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When sales and marketing executives get together, the high turnover and poor productivity of salespeople are probably the two most widely discussed topics. Unfortunately, they rarely talk about or challenge the hiring criteria that, more than any other factor, cause this waste.

The very basis on which hiring judgments are made helps explain why high turnover of sales personnel in most industries persists and why throughout industry, even where the turnover is relatively low, approximately 20% of the salespeople account for 80% of the sales. Basing hiring decisions on myths rather than reality is, according to our research, the reason that about 55% of the people holding sales positions have little or no ability to sell, while another 25% have sales ability but are attempting to sell the “wrong” product or service.

The remaining 20% are doing precisely the job that is appropriate for them and for their companies. These people prove to be, for the most part, the same 20% who produce nearly 80% of the sales.

Sales and marketing executives accept this situation, and corporate management continues to seek the young married white male with experience and (of course) a college degree. The result continues to be high turnover and poor productivity.

In this article we focus on such persistent hiring tenets to show that they are myths and to suggest an approach that can lead to selecting successful salespeople and sales managers from all sectors of society. The findings we report are based on our study of more than 360,000 individuals in the United States, Canada, and Western Europe since 1961. The study covers 14 industries:

- Automobiles
- Chemical manufacture
- Life insurance
- Media and publishing
- Pharmaceutical manufacture
- Real estate
- Stock brokerage and mutual funds

- Banking and finance
- Business forms manufacture

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Data processing
 Farm equipment
 Heavy manufacturing
 Printing
 Property and casualty insurance

The seven industries in the first column characteristically have a high turnover of salespeople, while those in the second column have a low turnover.

For this study we selected at random 5% of the 360,000 from the 14 industries. After completing our analysis of these 18,000 individuals, we selected an additional 18,000, again at random, for spot comparisons to assure ourselves that we were indeed dealing with a representative sample of each industry's personnel. The second group differed in no significant way from the first, so it can be said with a high level of statistical confidence that the findings are representative.

To the appropriate managers (mostly sales managers) at the companies concerned we sent questionnaires requesting performance information pertaining to each person selected for analysis. We received usable replies for 53% of the test samples.

The respondents reported the data in quartile form so that each person could be evaluated in terms of his or her performance relative to the rest of the sales force in the particular company. This approach avoided the almost impossible task of qualitatively equating sales performance in, for example, real estate, pharmaceuticals, and heavy manufacturing. We broke the group down by industry and by the different variables we were examining in order to see which variables actually affected performance.

There were virtually no statistically significant differences among the 14 industries. The only difference appeared when we grouped the low-turnover industries and the high-turnover industries and compared them. Therefore, for the sake of simplicity, we have divided the data for the entire group into high-turnover and low-turnover fields.

On-the-Job Performance

In comparing performance, we broke the groups down as follows: (1) people under 40 versus those over 40; (2) men versus women; (3) blacks versus whites; (4) individuals with no sales experience versus those with two or more years of experience; (5) people with high school diplomas or less versus individuals who had earned one or more college degrees; (6) people hired on the basis of matching with jobs versus people hired without being job-matched.

Under-40s vs. Over-40s

The worship of youth has long been recognized as a feature of the American culture. The myths relating to the value and attributes of youth have done wonders for clothing designers and cosmeticians. Few others, however, have benefited from our neurotic obsession with youth. It is not our purpose, however, to deal with the tragedy of setting aside people at the very time that they can contribute most to society. Rather, let us focus on the sales talent that industry loses in the over-40 age group.

When comparing the on-the-job performance of people over 40 with that of their under-40 counterparts, we found no statistically significant difference. Nearly the same percentage of individuals in the older and the younger groups performed in the upper quartile of their sales forces in 6-month and 14-month periods (see *Exhibit I*). The same similarity between the groups held for second-, third-, and fourth-quartile performance.

Even in turnover rate, the two groups remained extremely close, although the older group did turn over at a slightly lower rate. Six months after hiring, 14% of the over-40 salespeople and 15% of the under-40 salespeople had either quit or been fired. After 14 months the proportions were 37% and 39% respectively.

Men vs. Women

For a number of years, of course, it has been illegal to discriminate in employment according to sex (as well as race, age, natural origin, and so on). But women continue to be substantially barred from many occupations that they could fill perfectly well. Real estate is one of the few industries that over the years have offered women excellent opportunities to actualize their potential in sales and management.

Can women be the same rich source of talent in other fields? How well do they perform in sales in

EXHIBIT I Sales Performance According to Age

| Measurement period after hiring | Performance quartile | | | |
|---------------------------------|----------------------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| 6 months | | | | |
| Over 40 | 9% | 38% | 32% | 7% |
| Under 40 | 10% | 39% | 30% | 6% |
| 14 months | | | | |
| Over 40 | 7% | 26% | 25% | 5% |
| Under 40 | 8% | 25% | 24% | 4% |

Note: Sample sizes—after 6 months, 1,679 in over-40 group and 3,928 in under-40 group; after 14 months, 1,058 in over-40 group and 2,397 in under-40 group.

comparison with their male counterparts? The results show, beyond statistical question, no performance difference between men and women, even in industries such as stock brokerage and auto sales, which until recently were considered exclusively male bastions. Virtually the same percentage of women and men performed in the top quartile of their sales forces after 6 months and 14 months (see *Exhibit II*).

Moreover, the two groups had virtually the same failure rates, whether failure is described as fourth-quartile performance after 14 months or as termination because of poor performance. Six months after their employment, 13% of the women and 14% of the men had left for various reasons; after 14 months, 39% of the original group of women and 44% of the men had departed.

Blacks vs. Whites

The law and a sense of justice tell us we cannot discriminate against individuals because of race. The data indicate clearly that it is not good business to do so, if for no other reason than self-interest. Blacks perform on the job as well as their white associates (see *Exhibit III*). Turnover was virtually identical: 12% and 38% among blacks in the two periods, 13% and 37% among whites.

We should point out that the blacks in these sales forces are essentially middle class, so this group is not representative of all American blacks. But the group is representative of black individuals applying for or holding jobs in the cross section of industries presented in this study. What would be the results of a study of a less advantaged group of blacks—say, participants in an antipoverty program who have little work history, little schooling, and little exposure to the middle-class world?

The answer, based on our experience with more than 7,000 individuals in federally sponsored pro-

EXHIBIT II Sales Performance According to Sex

| Measurement period after hiring | Performance quartile | | | |
|---------------------------------|----------------------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| 6 months | | | | |
| Women | 11% | 36% | 35% | 5% |
| Men | 9% | 38% | 32% | 7% |
| 14 months | | | | |
| Women | 8% | 28% | 21% | 4% |
| Men | 9% | 26% | 14% | 7% |

Note: Sample sizes—after 6 months, 1,069 women and 4,227 men; after 14 months, 652 women and 2,494 men.

EXHIBIT III Sales Performance According to Race

| Measurement period after hiring | Performance quartile | | | |
|---------------------------------|----------------------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| 6 months | | | | |
| Blacks | 8% | 39% | 30% | 11% |
| Whites | 9% | 37% | 21% | 10% |
| 14 months | | | | |
| Blacks | 6% | 25% | 24% | 7% |
| Whites | 7% | 24% | 26% | 6% |

Note: Sample sizes—after 6 months, 271 blacks and 2,014 whites; after 14 months, 168 blacks and 1,269 whites.

grams in the 1960s, is that, when placed in positions suited to their real abilities, less advantaged blacks perform at high levels. Of the more than 3,000 persons placed in jobs under an antipoverty program, less than 3% were fired because of inability to perform. True, others left for a multiplicity of reasons; but the fact emerged clearly that, when they were placed appropriately in jobs suited to their abilities and were given proper training, counseling, and supervision, people from disadvantaged groups did well on the job.

From our sales force data and our research on the “hard-core unemployed,” we conclude that blacks possess the same range of abilities as the more advantaged and that companies tapping this source of talent will benefit greatly.

Experienced vs. Inexperienced

Experience is usually a principal criterion for making hiring decisions. Someone with experience in a particular industry, in selling any product or service, or even in doing unrelated work in the same industry, enjoys a great advantage in applying for a sales or a management position in that industry. Yet we found little difference in performance between these experienced individuals and those with no experience. The person with no experience, given training and supervision, is as likely to succeed as the person with two or more years of experience (see *Exhibit IV*).

As in the results previously discussed, turnover was high and marked by no discernible differences. The attrition rate for the inexperienced was 15% over 6 months and 41% over 14 months; for the experienced, 14% and 40% respectively.

There is an old saw that 20 years’ experience reflects one year’s bad experience repeated 20 times. Our findings confirm that this is often the case. Too many people cling tenaciously to their unsuitable jobs and do just well enough not to be fired. Thus they accumulate years of “experience.”

EXHIBIT IV Sales Performance According to Experience

| Measurement period after hiring | Performance quartile | | | |
|---------------------------------|----------------------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| 6 months | | | | |
| Inexperienced | 10% | 33% | 36% | 6% |
| Experienced | 11% | 37% | 33% | 5% |
| 14 months | | | | |
| Inexperienced | 9% | 25% | 20% | 5% |
| Experienced | 10% | 27% | 18% | 5% |

Note: Sample sizes—after 6 months, 3,721 inexperienced and 6,934 experienced; after 14 months, 2,195 inexperienced and 4,161 experienced.

It is these individuals—the 80% in the wrong jobs referred to earlier—who make the value of experience nil as a prime criterion for the selection of successful salespeople.

College- vs. High School-Educated

As a value to be cherished and encouraged in our society, education cannot be challenged. The use of formal degrees as *the* criterion for judging someone's potential effectiveness in a sales or a sales management job, however, must be challenged.

Obviously, in certain specialized fields complex technological knowledge is required to sell the product. The computer salesperson must know the technology necessary to deal with the specialist in the company that may purchase a new system. Of course, intimate knowledge of the product or service is necessary in all sales situations. And such knowledge is obtained through the company's training programs; a college degree is not sufficient. The results of our probing show that people with little education can do the job as effectively and as readily as those with college degrees (see *Exhibit V*).

Unlike the four other criteria discussed earlier, we found some industry-to-industry variations according to levels of education. The college graduate and the multidegree recipient slightly outperformed the less educated competitor in industries characterized by big-ticket, highly technical sales and by sales requiring lengthy follow-up. These differences, however, seldom reached 5%.

As in the examination of the other hiring criteria, virtually no differences surfaced in the proportions of salespeople who were fired or who quit during the two periods. These proportions also were high: 16% of the less educated group in 6 months and 40% in 14 months, and 15% and 38% of the better educated group in the two periods respectively.

EXHIBIT V Sales Performance According to Education

| Measurement period after hiring | Performance quartile | | | |
|---------------------------------|----------------------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| 6 months | | | | |
| High school diploma or less | 7% | 38% | 31% | 8% |
| College degree or more | 8% | 38% | 30% | 9% |
| 14 months | | | | |
| High school diploma or less | 10% | 23% | 22% | 5% |
| College degree or more | 11% | 24% | 21% | 6% |

Note: Sample sizes—after 6 months, 2,694 with high school diploma or less and 7,348 with college degree or more; after 14 months, 1,616 with high school diploma or less and 4,556 with college degree or more.

Job-Matching Approach

In view of these findings, an obvious question arises: If these long-used criteria are invalid, what criteria can industry use that would better predict job performance? The answer is: criteria that make a better match between the person and the job.

The management of the company doing the hiring must first consider the requirements in doing the particular job. In filling a sales position, for example, management must think about such aspects as:

- > How important the close is on first contact.
- > Whether the salesperson must organize his or her work and time, or whether this is accomplished through close supervision.
- > Whether a great deal of detail ability is required in the sales presentation.
- > Whether teamwork (with technicians, for instance) is the norm.
- > Whether a high degree of conceptual ability is necessary.

Such elements are rarely seen in sales job descriptions. To give these elements their due, the company should study the day-to-day function of the job to determine what qualities a person must have to perform well and be happy doing the work.

The second step in the job-matching process is the evaluation of the applicant. It should focus on:

- > Whether the person has ego drive—that is, a strong need to persuade and convince—and, if so, how much.
- > Whether the applicant has empathy—the ability to tune in on a prospect or a subordinate and to accept feedback from that person.¹

- > Whether the individual has ego strength—the ability to rise above the rejection that often comes in sales situations.
- > Whether the candidate can be forceful without being perceived as pushy.
- > How quickly the person reaches decisions.
- > Whether the individual can handle detail work.
- > How open the person apparently is to new ideas.
- > How well the candidate communicates with others.

If most of the applicant's personality dynamics match the key functional requirements of the job and none is so disparate that it guarantees failure, there is probably an appropriate job match. The experience of companies that have tried to match applicants with their sales openings shows distinct differences in performance. A final aspect of the survey was a comparison of new hires in terms of whether they were job-matched. The results for the same two periods are laid out in *Exhibit VI* (showing low-turnover industries) and *Exhibit VII* (showing high-turnover industries).

Both exhibits indicate that persons who had been matched in the first six months with open sales positions outperformed, to a statistically significant degree, those who had not been matched. Moreover, the differences widened after 14 months. Finally, the turnover rates of job-matched individuals were much lower in all cases.

While the job-matching approach is far superior to the standard tack of hiring according to experience and education, it does not approach perfection. As *Exhibit VI* reveals, the 14-month results indicate that 24% of the salespeople who had been matched with their jobs (and who still held them) were below-average performers. In the high-turnover fields (*Exhibit VII*), nearly 16% of the job-matched salespeople who still held their jobs were performing below average after 14 months.

In the low-turnover industries, 8% of the job-matched employees had quit or been discharged at the end of 14 months, while 28% of the job-matched were no longer with the high-turnover companies after that period. In both cases, however, the majority had left their positions voluntarily, while the majority of the unmatched salespeople who had left had done so involuntarily.

While error-free personnel selection will remain an impossible dream, this study points out a direction business can take to reduce such errors. The preliminary interview or interviews can provide another means of improvement.

1. For extensive discussion of empathy and ego drive, see David Mayer and Herbert M. Greenberg, "What Makes a Good Salesman," HBR July–August 1964, p. 119.

EXHIBIT VI Sales Performance in Low-Turnover Industries According to Job Matching

| Measurement period after hiring | Performance quartile | | | | Quit or fired |
|---------------------------------|----------------------|-----|-----|-----|---------------|
| | 1st | 2nd | 3rd | 4th | |
| 6 months | | | | | |
| Job-matched | 9% | 40% | 32% | 14% | 5% |
| Not job-matched | 2% | 17% | 25% | 31% | 25% |
| 14 months | | | | | |
| Job-matched | 22% | 48% | 16% | 6% | 8% |
| Not job-matched | 1% | 9% | 21% | 35% | 34% |

Note: Sample sizes—1,980 people who were job-matched and 3,961 who were not job-matched.

EXHIBIT VII Sales Performance in High-Turnover Industries According to Job Matching

| Measurement period after hiring | Performance quartile | | | | Quit or fired |
|---------------------------------|----------------------|-----|-----|-----|---------------|
| | 1st | 2nd | 3rd | 4th | |
| 6 months | | | | | |
| Job-matched | 11% | 28% | 23% | 14% | 24% |
| Not job-matched | 2% | 10% | 18% | 24% | 46% |
| 14 months | | | | | |
| Job-matched | 19% | 42% | 7% | 4% | 28% |
| Not job-matched | 1% | 6% | 14% | 22% | 57% |

Note: Sample sizes—4,362 people who were job-matched and 8,740 who were not job-matched.

A thorough understanding of the functional requirements of the job will help the manager maximize the data gathered in an interview. To the applicant the manager should lay out, clearly and honestly, everything he or she knows about what the work actually entails.

The interviewer(s) should quite closely study the applicant's reactions to these specifics. Of course, the applicant is likely to say, "Yes, that's what I like to do," to everything; but subtle reactions can often be picked up. Sometimes when the applicant is confronted with the realities of the job function, the person will make the decision that this, after all, is not the job for him or her.

An interview can also be used to discuss the applicant's personal qualities in relation to the functional requirements. For example, if teamwork is critical in the particular job and the employer's assessment indicates that the applicant is too much the individualist, the manager should point out this disparity. The appli-

cant's reaction could be important both as a validation and as an indicator of willingness to adjust to the work.

If the manager enters the final interview with a thorough knowledge of the requirements of the job and the strengths and weaknesses of the applicant, the interview can contribute greatly to bringing mistakes in selection down to a minimum.

The Method Isn't Important . . .

It is more important to assess the personality qualities of a person applying for a sales position than to gauge appearance or consider what he or she happens to have done. There are, of course, hundreds, if not thousands, of assessment methods, ranging through biographical analysis, in-depth multiple interview techniques, and psychological tests and assessment

center approaches. These approaches range from totally invalid to highly effective.

How the assessment is done is not important, however; what is important is whether the technique employed does indeed measure the person's key job attributes. If the candidate possesses the appropriate personality qualities motivating him or her to perform well, the employer can provide the needed product knowledge and functional skills. But when the individual lacks the essential dynamics, training cannot fill the gap.

Instead of seeking sales personnel only among the experienced, well-educated, young white males, business has the opportunity to tap the potential of the one person in four throughout the population who possesses sales ability. Here is a limitless source of potential talent, much of which has not begun to be tapped.