Why It’s So Hard to Fill Sales Jobs

‘Salesman’ Baggage Means Well-Paying Tech-Industry Positions Go Begging

By Lauren Weber
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Some companies are having a hard time selling people on a career in sales.

As the U.S. economy gains momentum, companies selling technology and other services to corporate customers are struggling to fill potentially lucrative sales jobs.

Sales reps who peddle technical and scientific products earned a median annual wage of $74,970 in 2012, more than twice the median for all workers, according to the Labor Department. A competitive hiring market for science and tech workers is part of the reason, but employers also say young workers are uninterested in sales—a field they perceive as risky and defined by competition.

Technical sales and sales-management positions play a critical role for U.S. businesses, but they are among the hardest to fill, according to a 2014 report from Harvard Business School’s U.S. Competitiveness Project. Employers spent an average of 41 days trying to fill technical sales jobs, compared with an average of 33 days for all jobs for the 12-month period ending in September 2014, according to Burning Glass, a labor-market analysis firm that worked with Harvard Business School on the report.

Paycor Inc., which sells cloud-based software for human-resources and payroll management, said it would have forecast $2 million more in 2015 revenue if it had hit its 2014 hiring goals for new sales reps in 2014. The time spent bringing new reps up to speed means the company doesn’t see the full benefit of their productivity until 12 to 18 months into their tenure.

“That wakes you up,” said Bob Coughlin, chief executive Paycor, which has about $130 million in annual revenue. In the past few years, the Cincinnati-based company has added seven dedicated sales recruiters, hired a director of learning to boost training and support for the sales team, and modernized its sales software.

Paycor’s sales staff has since grown to 240 people from 125 three or four years ago, Mr. Coughlin said. Even so, he said persuading young people to enter the field remains a challenge.

The youngest generation of workers, having lived through the financial crisis and recession, is more risk-averse, say sales executives, adding that young prospects are reluctant to enter a hard-charging work environment where success often boils down to a number.
In addition, “there’s a huge stereotype that sales isn’t really a career—that either anyone can do it or you’re born to it,” said Suzanne Fogel, chair of the marketing department at DePaul University’s Driehaus College of Business. Parents share some of those misconceptions, and often dissuade their children from pursuing sales careers, she added. (They change their tune once their children start getting job offers, Ms. Fogel said.)

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Selling technical and scientific products in a business-to-business environment differs from the stereotypes in “Death of a Salesman” or David Mamet’s Pulitzer Prize-winning “Glengarry Glen Ross,” in which a real estate salesman famously declares that “first prize is a Cadillac El Dorado…Second prize is a set of steak knives. Third prize is you’re fired.”

As companies become savvier about the products they buy, wheeler-dealers are out, and problem-solvers are in. Sales organizations today are more commonly structured as teams, with lower-ranking members identifying prospects and developing early interest, someone else running through the specs or demos on highly technical products, and field reps negotiating and closing deals, employers say.

Curiously, few employers have realized they need a different sales pitch to attract a younger cohort, said Nick Toman, a managing director who oversees the sales practice at business advisory firm CEB, pointing to sales-job postings that use phrases like “competitive environment,” and “tremendous variable compensation packages.”

“Those things become huge turnoffs to a lot of potential applicants,” he added. “People today want to be part of a team, they want stable pay.”

They also want a clear career path, along with support to work their way up. Business-software giant Oracle Corp., which has a famously competitive sales culture, began recruiting reps on college campuses a few years ago. Students frequently show a “lack of awareness” about sales roles, said Sharon Prosser, group vice president of Oracle Direct, but their interest is piqued when they learn that the field is well-suited to “continuous learners and that there’s training and career progression built into the program.”

To find job candidates, Acquia Inc., a cloud-based open-source software company in Burlington, Mass., last fall sponsored a sales contest at Bryant University in Rhode Island.

At Bryant, 140 students presented mock sales pitches, and about five recruiters were on hand, said Tim Bertrand, an Acquia sales executive.

“Every candidate that looked really good, we were going up and saying ‘We’d like to interview you now for a June job.’” The company intends to hire seven to nine contest participants.
The contest winner, Tom Keenan, a 21-year-old senior at Bryant, says his mother urged him to enter. Days later, he interviewed for a job as a business development rep at Acquia; he starts in June.

“If you asked me six months ago if I’d become a salesman, I would’ve said absolutely not,” he said, noting that he had assumed that “salespeople only sold products to take the consumers’ money—and that bothered me.”

Companies are rethinking their compensation strategies to appeal to young people who want more of a financial safety net, favoring a higher base pay with a lower proportion of the riskier commission pay. In the pay mix for sales jobs, the base portion has increased 11.7% from 2010 through 2014 while the variable amount has remained steady, according to Xactly Corp., a firm whose software tracks sales compensation and helps companies formulate incentive strategies.

“People don’t want super high-risk jobs,” said Christopher Cabrera, Xactly’s CEO. Companies typically offer a 50-50 split of base and variable pay for entry-level jobs, he said.

As much as companies are eager to fill sales-rep jobs, the heavy investment to get new hires up to speed has made employers careful about bringing on new blood, says Alan Benson, a professor at the University of Minnesota Carlson School of Management who studies sales organizations.

“To get someone through the door means you also have to train them, and that can be extremely expensive. There’s usually a ramp-up of six months before they’re productive, so you can’t really take a risk.”

To hedge their bets, more employers are requiring new hires arrive with a college degree. Some 56% of job postings for wholesale and technical sales reps ads now require a bachelor’s degree, but only 43% of current sales workers have that degree, according to an analysis by Burning Glass Technologies.

Universities are getting the message. DePaul has revised its sales courses to reflect the new reality of sales jobs, emphasizing critical thinking and collaboration, said Ms. Fogel. A biannual DePaul survey found that 101 U.S. colleges offered sales curricula in 2011, up from 44 in 2007.

“These are great jobs that are going begging,” said Ms. Fogel. “It’s a field that may finally be getting a little respect.”

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