

# Connecting HR Leadership to the **bottom line:**

**Key Strategies for Improving  
the Customer-Centric and  
“Sales-Centric” Character  
of Your Organization**

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Human resource officers at most corporations have long been in the best position to help hire, train and mentor those people who have the leadership qualities necessary to achieve a company's business goals. Yet, it has not always been recognized that human resource leadership can have a substantial impact on a company's bottom line.

It is the purpose of this paper to show the key areas in which human resource officers can help direct high-impact research, selection, and training programs that can make their companies more profitable and also track and validate the ROI of human resource efforts. We strongly believe, however, that a new term must be employed when measuring the success of human resource efforts. Because the business impact being studied in human capital goes beyond a mere calculation of ROI, we have chosen to create and adopt the term ROP<sub>SM</sub> – Return on People. Although the concepts presented in this paper relate to performance issues in sales, the emphasis on character and productivity applies equally to administrative positions, human resource positions and all executive and leadership positions.

### **Measuring Your ROP: The Role of Surveys**

The advent of affordable online assessment surveys, some of the most popular of which are the "360," are enormously valuable for the richness of the organizational insight they provide. The problem is that very few companies use 360 surveys and other employee assessments as effectively as they could. In order for human resource officers to use employee surveys of critical performance issues successfully, they have to be empowered by the CEO to ask the types of questions the organization needs to ask of itself.

This kind of assessment requires that human resource officers be permitted to tell the truth and use their insight when it comes to identifying sources of bad leadership or poor management practice in the company. Then they have to ask employees, via surveys, how much they believe these practices have hindered morale and performance. If it is discovered that their hunches are correct, they must be allowed to use the information to create meaningful change.

Human resource officers should be a company's frontline in the business of "reality checking." That is because their contact with employees across the departmental spectrum has enabled them to understand the real questions, concerns, personalities, and morale issues that are impacting performance, especially sales performance.

### **Using Sales Force Morale as a Benchmark For Organizational Cohesiveness**

Examining a company's sales performance from the view of company-wide attitudes towards sales, is an excellent vantage point from which to study how sales-centric a company is. This approach also affords a simultaneous opportunity to study how customer-centric the company is. In companies where the sales people are not respected by other departments, it is almost certain that there are morale problems. Sales people who have a lowered or handicapped morale have a direct and negative impact on the bottom line.

In companies where sales people have morale problems, you can be assured that other departments will have similar issues. Unfortunately, not all top executives outside of human resources care or recognize that all departments should be aligned with company-wide sales philosophies. Worse yet, not all companies recognize the power of this alignment.

### **Visualizing and Employing The "Sling-Shot" Approach: One Sure Way to Kill Goliath**

We ask all executives to imagine their company as a sling shot. In other words, sales is about growing momentum and energy *internally* as much as externally. The organization should strive to be the most powerful and best built sling shot in the world, insofar as its marketing, operations and delivery efforts are concerned. Yet, we must always bear in mind that the sales force is the rock that goes into the slingshot. If the sling shot is strong and well built, the rock will fly fast and hit its target. Small companies that are known for "slaying the Goliaths" in their industries, have always put their sales department at the center of the action; where sales departments rightfully belong. The results in sales achieved by such sales-centric

companies, translate into long-lasting, loyal clients and growing revenues.

Almost any CEO will pay attention to human resources if human resources makes the case that the company is not sales-centric; it is at this point where you can usually get the company to act. Once you begin to implement the team-building programs that increase interdepartmental knowledge, teamwork and support around the company's sales efforts, those philosophies and standards will find a foothold throughout the rest of the organization.

In the following section, we will demonstrate how relatively simple online surveys about your sales force can give you an exorbitant amount of information about the morale of your entire company; as well as the operational support of sales, which is the platform upon which any successful sales growth is built.

### **A Sales-Centric Survey For Your Company**

It would be fairly easy to construct and deliver an online 360 survey of departments that would examine how various team members viewed and understood the sales and marketing roles at your company, and to see if sales people felt they were adequately supported.

However, you can get a sufficient preliminary gauge by pondering certain questions as you put yourself in the mindset of the sales professionals at your company.

By considering these questions carefully, you will also achieve a bird's eye view of key strategic questions involving operations, delivery, teamwork and support that directly impacts bottom line performance. In other words, healthy and cohesive companies that are supportive of their sales forces (and also involved in sales force education and the enrichment of sales force morale) would get healthy marks from anyone when asked these key strategic questions.

Analyzing the "sales-centric" health of your company will also give you valuable insights on the "customer-centric" health of your organization.

Be brutally honest with yourself when you answer these questions, putting yourself in the shoes of your sales people.

<b>Imagine that you are a sales person when you answer the following:</b>		
	<b>Score 1 to 5 (5 being Highest)</b>	<b>Score</b>
1	The marketing organization of my company understands the tools I need to have when I am selling.	
2	The marketing department asks my opinion and respects my input when they are developing the materials I need to sell.	
3	If I need support from the marketing department, I get it.	
4	Our marketing materials are powerful sales tools and accurately describe what makes us better and different.	
5	Our sales processes are clear and simple. Once I make the sale I can rest assured that delivery will be made and go back to selling to other customers.	
6	All of our sales people understand our value proposition and know what makes us valuable and different in the marketplace.	
7	All of our sales people know what we are selling, and why we are selling it.	
8	Most people who are not in sales understand what we are selling and why we are selling it.	
9	The company's leadership sees the sales department as a value department that is key to the company's image, growth and profitability.	
10	The technology tools that help the sales process are up to date and efficient.	
11	The operations side of the company quickly delivers and supports the customer when the sales person sells.	
12	The company has achieved the market presence it is capable of.	
13	The company has achieved the brand recognition it is capable of.	
14	The company has achieved the customer service reputation for excellence it is capable of.	
15	The company has achieved the competitive differentiation it is capable of.	
16	The company has achieved the sales it is capable of.	
17	The company has achieved the profitability it is capable of.	
18	The sales department receives the help and respect from upper management that it needs.	
19	The sales department receives the kind of training that it needs.	

20	Most people in sales are passionate about their jobs and giving it their all.	
21	Most people in sales would say their heart is really in it and they love the company.	
22	Most people in sales would say they believe in their company at least 90 percent 100 percent of the time.	
23	Most people in other departments believe in their company at least 90 percent 100 percent of the time.	
24	As a sales person I admire my managers.	
25	As a sales person I admire my company.	
26	The feedback I get from regular reviews and evaluations makes sense.	
27	I know how my performance ranks in relation to my peers.	
28	I know my areas of strength.	
29	I know the areas I need to improve.	
30	I understand the value of relationship building in my organization.	
31	I understand the value of relationship building with prospects and clients.	
32	I embrace my company's core values.	
33	I reflect my company's core values to my clients.	
34	I believe that members of other departments respect my role.	
35	I believe that members of other departments understand my role.	
36	I believe that members of other departments value me.	
37	I believe that we have a cooperative, mutually respectful organization.	

Max total = 185

After you have entered a score for each question, add up your results. In a healthy environment where sales people are adequately supported and are achieving what they are capable of, you could expect a score somewhere in the neighborhood of 148.

If your score is much lower than that, and you are sure that your own instincts are a fairly accurate barometer of organizational morale, then you will know that you might do well to conduct interdepartmental studies of the operational support of your sales force.

Another reason for doing this research is connected with Customer Service quality. The connection is simple and does not require additional work in order to ferret out potential weaknesses.

As co-author of this paper, Snyder demonstrates in his book *How to Mind Read Your Customers* (AMACOM, 2001), the health of an organization's sales force is a barometer of the organization's relationship savvy overall.

In organizations where the internal customer service is high, the external customer service will be high as well. There is no better barometer than that of internal customer service to see if the sales department feels supported and appreciated since sales people, in general, are treated as "second class citizens" in arrogant or dysfunctional organizations. If morale in the sales force is low, you can be assured that on the outside, customers are being short-shifted as well, which will further erode the company's bottom line. Your attention to the issues revealed by surveys such as this will help you to take significant steps to improving profitability by addressing customer service quality and sales support at the same time.

**The Reality Check Checklist:  
Remembering Key Indicators  
Of Organizational Health in  
"Sales-Centric" Organizations**

To summarize the main points of the preceding exercise, human resource officers can have a large impact on the bottom line by helping their companies to study the following:

- What is the overall sales mentality of the organization?

- What are the organization's values with regard to sales?
- What is the level of internal and external customer relationships and are there areas of dissatisfaction with regard to service, both internally and externally?
- What is the marketing department's relationship with sales?
- What is sales' view of the marketing department?
- What is the R&D department's view of sales?
- Is there a feedback loop between sales and R&D?
- What is sales' view of the technical and research sides of the business?
- What is the level of efficiency and dependability of Operations; i.e., is this department operating to make sales processes more efficient?

In addition to using 360s and other surveys as forensic tools to get to the critical issues at hand, human resources officers and their teams can do a great service for their companies by conducting in depth interviews. Interviews with members of sales teams and other departments can help net out success barriers and also establish the positive aspects of relationships that work well for them currently.

**Additional Considerations:  
The Role of Character in Sales Performance**

Another area that should be of enormous interest to human resource officers is the relationship between character and performance. The most solid research on character and performance has focused on the performance of sales people. This is one area we continue to focus heavily on in terms of our own research efforts at Headway, since we have built elaborate recruiting models to provide more accurate selection, sourcing and placement of sales people. Research shows that a great sales person at company X will not necessarily be a great sales person at company Y if the cultural fit is not right, if values do

not line up, and if the job requires behavioral characteristics or character traits that the sales person does not have.

Following is a brief outline of how we have applied a high-impact character screening model as key strategy for selecting sales people. This methodology promises to have enormous implications for selection and recruiting in other professions as well.

## **Why the Emphasis on Character Is Critical**

Since a number of leading studies have shown that character traits such as optimism, energy, follow-through, serious-mindedness and thoughtfulness are the actual benchmarks of top-grossing sales professionals, Headway takes a meticulous two-pronged approach to benchmarking and recruiting sales professionals.

### **1. Assessment of the Job**

In the first part of this phase we conduct interviews with the client to assess strengths and weaknesses of the current sales force and to draw a meticulous portrait of the type of character traits, skills, qualifications and experiences that are required in order to meet the company's goals.

Through this process, we will help the client to first establish a competency analysis of the specific traits and skills that are required for a specific sales job.

### **2. Assessment of Candidates**

Once the assessment of the job is accomplished, we then use a wide range of tools including assessment tests, live interviews, and writing exercises (as needed) to precisely evaluate the full range of character traits, behavioral traits, personality characteristics, communication skills, data analysis skills, critical thinking skills, knowledge, qualifications and experiences that each candidate brings to the table.

## **Additional Background**

The first phase of this process—the job assessment process—is critical.

A study done by assessment expert Jeff West of VantagePoint, Inc. at a Fortune 500 company with more than 5,000 sales people, found that a large number of account executives were actually mismatched for their jobs and that high stress and lower than expected performances were the results.

In brief, the study showed that the needs of the account manager role in that corporation had evolved into a job where high consultative selling skills, patience, analytical reasoning and a “high touch—high listening” sales style was required. Interestingly, many of the account executives that had been recently hired before the study had been hired on an older model emphasizing aggression at the expense of analysis in the sales process. This led to the hiring of many highly aggressive sales people who lacked the natural predisposition and character traits of a consultative seller. This mismatch was discovered to be one of the key reasons for underperformance in the sales force.

### **Earnings Increase When There Is a Character Fit— Results from the Insurance Industry**

A study done at a major insurance company showed a whopping difference in sales production between people who scored in the high range of a sales-specific personality test that emphasized character traits and those who scored in the low to mediocre range.

High scorers on the SalesMax test developed by Bigby, Havis & Associates reported an average production of \$7,123,043 a year, while those in the mediocre range averaged \$3,224,114 a year, and those in the low range averaged only \$2,755,492 a year. The most interesting part of the SalesMax study is this: research supporting the validation of the test did not find a correlation between sales *earnings* and sales *knowledge* or *skill*. What did correlate robustly, however, were personality traits such as resilience, follow-through and optimism, which are also commonly referred to as character traits because they are bedrock traits that do not change over time.

As noted above, we believe that our research and the research of others has only identified the tip of iceberg, so to speak, insofar as the relevance of character is concerned.

We believe that future studies will show a widespread connection between character and competence in many occupations.

### **Implications for The Industry Overall**

One of the most customer-centered services we provide occurs at the individual level, and this is the level where we try to help our candidates build their own brand.

Building your own brand as an individual is a time-consuming but vital process that involves looking well beyond the resume and exploring a full range of high-tech tools and processes that will enable an individual to make the best possible presentation to the world. Some of the tools we have developed along these lines include PowerPoint Presentations as part of an individual's Personal Marketing Kit© and other high tech tools that go far beyond cover letters and resumes.

All of these tools that help the individual build their own brand, become immediately important to any company that is trying to build its own brand and is looking for team members who share the same brand quality in terms of aspiration, vision, determination and passion.

The last word, passion, may in fact be one of the most important but under-researched predictors of success in every sector of need that presents itself to our profession.

### **Defining the Importance and Relevance of Passion**

Words such as passion and values have been used so often that they have lost some of their original meaning and impact. When you are looking for superstar performers you need to take a *scientific* approach

to assessing what type of passions and values you need in your workforce.

Some of the most fascinating research in the area of workplace values was done by German psychologist, Eduard Spranger. He published the groundbreaking study in the 1920s titled *Types of Men*. In his work, Spranger suggested that a person's attitude, not personality type, created a feeling of success in the world. The attitudes or values Spranger researched are now of great interest to organizational psychologists.

In the future, we believe that career building and human performance will increasingly focus on the nature of passions as predictors of an individual's success in a chosen career. An individual's personality is not a good predictor of success in any job; a person's passions are. Skill, knowledge, and personality are all important, but all of these attributes stem from the head. They enable you to determine whether a person *can* do the job but they don't give you an idea of how *well* they will do the job. The bottom line is that people will not pour themselves into a career and create a reputation for innovation if their *hearts* are not in the job.

When you look for the traits that will predict how much energy people will give to a job, the type of energy that leads to innovation, you need to look at the passions and character traits required for successfully completing that job. As we mentioned before, we devote an immense amount of time to researching the passions and character traits necessary for jobs that require a high level of innovation and ingenuity. We also have a highly sophisticated process for finding the right people to fill those jobs once the passion has been identified.

### **Final Considerations On the ROI of Coaching**

One of the other top considerations of leading human resources executives is in the area of coaching and training existing staff. A number of interesting studies have shown that there is a bona fide bottom line impact stemming from coaching efforts.

For example, a 2000 study published in **Business Wire** and conducted by Manchester Inc. (a career management consulting firm) found that

"...a company's investment in providing coaching to its executives realized an average return on investment of almost six times the cost of the coaching." This study is often cited as one of the first major studies to quantify the business impact of executive coaching.

According to citations, the study revealed several specific improvements experienced by companies that provided coaching to its executives:

Productivity (reported by 53% of executives)

Quality (48%)

Organizational strength (48%)

Customer service (39%)

Decrease in customer complaints (34%)

Retention of executives who received coaching (32%)

Cost reductions (23%)

Bottom-line profitability (22%)

In the areas of sales coaching specifically, clients studied in the Manchester, Inc. research have reported many measurable benefits including the following:

- Greater awareness and proficiency in sales skills, such as qualifying leads and closing sales
- Increased sales
- Greater pleasure in their work
- More effective sales training
- Increased customer satisfaction
- Greater impact on the organization meeting its company-wide financial goals
- Improved focus related to their career
- Renewed energy for life

Another interesting study compiled by Coaching.com, a San Diego-based coaching company and reported by Mary Lee Olsen, shows that organizations providing one-on-one coaching in conjunction with training, attain a better return on the investment they make in training programs.

As reported, an independent study by Michigan-based Triad Performance Technologies, Inc. studied and evaluated the impact of coaching support on 67 regional and district sales managers within a large telecom organization. Positive results were achieved in several key areas, which led to an estimated \$2 million profitability impact from the group receiving the coaching. Top performers remained in their jobs, positive work environments were created, and revenue increased as individuals exceeded their goals.

Such studies substantiate that any human resource officer would be attending to the front-line of duty by using assessment tools and surveys that would help clarify and define the areas of training, coaching and development that need to be addressed first.

## **Summary**

At Headway, we use many tools, techniques and assessments to help identify people with a passion for solving problems; we can usually tell what kind of work environments or challenges will spark their passions and unique abilities.

If we were to give any advice to human resource officers who are trying to positively impact the bottom line of their companies, it would be this:

- Use all of the assessment tools and recruiting methods at your disposal to locate people who have a passion and track record for solving problems.
- Concentrate on finding people who still have “something to prove.” This will help you weed out those who have a sense of entitlement and who will always decrease the momentum of your teams.

High-impact recruiting and selection means that you must go the extra mile to separate the wheat from the chaff, so to speak. You must carefully screen out people who are likely to take more than they give. Innovative people are more likely to give more than they take. Individuals characterized by self-interest and laziness react negatively when asked to do something beyond the call of duty. However, there are also those people who possess what we call “the magic.” They leap at the chance to show you what they are made of and to tap into their passions. They want to go beyond the call of duty; they take pride in proving themselves. Their drive to demonstrate their abilities and talents is more important than their self-interest. From this magical mix comes innovative thinking and innovative behavior in the workplace.

Great human resource leaders have always known these things. The true test for all of us as we look forward to tomorrow, however, is this: we must stand up for and acknowledge the value of those excellent team members who have demonstrated the quiet, unpretentious leadership of service, dedication and a desire to prove themselves to others. Such people are not always the easiest to find—but we need to reach out to them, select them, hire them, train them and retain them. Because the quality of character, commitment and passion that comes as natural as breathing to these people is really the breath of life for any organization that wants to succeed in these stressful and challenging times.

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