



## **Korn Ferry Hay Group Study Finds Sales Force Incentive Compensation is Shifting from Purely Individual Goals to Including Team and Corporate Performance**

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LOS ANGELES--(BUSINESS WIRE)--Nov. 28, 2016-- A study by the Hay Group division of [Korn Ferry](#) (NYSE:KFY) finds that U.S. companies are putting less emphasis on individual performance and increasing the emphasis on organizational success when determining incentive compensation packages for sales roles.

The study analyzed individual contributor sales compensation data from 2010 through 2016. It found that in 2016, a full third of the companies included the company's business unit or division performance when putting together sales force incentive compensation packages. That's more than double the 16 percent of companies that did so in 2010.

In addition, the study found that in 2016, 26 percent of companies included a corporate-wide or team performance measure when determining compensation. That's up from the 2010 figures of 15 percent and 12 percent respectively.

While 83 percent of analyzed companies still measure individual performance for compensation purposes for sales roles, that's down nearly 10 percent from recent years.

"What we are seeing today is a better balance between measuring the success of the organization and the success of the individual," said Tom Hill, Practice Leader of Korn Ferry Hay Group's U.S. Sales Effectiveness Practice. "Companies today realize sales is a team effort, from lead generation through proposal writing and technical sales support to account management. Rewarding groups accordingly creates the right behaviors among sales team members, who are working together toward one common goal."

Hill also noted that there is a growing trend in sales and other functions to offer historically low merit increases, so an incentive pay mix and upside opportunity is critical to rewarding top talent. "Base salary usually will increase to keep pace with inflation, but in today's low-inflation environment, the base salary increases are not as common," he said.

"Increasingly, companies are ensuring sales employees are being incented with plans designed to reflect company culture, align to company results and add value to the customer experiences during every point of the value chain," said Hill.

### ***About the Study***

Researchers analyzed data from Korn Ferry Hay Group's U.S. Sales Effectiveness Plan Design Database, which includes more than 800 companies and 10,000 plan records. The analysis focuses on individual contributor sales professionals across several industries, including financial services, industrial, technology and consumer packaged goods (CPG).

### **About Korn Ferry**

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