



Sound Selection Practices Are Critical to Boosting Agent Productivity and Retention

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The numbers are in and they are not good — not good at all. According to the 2004 Agent Production and Survival study, an annual report published by LIMRA International, four-year agent retention is just 13 percent. Yes, 87 percent of new hires leave after less than four years in the job. We realize that a myriad of factors contribute to this statistic, but we also know that a number of solutions are within your control. And while the solutions may seem fairly basic, they can go a long way toward boosting long-term retention and productivity.

Agent selection is one such solution, and it can be the key to achieving real sales power growth — but only when it's done right. Here are five steps your managers can take right now to help improve the quality of the candidates they select.

1. Know when — and when not — to rely on gut feelings

Managers may all feel they are great judges of character, but that four-year agent retention rate of 13 percent proves otherwise. So while it's important for hiring managers to pay attention to their gut when it sends up red flags, you should strive to ensure that their selection process is balanced, objective, and focused on identifying the best sales representative candidates.

Managers and recruiters should use their intuition and eye for talent to find potential recruits, then give it a rest while they impartially evaluate a candidate. At the end of the process, managers' should listen to their gut to determine whether they have any remaining doubts about the candidate's ability to succeed. Emotion can play a role in selection, but it should be tempered by the sound business practices of an effective selection process.

2. Rely on the experience of others

Your managers can tap into the experience of thousands of other managers and recruiters in a very simple way: use a well-validated employment test.

By using the Career Profile+, for example, you collect critical information about a candidate's work and life history and compare that with the backgrounds and performance of tens of thousands of previously-hired agents. The test essentially handicaps the odds that a candidate will succeed as an agent by evaluating the success rates of similar candidates. The Career Profile+ is based on the actual results experienced by managers who hired these candidates.

A recent validity study by one of our clients really drives the point home. They followed a large group of new hires over their first four years in the job. Individuals who scored high on the Career Profile+ had a 130 percent higher four-year survival rate. And among those agents who did survive their first four years, high scorers earned 36 percent more commissions than low scorers. Just think about that for a moment.

While the Career Profile+ was not the only factor in the success of high scorers, the test results definitely helped managers make better hiring decisions by giving them a dose of reality: the on-the-job performance of similar candidates.

3. Take multiple snapshots

Managers can't turn candidates loose on prospects to directly observe their sales performance. But the managers of high-performing agencies all follow a similar selection path to explore candidates' performance potential: they gather information about candidates from multiple perspectives. They use tests, conduct behavioral interviews (either by themselves or in concert with recruiters and assistant managers), have candidates complete precontract exercises such as MarketMatch [<http://www.limra.com/Products/NorthAmerica/markmatch.asp>] (a more powerful, online version of *Project 100*), and take still other steps to gain a more complete understanding of candidates and make well-informed hiring decisions.

Precontract exercises such as market opinion surveys and prospecting exercises not only show how much work candidates are willing to do, they also reveal the quality of their natural markets. The results provide important information managers can use to help the candidates they do hire hit the ground running and quickly build a client base.

By looking at candidates from many different perspectives and hiring only the most talented, these managers more than recoup their investment in selection and attract even more talent to their agency.

4. Listen carefully

There is a time to gather information and a time to sell the job. While it's natural to want to sell the career, highly effective interviewers have trained themselves to listen carefully and collect all the information they need to make a considered evaluation.

Because the best predictor of future behavior is past behavior, your managers should use a structured, behavior-based interview guide and ask the same basic questions of all candidates to make reasoned hiring decisions. The best interviewers learn a lot about candidates' past behaviors by asking open-ended questions that explore how, and how well, candidates actually performed specific activities. They dig deeper still with simple follow-ups such as "How did you do that?" and "What did you do next?" And they let candidates do most of the talking.

During the interview managers will, of course, learn a lot about candidates' successes and failures as well as their concerns about joining your organization. Managers should make note of these possible obstacles and objections so they can weave the solutions into each career presentation.

The last challenge of the interview is the evaluation. Managers must try to remain neutral and evaluate the candidate as soon as possible after the interview. Just as they ask a consistent set of questions in the interview, they should use consistent guidelines to evaluate responses.

5. Make certain candidates truly understand the career

Just because people apply to become agents doesn't mean they understand the many tasks they must complete and the long hours they must invest to succeed. Every manager who uses precontract exercises can attest to the many applicants who drop out of the selection process when their work ethic is tested and their undisciplined, unmotivated self shows through.

Over and over again our research has shown that most early-terminators quit because they did not understand what they were getting into. Managers should thoroughly describe the job, both its positives and its negatives, so candidates can make reasoned decisions about their fit to the career. If a candidate doesn't like the job now, he or she won't like it later.

It's much cheaper to lose candidates during the selection process rather than after your managers have invested hundreds of hours and thousands of dollars on training, licensing, and coaching.

A final thought

Hiring the right talent is critical to high production and low turnover. If you hire the wrong candidates, you'll just be wasting your training and management resources trying to turn Clydesdales into thoroughbreds. Stick with the best practices in selection and you'll greatly improve the quality of your new hires.