



Case Study: Financial Advisors

HOGAN
ASSESSMENT SYSTEMS

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CHALLENGE: The challenge for one of the top five banks in the U.S. was to improve the experienced financial advisors selection process by focusing on the hiring of strong performers who would also excel at consultative sales.

Solution: Hogan Assessment Systems developed a full criterion validation study to identify a profile that would result in the best combination of sales and consultative sales characteristics. First, Hogan conducted a synthetic validation analysis on a recently created competency model for financial advisors. The results from this analysis provided a financial advisor success profile that was based on extensive research contained in Hogan's research archive. Second, Hogan conducted a criterion-related validation study in which the Hogan Personality Inventory (HPI) and Motives, Values, Preferences Inventory (MVPI) scores from 201 financial advisors were compared to their performance. Performance was defined in terms of sales numbers (e.g., total assets managed) and supervisor ratings, which were completed on a custom performance rating form built off of the financial advisor competency model.

Result: A success profile was created using the results from the criterion-related validation study. The results showed that employees who fit the profile increased their total assets managed by more than \$4.5 million annually as compared to \$3.1 million for those not fitting the profile, and their fee-based assets managed by more than \$365,000 as compared to \$349,000. Overall, financial advisors who met the profile had \$53.1 million under management versus \$45.1 million for those who did not meet the profile.

Overall those fitting the Hogan profiles had:

- ↑ \$1.4 million portfolio increase
- ↑ \$16,000 increase in fee-based assets
- ↑ \$8 million more in total under management

After building off of these sales-specific results, Hogan relied on the synthetic validation results to identify a profile that would help this financial institution hire new financial advisors who could reach sales targets and exemplify consultative sales behaviors. The final results indicated that individuals who met the high fit of the financial advisor profile were expected to be at least 2.5 times more likely to be more successful (top performers) than those that did not meet the high fit.

Reports Used

[Basis Report](#) with five levels of fit

Assessment Inventories Used

[Hogan Personality Inventory](#)

[Motives, Values, Preferences Inventory](#)