



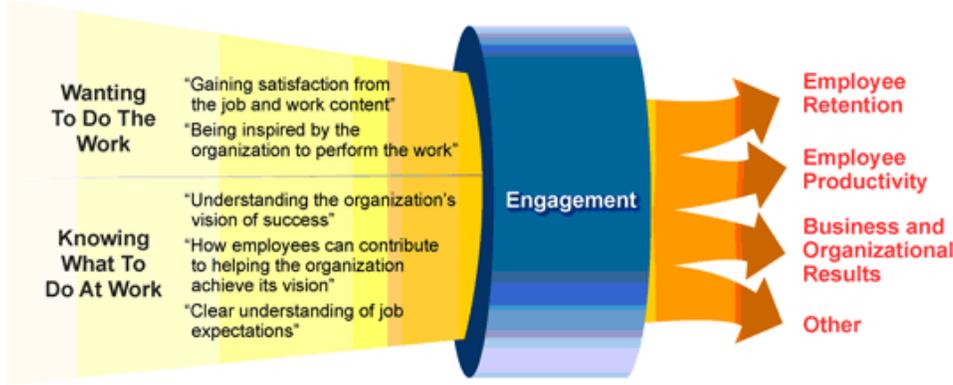
**M**otivating sales professionals has never been a function of just “paying more.” While it is true that incentive or commission-based compensation is still the best driver of sales results, research shows that it is far from being the only factor that affects a sales professional’s engagement and performance. Sales representatives are also motivated by non-financial rewards, such as work content, benefits, career and affiliation. The overarching key is to get the sales force committed to the company, to what it sells and to why it sells it — that is, to get them fully engaged. (To see how sales professionals differ from other employees see [“Yes, They Are Different ...”](#)).

Of course companies must pay competitively and in line with expected results; higher performance requires higher upside opportunity. But, getting to the heart of a sales professional requires more. How can organizations engage their sales force? The findings from Sibson’s *Rewards of Work (ROW) Study*<sup>1</sup> may surprise you.

**Engagement Improves Productivity and Lowers Turnover**

Sibson defines engagement as **knowing what to do at work** and **wanting to do the work**. In a highly engaged sales force, these two factors work in complimentary manner to drive productivity and performance, as illustrated in the figure below:

**FIGURE 1: THE TWO DRIVERS OF EMPLOYEE ENGAGEMENT**

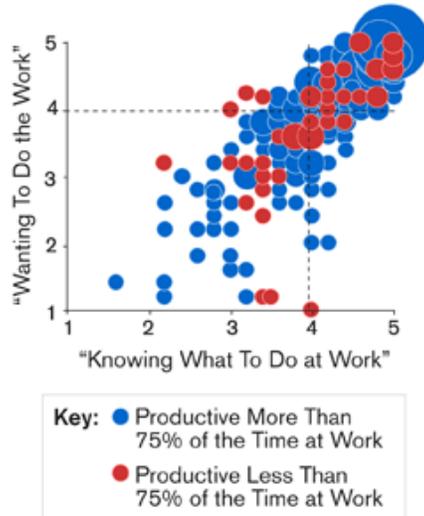


Source: Sibson Consulting

Sales professionals who are engaged are both more productive (see Graph 1 below) and less likely to

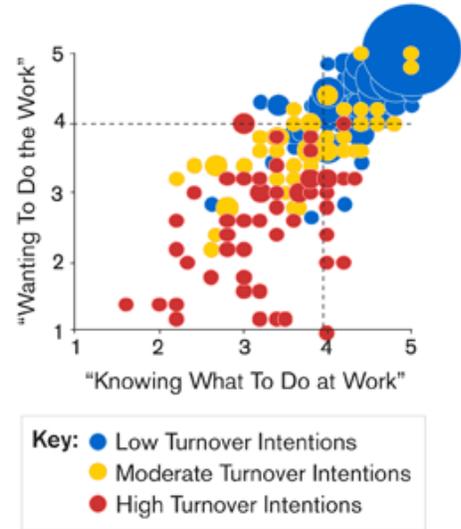
leave the company for another job (see Graph 2 below), as illustrated by Sibson's engagement characteristics matrix<sup>2</sup>.

**GRAPH 1: SALES FORCE PRODUCTIVITY BY ENGAGEMENT CHARACTERISTICS**



Note: The "bubbles" in this graph represent the number of respondents at each point.

**GRAPH 2: SALES FORCE TURNOVER INTENTIONS BY ENGAGEMENT CHARACTERISTICS**

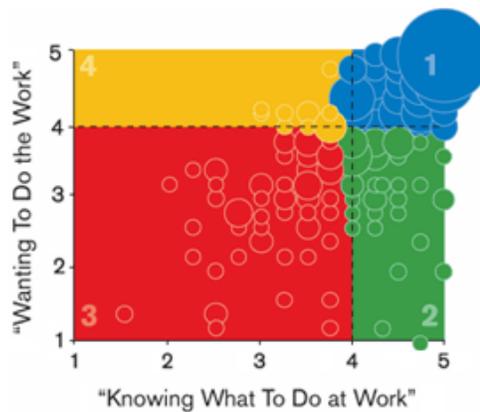


Note: The "bubbles" in this graph represent the number of respondents at each point.

Source: Sibson Consulting - *Rewards of Work Study* 2006 sales segment responses

When it comes to engagement, sales representatives fall into one of four categories on (see Graph 3 below):

**GRAPH 3: SIBSON'S ENGAGEMENT CHARACTERISTICS MATRIX FOR THE SALES FORCE**



Note: The "bubbles" in this graph represent the number of respondents at each point.

Source: Sibson Consulting

- **More than half (57 percent) are Engaged** (quadrant 1). They know what to do and they want to do it.
- **A small minority (4 percent) are Enthusiasts** (quadrant 4). Although they want to do their work, they do not know what to do.

- **More than one quarter (28 percent) are Disengaged** (quadrant 3). They do not know what to do and even if they did, they would not do it.
- **Relatively few (11 percent) are Renegades** (quadrant 2). They know what to do but do not want to do it.

The problem then lies with the 39 percent of the sales respondents who are **Disengaged** or **Renegades**.

In the context of sales professionals, “knowing” and “wanting” take on special meaning. Of course they *know* they need to sell and add customers, but they also need to *know* why they are selling for their company and what the real value proposition is to the customer and other stakeholders. In addition, it goes without saying that good sales professionals *want* to sell, but great ones *want* to sell even under adverse conditions, such as backorders, erroneous billing or worse — product failures.

## How to Improve Engagement

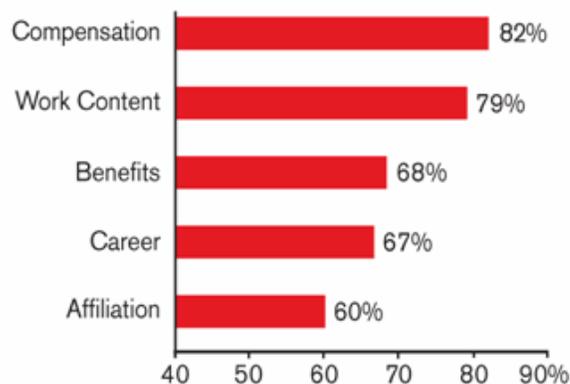
True engagement comes from the right combination of behavioral elements. Using the results of the *ROW Study*, Sibson has developed the employee value proposition (EVP) model, which highlights the factors that most contribute to employee engagement. The EVP consists of the following five elements, some financial and some non-financial:

- Affiliation,
- Work content,
- Career,
- Benefits (and indirect compensation) and
- Compensation (direct compensation).

The first step in improving employee engagement is to know which elements of the EVP are most important to sales professionals. Next, determine which of those elements are weak in the sales force and consider how to improve them.

Not surprisingly, sales employees view financial motivators as the most important. Some 82 percent of the sales staff respondents to the *ROW Study* rated **compensation** — base salary, incentives, cash recognition, premium pay and the pay process — as being either important or very important in encouraging their best performance (see Graph 4 below). Interestingly, **work content** — variety, challenge, autonomy, meaningfulness and feedback — is not far behind at 79 percent. **Benefits** — health, retirement, recognition, perquisites and time off — were cited by 68 percent of respondents; **career** — advancement, personal growth, training, and employment security — by 67 percent, and **affiliation** — organization commitment, work environment, citizenship and trust — by 60 percent.

**GRAPH 4: IMPORTANCE OF EVP ELEMENTS FOR MOTIVATING BEST PERFORMANCE AMONG SALES PROFESSIONALS**



Source: Sibson Consulting

These findings suggest that organizations should seriously consider the implications of the non-financial aspects of the EVP in motivating performance and productivity rather than relying on the

traditional view that sales professionals are “just about the money.” Sibson often sees that a majority of the effort in retaining sales employees is focused on ensuring that compensation meets or exceeds that of competitive offers; little or no emphasis is placed on the other elements of rewards. As the data from the *ROW Study* suggests, a more holistic view of rewards should be considered. Innovative organizations and their sales leaders must think ahead to ensure that their organization is creating an appropriate EVP to mitigate turnover intentions and other non-productive behaviors.

For example, sales professionals are highly attracted to organizations that sell top-quality products with great customer impact and offer excellent customer service. They have more affiliation with the values of that type of company. In addition, organizations that show respect for and confidence in their first-line sales management increase the retention of their sales professionals. (This characteristic is measured under the work content element of the EVP.)

### Warning Signs of Unengaged Sales Representatives

How can a manager tell when a sales professional is less than engaged? Clues to sales force engagement problems can often be found in one or more of the following areas:

- **Communications** A lack of information sharing and collaboration throughout the organization could be the result of uncertainty about the organization’s “vision.”
- **Nature of Work** Engagement is likely to suffer for employees doing routine, unchallenging work that is not directly connected to the sales process or customer relationships.
- **Rewards and Recognition** Problems will develop if employees are not actively involved in their own performance assessment and do not see superior performance being rewarded.
- **Individual Sales Performance** Plateaus can result when representatives with relatively long tenure no longer retain top sales status.
- **Attendance** High rates of absenteeism are an indication that employees are not fully engaged.
- **Turnover** High turnover, especially among top performers compared to average performers, may be a sign of Renegades who can be “re-affiliated.”

### How to Increase the Engagement of Sales Representatives

Although strategies for increasing sales force engagement depend on the underlying causes and employers’ culture and performance characteristics, many organizations have been able to improve engagement for their sales staff through a variety of actions, including:

- **Developing strong collaborative involvement among the sales staff when considering initiatives and actions for driving strategy.** For example, a company that experienced a sudden increase in competitive pricing pressure engaged a cross sample of sales representatives to help develop innovative solutions to improve sales performance. Because leadership collaborated with these sales representatives, the information was disseminated and the solutions were implemented quickly.
- **Increasing the business literacy of the workforce to help employees better understand their organization’s market value and link to shareholder value.** A fast-growing software development company expanded its capabilities by offering consulting support to its application suite. At first, the company began increasing commissions for “services” revenue, but it quickly realized that the account reps were not generating profitable revenue they had expected. Sibson’s examination realized that only a very few reps understood the value provided to customers and convinced the company that training the reps in how the customers use the applications increased their knowledge of the customers’ business and, in turn, the value potential from the consulting services. In less than six months, the company realized an 8 percent increase in margin on these sales.
- **Redesigning the sales process to minimize non-selling, non-client impact activities in order to increase the money and improve the line of sight to business results and/or customer outcomes.** Similar circumstances were limiting the ability of two health care insurers to increase sales productivity by attempting to increase upside payouts. In the first case, a new sales force automation application was expected to increase selling time, but lack of training only increased the time account executives were spending on call reports. In the second case, the company was looking for additional market and customer intelligence. Non-selling time increased substantially until the company provided an Internet-based application for reporting the desired data.

## Conclusion

An engaged sales representative, one who truly knows what to sell (and why) and sells “from the heart and mind,” is a more effective sales representative. He or she is more productive and less likely to leave for another job. What does it take to nurture engagement? Sure, financial motivators work, but so do other aspects of the EVP, including work content, affiliation, benefits and career development. The key is finding out what areas of the EVP in the sales organization need improvement and then taking steps to do so.

---

<sup>1</sup> 281 respondents to the 2006 *ROW Study* work in the sales functions of their organizations. Nearly half of them are managers (*i.e.*, above first-line supervisors) and just over one-quarter (26 percent) have non-supervisory positions. Three quarters of the respondents in sales (75 percent) spend most of their time interacting with people in the sales process and nearly one-quarter (24 percent) spend most of their time interacting with computers through the sales process. Thirty percent work in companies with one to 100 employees, 25 percent in companies with 101 to 1,000 employees, 17 percent in companies with 1,001 to 10,000 employees, 23 percent in companies with 10,001 to 100,000 employees and 5 percent in companies with 100,001 or more employees. For a look at the sales force findings from the 2006 *ROW Study*, click [here](#).

<sup>2</sup> The engagement characteristic matrix is a two-dimensional scatter plot of the combined scale scores for the two-factor engagement model. The y-axis represents wanting to do the work and the x-axis represents knowing what to do at work. The scale scores represent the combined average of multiple questions that make up both engagement dimensions, which are measured using a five-point scale in which “1” represents the low end and “5” represents the high end and are then averaged. For example, in the case of wanting to do the work, a “1” indicates there is little or no desire to want to do the work, “5” indicates that there is a very strong desire to do the work, and a response of “3” is considered a neutral rating. Knowing what to do at work includes “understanding of the organization’s vision of success,” “how the employees can contribute to helping the organization achieve its vision” and “clear understanding of job expectations.” Wanting to do the work includes “gaining satisfaction from the job and work content” and being inspired by the organization to perform the work.” The lines drawn on the x-axis and y-axis at the scale point of 4 define the quadrants of the matrix. The *ROW Study* team determined that using the scale point 4 as the criterion for defining each quadrant was appropriate because it filtered out neutral responses and captured only those respondents who provided favorability ratings for each engagement dimension (*i.e.*, selected on a scale score of either 4 or 5 on knowing what to do at work and wanting to do the work).

### *About the author:*

**David Insler** is a senior vice president in the Los Angeles office of Sibson Consulting. His primary expertise is in sales force effectiveness, organization performance and executive compensation. He can be reached at 310.231.1743 or at [dinsler@sibson.com](mailto:dinsler@sibson.com)

# Maximizing the EVP for Your MVPs: What Motivates the Sales Force May Surprise You!

By David Insler



## Yes, They Are Different...

Sibson's most recent *ROW Study* found that sales employees, compared to non-sales employees, are:

- More engaged (57 percent vs. 51 percent),
- More committed to their company (68 percent satisfied vs. 62 percent satisfied), and
- More motivated by compensation (82 percent vs. 62 percent).

Moreover, they have:

- A greater sense of affiliation with their organization (67 percent vs. 60 percent),
- Higher career satisfaction (57 percent vs. 52 percent), and
- More trust in management (59 percent vs. 55 percent).

Copyright © 2008 by The Segal Group, Inc., the parent of The Segal Company. All rights reserved.