidate is too introverted or too accommodating, or lacks self-control or coping skills, or has too many Areas of Potential Concern, (see the Tips and Templates Manual for further understanding of this). (Because some excellent Account Reps scored low on Interpersonal Skills or low on Independence, there are some instances where The Sales Personnel Report will compute the Account Rep Scale but not the other two.)

### **Sales Reps**

The best Sales Reps have high energy and a bold attitude, as expected, but unlike the poor Sales Reps, they tend to keep their energy and boldness in check. Thus, compared to poor performers, they scored higher on Self-Control, Worrying, and Rule-Consciousness. These findings align with classic hunters, full of energy, hope, and daring, but not to the extent these tendencies get out of hand.

### **Account Reps**

The best Account Reps were engaging, friendly and socially bold, but not as engaging, friendly or socially bold as the best Sales or Territory Reps, and not even as engaging, friendly and socially bold as the mediocre and poor Account Reps. This was an expected result, as excessive boldness and friendliness fits the hunter mentality better than the maintenance mentality associated with Account Reps. The best Account Reps were also a bit more suspicious than Sales or Territory Reps (although still more trusting than the general population). This also makes sense, as maintenance requires vigilance about losing accounts, while new accounts are generated with a hopeful attitude. Excellent Account Reps do not worry as much as the general population, but they worry more than their hunter counterparts. Finally, they seem to be more humble than the best Sales and Territory Reps, although, again, not as humble as the average person.

## Territory Reps

As expected, the best Territory Reps combined the best qualities of the other two positions. Like the top Account Reps, they were friendly, but not too friendly, and bold, but not too bold—they were friendlier and bolder than Account Reps but not as friendly and bold as the poor Territory Reps. The best Territory Reps also scored higher on Worrying and Self-Control than the poor Territory Reps.

## The Results

Individual test items that distinguished performance in each job were combined to form three new scales: The Sales Rep Scale, the Account Rep Scale, and the Territory Rep Scale. As noted, these scales will be computed only when the candidate fits a general sales profile.

---

### Sales Rep Scale:

More like top performers

Score = 1.5

potential concern			question	desirable						
1	2	3	4	5	6	7	8	9	10	

Less like top performers

---

### Account Rep Scale:

like top performers

Score = 3.4

potential concern			question	desirable						
1	2	3	4	5	6	7	8	9	10	

Less like top performers More

---

### Territory Rep Scale:

like top performers

Score = 5.2

potential concern			question	desirable						
1	2	3	4	5	6	7	8	9	10	

Less like top performers More

Retroactive application of a scale on the same sample it was derived from, always creates good results, but in this case, the results were remarkable. Using a cutoff of 5.0 on these scales (which run from a low of 1 to a high of 10) – using each scale for its own job type -- would have eliminated 57 of the 87 worst employees, while endangering the hiring of only 5 of the 81 best employees. (We report this as “endangering” rather than as “eliminating” their hiring because these scales should defer to a stellar work history when such a work history is available, and presumably many of the top performers were top performers before they got to Republic. For this reason, screening out is a more reliable process than selecting in, because those screened out often have an unclear work history, while the best employees often have some evidence of their excellence.)

**N=168**

<b>Score of 5 or greater</b>	<b>Low Group 1-2 3 87</b>		<b>High Group 6-7 81</b>	
<b>SCREEN IN</b>	30	35%	76	94%
<b>SCREEN OUT</b>	57	65%	5	6%

What this means is you will never be able to create exact cut off scores that define a perfect hire from a non-perfect hire, only relevant ranges. By using the scales, while you may potentially miss a few good hires, you will automatically eliminate far more bad hires. By the same token your odds to hire better sales performers will be much greater if you use the cut off scores that the scales provide. By reviewing the 3 scales you will be able to see what position is a better fit for an applicant than perhaps another. While there are differences in the profile of a sales rep, versus an account rep, versus a territory rep they are more subtle than well defined. The 3 scales will help differentiate those subtleties.

### **Recommended Procedure**

Personality test data should not form the sole basis for personnel decisions. Consider these points when using The Sales Personnel Report to hire Outside Sales personnel:

1. Compare your applicant's scores on each factor with the shaded ranges for sales on the Primary Personality Factors graph. First identify any scores outside a given range. Next, evaluate if the trait is essential and necessary to perform the role.
2. The Sales Scales should be evaluated for job fit in each of the three categories, Sales Rep, Account Rep, and Territory Rep with scores of 5.0 or greater considered desirable, scores of 4.0 - 5.0 questionable and scores less than 4.0 evaluated as potential concern for that particular job.
3. Consider very carefully any candidate with two or more Areas of Potential Concern. If a decision to hire is made there should be additional information to support the candidate's fit for the position. There should be supportive material from other sources (e.g. background investigation, second interviews, and reference checks) to validate a positive hiring decision. **Having no areas of potential concern does NOT necessarily indicate suitability for a specific job.** Further evaluation of this report is necessary to determine job fit.

4. In the Performance Factors section of The Sales Personnel Report, Personal Responsibility/Self-Control and Workplace Coping Skills should be 4.5 or higher. If either of these two factors are in the questionable range, a hiring decision should be well-supported by interview data and/or a review of past work history.

### **Further Investigation**

When scores in *ANY* of the four procedures above or in the Work-Related Personality section are in question, further exploration is *HIGHLY* recommended. Spend additional time reviewing the report, conducting thorough background checks or checking with past supervisors regarding questionable areas. Consultation with The Executive Group is available for further insight and clarification.