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# REALTOR®

"The Voice For Real Estate™"

How to WIN in Today's  
Market—Attributes  
of a Successful  
Brokerage Firm

Sales Situation  
Simulation Technology  
for Real Estate Agent  
Recruiting: Inspect  
Before You Buy

2003 NJAR Committee  
Selection Form



## Triple 2002 Play

## Smart recruiting: Do you inspect before buying?

by Kim Ades, MBA, President of Upward Motion Inc.

Is it smart to buy a home without carefully looking at it first? You probably think that's a stupid question. "Of course not," you say, "No professional REALTOR® should ever suggest that to a client!"

Good REALTOR® always advise clients to carefully look at the property, to inspect it, before buying it. They recommend clients hire an inspector. "It's only smart to know what you're getting into," you might say. That's true! But do you, as a broker, follow your own advice when it comes to hiring realtors for your office? Do you "inspect before buying"?

### How to make sure?

To an outsider, it must seem unbelievably difficult to find that "one" property that matches the client's requirements. There are just too many things to consider. However, an experienced REALTOR®, once he/she knows what the client is looking for, can quickly look through hundreds of listings and accurately narrow down the list to only few choice properties. Many experienced agents only do 5 showing before finding that "one" property for their clients.

It's the same when it comes to selecting employees. At first glance, there may seem to be too many factors to consider. Luckily, for the past 50 years, industrial psychologists at top North American univer-

sities have been tirelessly conducting research into what makes someone successful in sales. It is now known what characteristics to look for when hiring salespeople, and many leading companies are utilizing this knowledge to select the most promising candidates.

### Aside from motivation, the three most important characteristics are personality, intelligence, and skill.

**Personality.** Personality refers to a person's behavioural tendencies. Knowing someone's personality provides information about his/her inclinations and general patterns of behaviour. Numerous academic studies have shown that successful salespeople tend to share certain personality attributes. They tend to be assertive and outgoing, achievement-driven and conscientious, emotionally resilient and self-confident. Personality is typically measured by having individuals answer a bunch of multiple-choice questions about themselves and comparing their responses to a baseline standard of top performers.

**Intelligence.** To succeed in sales, a person has to be pretty smart. He/she must possess the skills to understand how the industry works, how to finalize financial transactions, how to solve clients' issues and so on. General intelligence is typically measured with IQ-style

tests, which include questions that deal with basic math, pattern recognition and matching, word knowledge, logic problems, and so on ... the type of stuff you had to do in high school.

**Skill.** Sales skill is the most important predictor of success. The problem is that such skills are difficult to measure. If you have ever tried measuring someone's sales skill with a multiple-choice test, then you know that it's like judging a house by the colour of its roof.

New technology now allows companies to use computer simulations to measure sales skills. Although simulation technology has existed for years (for example, flight schools use flight simulators to evaluate the skill level of a pilot), only recently it has become inexpensive. Simulations present applicants with job related situations through computer-generated video and applicants must deal with these situations firsthand by interacting with the virtual characters on the screen. For example, in one such simulation, an applicant plays the role of a real estate agent and must interact with a series of virtual clients who are interested in buying or selling a home. The "agent" must build rapport, understand client needs, overcome objections, deal with emotional wavering, and progress with the client through the buying or selling process.

The software statistically compares each applicant's actions to those of top performers contained in the database and generates reports indicating the level of skill, as well as the areas of strength and weakness. According to Dr. Igor Kotlyar, PhD, and designer of such assessment simulations, "It provides a very accurate analysis of performance because it simulates typical situations that salespeople encounter everyday."

## But which of these is the best?

To properly assess applicants, you should obtain the most complete picture of each individual. Limiting your assessment to only, say, the personality is not advisable. It's a stretch to say that if a person doesn't have the "right" personality, he/she won't succeed.

You wouldn't decide that a particular house is "perfect" for your clients only because it has 2,500 square feet of floor space. It's possible that a house with 100 square feet less space is actually more suitable. There is much more information to consider: location, layout, age, extras, etc.

Similarly, while the right personality is important, it does not give you the whole picture. For example, many top performing REALTOR® I know are not very outgoing. They are successful because they have the necessary skills. In contrast, many outgoing people are not successful at sales, because they don't have the sales skills. Instead of carefully listening to their clients' needs, they do all the talking.

If you want to make a wise decision, inspect thoroughly before buying. Your clients should check the plumbing, the structure, and the windows when buying a house and analyze the pros and cons of each option. You should check the skill level, personality, and intelligence when hiring agents and analyze the strengths and weaknesses of each candidate.

## Commercially-available assessment tools.

There is certainly no shortage of assessment tools out there. Each professes being the best. Take your time and rely on your common sense. Here are my handfull of suggestions for choosing among assessments available today.

1. Look for an assessment tool that is comprehensive; one that provides a complete overview of the applicants.
2. Look for assessment tools that are designed for the real estate industry. As you well know, skills sets needed for success in real estate differ from the skills needed in other industries. Assessment tools built specifically for real estate sales incorporate the subtleties of the real estate industry and, thus, provide a more accurate evaluation.
3. Look for an assessment tool that has been validated with real estate agents. For example, an assessment company may have done a study where it has found significant correlation between agents' scores on its assessment with agents' actual sales performance. That is, those agents who scored highly on the assessment turned out to be top performing agents, and those agents who scored poorly turned out to be low performing agents. This type of study would be a good indication that the assessment actually works as intended.
4. The assessment tool should be easy to use both from the test taker's perspective and the administrator's perspective. Look for tools that provide automatic scoring (such tools typically operate over the Internet or on a computer) and keep all records in one database. Consider the amount of work involved with tools that require manual scoring, which requires effort and takes time.
5. You should always buy a single test first and take it yourself. Avoid assessment tools that contain question that your applicants may find inappropriate.

## Summary

We all know that the brokerage business is built on people, particularly on top performing people since 20 percent of REALTOR® make 80 percent of all sales. Being able to identify potential top performers before they become top performers can be a major source of competitive advantage. Assessment tools can help you attain that advantage by allowing you to "inspect before buying."



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