

Talent Management – Sales force Perspective

***Krishna Kumar. E.V.,**

****Dr. L. Manivannan**

*Research Scholar, Department of Management, Karpagam University, Coimbatore.

**Dr. L. Manivannan, Associate Professor & Research Advisor, Dept. of Corporate Secretaryship, Erode Arts College, Erode.

Introduction

In today environment, in terms of individual and company performance there is no more significant factor than role-fit – an individual's suitability for the specific role they are being asked to perform. Indeed, the importance of role-fit cannot be overstated nor its ramifications underestimated for both the individual and the employer. It has far-reaching consequences across a number of areas including: hiring, retention and replacement costs; development strategy; the structure, efficiency and profitability of the sales organization; and, of course, revenue performance, growth and company profitability. However, role-fit is not the whole picture in terms of organizational performance: the right mix of roles within the sales organization is just as critical in terms of a company's ability to respond to market expectations and drive revenue performance along with long-term, sustainable growth. Optimizing the sales organization through the right mix of people, doing the most appropriate jobs, in the right combination for the marketplace, in order to drive revenue and growth within a particular market is what we refer to as Right Person, Right Role.

There are number of reasons addressing an organization's talent management problems. :

- the right assessment technique which probes an individual's skills, behaviors and underlying competencies enables an organization to recruit from beyond its traditional talent pool;
- assessing an employee for role-fit to a specific sales role (rather than a more generic one) means that, once appointed, that individual is likely to perform better and remain longer in a position to which they are well-suited compared with the average;
- a company's sales organization can typically run leaner with fewer, high-performing individuals once they are matched to roles and the roles aligned to customer and market expectations; and
- It helps identify and position talent with the potential to develop and grow in step with their employer and evolving customer requirements

HOW LEADING COMPANIES MANAGE SALES TALENT

Regardless of company type, size and structure, our findings reveal leading practices that distinguish talent management leaders from the rest of the pack. The leaders build holistic talent management strategies, combine formal talent processes with more personal ones, and embed a broad view of diversity into the corporate culture. They also focus energy and resources on the processes necessary to manage sales force talent more closely.

1. Create Holistic Talent Management Strategies

Leading companies define sales force talent management as a *mosaic* of activities that align closely across internal organizational boundaries and with external customers' needs. Each element of talent management is part of a larger picture that reflects the company's business objectives. As an executive at a beverage manufacturer explained, "The concept of an independent 'retention strategy' is outdated. Instead, we have to recognize that retaining good people—as well as identifying and developing them—is the result of many self-reinforcing activities, from engaging and motivating employees to improving productivity and training."

Establish consistency across boundaries. Developing a holistic talent management strategy for sales requires first stepping outside traditional boundaries—not thinking in terms of individual initiatives, such as a "sales push," an "HR project" or a "regional plan," but rather in terms of cross-functional, multi- regional initiatives.

Make sure sales and HR work together. Perhaps the most important cross- functional relationship in managing sales talent is the one that takes place between sales and human resources. Since certain talent management activities could fall under the purview of sales or human resources, both areas must agree on roles and responsibilities.

Align talent management with long-term objectives. Managing sales talent is a long-term process with long-lasting impact, so the strategy needs to reflect that, particularly during the current global economic recession. Never forget the impact sales talent can have on future success, even while tending to short-term problems. Forward-thinking manufacturers are seizing the economic downturn

2. Balance Formal and Informal Processes

Throughout most of the 20th century, managing salespeople was informal and culture-driven, and success was defined by personal relationships and organizational fiefdoms. For decades, personal networks dominated succession planning and professional development.

This attitude promotes exclusivity and inequity, and depends excessively on informal activities that often hinder more strategic and thoughtful decisions.

The troubles with the status quo Intimate working environments produce definite benefits, including high levels of employee commitment and loyalty. The downside, however, is that informality makes it difficult to make tough but necessary employee-related decisions. For example, external hires may not have the same access to advancement opportunities as entrenched employees who generally get preferred positions. As one executive said, “We have a hard time incorporating new talent that might otherwise invigorate the sales force. In years when it was necessary to reduce headcount, we couldn’t identify the lowest performers because we lacked the formal processes to do so.” “If our analysis of salespeople is too subjective, we cannot make sound talent comparisons across functions, businesses or even direct reporting lines,” explained another executive. Talent management that is overly dependent on networks can smother innovation by discouraging unique perspectives

The good and bad of formal programs Wary of culture-dependent talent models, many companies launch programs and activities to increase discipline, create visibility, reduce personal bias and track progress toward talent goals. Our findings support the effectiveness of a more disciplined approach: formal activities can be measured against goals and are therefore implemented more consistently and effectively across the organization.

Again, however, there is a downside. If the talent management processes are too formal, companies risk losing the deep cultural support and personal engagement that are necessary to support organizational focus on talent. As one executive explains it, “The objective components of talent management [such as salary and bonuses] are easy. It is the emotional engagement that is harder to achieve.” Depending too much on rigid, formal talent management activities will meet the requirements, but not the spirit, of a talent management strategy.

Formal programs, but with a personal touch. Not surprisingly, companies with a blend of formal and informal talent management programs for sales are the most effective. A senior sales executive for a manufacturer of household products told us that “nothing is more important than sourcing high-quality talent,” while describing a structured interviewing process fuelled by personal, employee-led recruiting efforts.

3. Embed Diversity into the Corporate DNA

Leading companies think of diversity as a means to nurture sales force creativity, build deeper relationships, and stimulate higher-quality thinking. They use employees' diversity to produce dynamic work environments and marketplace solutions that better reflect customer and consumer needs.

Chart a Talent Management Roadmap

Developing a sales talent management strategy begins with a clear plan, or road-map, to achieve world-class talent management:

Manage sales talent strategy with corporate talent strategy. Given its direct impact on top-line performance, sales talent should be managed within the context of a corporate talent strategy and business objectives. Programs should be flexible enough to address unique sales force needs (including compensation, professional development and work-life balance) without compromising consistency with other areas of the company.

Develop sales skills based on what customer's value. Improving business outcomes means aligning sales force skills and capabilities with well-defined customer needs, including future requirements. Without an intimate understanding of how to serve its customers, no company can create an efficient talent management program. Keeping in mind that retail requirements may change over time and that customer can't always articulate their needs, sales forces should ensure that their talent strategies promote diversity of thought, experience and background as a means of identifying hidden opportunities. Retailers that help their partners develop sales talent will be in a better long-term position.

Design activities to achieve your unique goals. Although all companies must perform the crucial tasks of identifying, developing and retaining sales talent, there is no magic formula for building a sales talent management program. Every organization must select the specific activities it will pursue. One company might determine that external recruiting is a key element of its program, while another will focus resources on hiring from within. Regardless of which activities are pursued, all talent management programs should include: holistic integration across levels, functions and geographies; formal and informal processes; and a broad definition of diversity woven into the entire talent lifecycle.

Articulate, Activate, Sustain

Armed with a talent management roadmap, the next step for manufacturers is to determine who will be accountable for enacting the talent strategy. The following are key responsibilities for corporate executives, sales and HR leaders.

Articulate the talent strategy. *Corporate executives* must interpret their company's vision for talent management so that each employee understands his or her role in achieving that vision. Senior leaders who can articulate the strategy are uniquely able to marshal resources and provide organizational focus to create an environment that links talent management with business objectives.

Activate talent management. Once a company's talent strategy is clear, *sales leaders* must build the institutions and processes that institutionalize that strategy and deploy that sales talent to customers. Sales leaders are not only accountable for aligning sales talent with current and future customer needs, but also implementing consistent practices that support talent management goals.

Sustain the program. Even the best talent management planning and program launches will fail without excellent, ongoing execution. The support of the *HR team* is vital to help develop the tools, metrics and support capabilities, and cross-functional continuity that ensure talent management remains an ongoing priority. HR can also act as the company's "talent conscience" by demanding accountability from other leaders and infusing leading practices into talent processes.

Support the Sales Talent Strategy

Once you've established guiding principles and roles for sales talent management, how do you make them work? Our findings indicate that top companies adopt enabling behaviors. The following actions are essential to making good on your sales talent objectives.

Motivate with incentives. While it's important not to rely exclusively on financial compensation to improve sales talent, it is naïve to think that incentives are not a good motivator. In talent management, as in other functional pursuits, people perform the tasks for which they get paid and recognized. Executives need incentives to execute "people" initiatives.

Provide the right tools and technology. The volumes of data needed to support a fully functioning program can make "managing talent" a daunting task. Performance reviews, individual development plans, and employee skills and experience are traditional tools to

support managing sales talent. Increasingly, leading companies are developing more innovative tools—including electronic forms, tracking tools and other web-based technology—to streamline data gathering and analysis. Yet, only one quarter of companies in our survey praise their employer’s use of electronic forms, and barely one-half rate themselves as extremely or somewhat effective at using internal tools to track employee skills and experience.

Increase transparency. Given the direct impact that talent management has on business outcomes, communication is essential to building organizational trust. Without faith that activities are fair, rigorous and consistent, companies have little hope of getting their employees to take talent management seriously. Just as managers must understand what is required of them to improve talent management, lower-level sales employees must understand the talent evaluation processes and development opportunities that shape their careers. However, building this level of trust is easier said than done. In our survey, field sales forces rank transparency among their companies’ least successful talent management outcomes; 10 percent say they are very well informed about the company’s talent management programs and opportunities, and one-third do not have a clear understanding of the skills that are necessary to succeed and advance.

Measure performance Measuring the costs and benefits of sales talent management programs is an area with significant room for improvement, with just 21 percent of companies consistently doing so. Quantifying and tracking progress can be challenging, but several study participants have created customized metrics to gauge the impact of field and executive employees’ actions. These companies measure:

- Voluntary and involuntary sales force turnover (with detailed reasons for each)
- Compliance with performance reviews and individual development plans
- Time and expense required to fill vacant positions
- Proportion of internal and external hires for top sales roles
- Recruiting conversion rates and employee involvement with the recruiting process
- Quantitative diversity representation and employee attitudes toward diversity

Also, some organizations have created outcome-focused metrics, such as “return on talent investment” and “talent pipeline strength.” Others include metrics in their executive dashboards, which can provide powerful support.

Conclusion:

Strategic growth objectives can best be realized by optimizing the structure and role-mix of the sales organization for maximum market impact, with each role filled by high-achiever sales talent and supported by the appropriate sales process.

References:

Sales Performance Optimization: 2011 Key Trends Analysis by Jim Dickie and Barry Trailer, CSO Insights.

'The War for Talent', by Elizabeth G Chambers, Mark Foulon, Helen Handfield-Jones, Steven M Hankin and Edward G Michaels III, McKinsey Quarterly August 1998 and 'War for Talent: part two' by Elizabeth L Axelrod, Helen Handfield-Jones and Timothy A Welsh, McKinsey Quarterly May 2001.

'Making talent a strategic priority' by Matt Guthridge, Emily Lawson and Asmus Komm. McKinsey Quarterly, January 2008.

Assessments 2011 – Selecting and Developing for the Future by Mollie Lombardi, Aberdeen Group, May 2011.