

Poster

TITLE

Using Personality and Cultural Fit to Identify High Potential

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ABSTRACT

Identifying high potential is one of the primary strategies organizations use to influence their long-term profitability and performance. This study examined the personality and values of high potential employees and found several personality characteristics (e.g., Agreeableness, Mischievous) as distinguishing factors in identifying high potential employees across organizations.

PRESS PARAGRAPH

A critical part of a succession plan is to identify potential candidates early and accurately. When identifying and developing future leaders, it is important to have a process for identifying high potential candidates. The current study examines the personality and motivational characteristics representative of high potential employees, both those that may help and hinder future leadership performance. Although high potential employees have personality profiles similar to other employees, several dark side and cultural fit indicators appear useful in the early identification of high potential talent.

The drive to develop future talent is not new. I/O psychologists continue to devote considerable effort towards this objective and, as a discipline, are well equipped to help organizations identify and develop future leaders. However, we need to do a better job of focusing research on how to best (a) help organizations with these efforts, (b) measure the success of our interventions, and (c) communicate effective and ineffective practices to others. Given the growing interest in the topic from recent SIOP conferences (Konczak & Foster, 2009) and a noticeable absence of empirical data in the literature (Silzer & Church, 2009), we focused our research on developing a high potential benchmark sample based on personality and cultural fit assessments. Our goal centered on identifying personality characteristics and cultural factors that differentiate high potential employees from other employees across companies and industries.

From mid-level management to the top, organizations are often unprepared for departures from their management ranks. Findings from the Conference Board suggest that most organizations are increasingly concerned with their ability to identify and develop leadership talent. For example, in 1997 nearly half of the respondents to a Conference Board survey rated their company's leadership as either excellent or good. By 2001, the number had dropped to only a third (Barrett & Beeson, 2002). This decline occurred despite the fact that 90% of U.S. companies provide some type of leadership training (Schein, 2005).

Research suggests that a combined process of career development and succession planning provides organizations with a snapshot of available talent for meeting current and future needs (Kim, 2003). Such practices include actively identifying high potential employees, developing high potentials via project-based learning experiences and manager-facilitated workshops, establishing a flexible and fluid succession planning process, creating organization-wide forums for exposing high potential employees to multiple stakeholders, and establishing a supportive organizational culture (Groves, 2007).

Gandossy, Salob, Greenslade, Younger, and Guarnieri (2007) reported that "best practice" companies were more likely to (a) identify high-potentials deeper in the organization, (b) maintain formal programs for high-potential development, and (c) link compensation to both performance *and* advancement potential. Successful organizations

not only focus attention on high-potentials, but identify leadership talent earlier and link incentives to leadership progression.

Defining High Potential

Clearly, organizations benefit from identifying and developing high potential employees, but methods for doing this vary widely across organizations. Even the definition of “high potential” remains unclear. Metrics used to identify high potential include rate of promotions, department profitability, subordinate satisfaction, supervisor ratings, and turnover (Konczak & Foster, 2009; Silzer & Church, 2009). While these measures are useful, they often reflect current rather than future performance.

Although companies often differ when defining high potential, most aim to “identify individuals with the potential to be effective in broader roles at least several career steps into the future” and “to identify individuals earlier in their careers” (Silzer & Church, 2009, pg. 390). However, high potential programs often rely on multiple methods for the identification process.

There is a growing interest in using personality assessment to select for and aid in the development of senior managers. For example, research shows that interpersonal skills are critical for higher-level executives (Silzer & Church, 2009). As a result, a growing number of Fortune 500 companies currently use Five-Factor Model (FFM) based tools to assess interpersonal skills and other personality characteristics in their high potential programs (Gatewood, Field, & Barrick, 2008).

Bright Side Personality and High Potential Identification

During the past 20 years, researchers continue to find overwhelming evidence that FFM-based or “bright side” personality inventories predict performance across jobs, including managers and executives (Judge, Bono, Ilies, & Gerhardt, 2002). Personality inventories (e.g., Hogan Personality Inventory; Hogan, R., & Hogan, 2007) are particularly useful for identifying leadership potential (Barling, Christie, & Hopton, 2010).

Boudreau, Boswell, and Judge (2001) demonstrated that the personality of executives influenced their success. Lillibridge and Williams (1992) found that both extraversion and agreeableness predicted managerial potential ratings. Based on a role-play experiment, they argued that sociability, self confidence, energy, dominance, and

interpersonal ability are the primary characteristics shared by high potential individuals. In another example, Church (2006) found that facets of Extraversion (e.g., HPI Ambition, HPI Sociability) were the best predictors of high potentials in a large multinational beverage company. Effective leaders were optimistic and calm under pressure (FFM Emotional Stability), driven and competitive (FFM Extraversion), hard working and diligent (FFM Conscientious), visionary and eager to learn (FFM Openness), and somewhat likeable (FFM Agreeable).

Based on prior research, we hypothesized that individuals with greater levels of HPI Ambition (i.e., show initiative and drive) and HPI Sociability (i.e., socially skilled) should be designated as “high potential” compared to other employees.

Hypothesis 1 – We expect significant differences between high potential employees and other employees on multiple ‘bright side’ personality scales. In particular, high potential employees will score higher on HPI Ambition and Sociability compared to other employees.

Dark Side Personality and High Potential Identification

Assessing “dark side” personality characteristics is also helpful in high potential identification (Dalal & Nolan, 2009). Researchers estimate that more than 50% of managers derail before reaching their full potential (Burke, 2006; Hogan & Hogan, 2001). Because well-developed social skills usually mask dark side tendencies in the short run, these destructive tendencies are hard to detect using bright side measures, interviews, or other individual assessments such as assessment centers. For example, a measure of dark side personality characteristics (e.g., Hogan Development Survey; Hogan, R., & Hogan, 2009) can help hiring managers determine when self-confidence turns into arrogance or attention to detail turns into micromanagement (J. Hogan, Hogan, & Kaiser, 2009). Ironically, many derailed managers are fired for the same reasons they were hired, – their “strengths became weaknesses” (Kaplan & Kaiser, 2006). For example, the board at Hewlett-Packard (HP) hired Carleton “Carly” Fiorina in 1999 based on her charisma and comfort in the limelight. HP removed her in 2005 after its stock had lost half its value, due in part to her arrogance, unwillingness to listen to feedback, and lack of attention to the financial details. All are the dark side companions of her evident charisma.

Given this evidence, we expect that high potential employees would exhibit stronger “Moving Against” profiles, which consist of higher scores on HDS Bold, Mischievous, Colorful, and Imaginative scales. By exhibiting this profile, high potential employees draw attention to themselves and create a leaderlike aura that others find attractive. In turn, these behaviors mask their insecurities and self-doubt. Over time, however, these individuals risk alienating others and changing otherwise effective policies and procedures. Thus, we hypothesize the following:

Hypothesis 2 – We expect significant differences between high potential employees and other employees on multiple “dark side” personality scales. In particular, high potential employees will score higher on HDS Bold, Mischievous, Colorful, and Imaginative scales compared to other employees.

Cultural Fit and High Potential Identification

Companies should also consider fit between high potential employees and workplace culture. Programs used in the identification of high potential talent often ignore contextual factors that influence a leader’s success (Henson, 2009). Once promoted, high potential employees often face new workplace dynamics and expectations. Using tools like the Motives, Values, Preferences Inventory (MPVI; Hogan, J., & Hogan, R., 2010) helps succession planners align high potential employees’ values with those that drive performance and success in more senior positions. The MVPI evaluates organizational fit by revealing a person’s core values, goals, and interests using 10 primary scales. Results from this assessment will indicate which type of work environment and culture will be the most motivating and satisfying for the employee. Although work culture differs across organizations, certain drivers like achievement and recognition are prevalent in most worker populations, and we expect higher levels for those identified as high potential.

Regarding culture fit, we expected high potential employees to value achievement, recognition and social interaction more than the general employee sample. These values align with the HPI and HDS scales used in our first two hypotheses. For example, employees who are Ambitious will also be driven to succeed (MPVI Power). Similarly, employees that score higher on the HDS Colorful scale clearly enjoy being the center of attention (MVPI Recognition). Furthermore, employees that score high on the HDS Bold scale not only

appear charming, but are socially insightful as well (MVPI Affiliation). Given this, we hypothesize the following:

Hypothesis 3 – We expect significant differences between high potential employees and other employees on multiple cultural fit scales. In particular, high potential employees will score higher on MVPI Power, Recognition, and Affiliation compared to other employees.

Method

Sample

To examine the characteristics of high potential employees, we searched the Hogan archive and identified high potential samples from 28 organizations, including ten Fortune 500 companies. Our initial sample of incumbents identified as high potential included 4,874 employees. To avoid over-representation from any one organization, we randomly selected 100 cases from companies with more than 100 employees in their high potential sample. This resulted in 1,488 high potential employees from 20 different companies. We compared average scores from these individuals to a sample of 1,505 job incumbents already occupying management positions across 75 organizations. We randomly selected this “general employee” sample from over 32,000 employees with matched assessment data from our archive. Similar to the high potential benchmark sample, companies with over 100 employees in the general employee sample were capped at 100 to decrease bias from any one company.

Predictors

Both samples completed three different assessments. First, employees completed the Hogan Personality Inventory (HPI), which evaluates “bright side” personality characteristics, or those that lead to successful performance. The HPI was the first measure of personality developed to assess the FFM in business settings within a normal population and contains seven primary scales assessed using 206 true-false items that takes less than 20 minutes to complete (see R. Hogan & Hogan 2007 for more detailed validity and reliability information).

Next, employees completed the Hogan Development Survey (HDS), which assesses “dark side” personality characteristics, or those that impede performance or derail careers. The HDS was the first business-related inventory developed from working adults to measure eleven dysfunctional behavior patterns using 168 true-false items that take less than 20 minutes to complete (see R. Hogan & Hogan, 2009 for more detailed validity and reliability information).

Finally, each employee also completed the Motives, Values, Preferences Inventory (MPVI), which identifies an individual’s values and occupational preferences and interests. The MVPI provides a comprehensive, business-based taxonomy of ten values used to measure how well a person will fit with a job and work-group culture. The MVPI consists of 200 agree-uncertain-disagree items and takes approximately 20 minutes to complete (see J. Hogan & Hogan, 2010 for more detailed validity and reliability information).

Results

We calculated mean and standard deviation scores for each of the seven HPI scales eleven HDS scales, and ten MVPI scales for the high potential sample and general employee sample (see Tables 1 - 3). Figures 1 - 3 presents mean differences between both groups on all three assessments. To test Hypothesis 1, we conducted a MANOVA to determine differences between the two samples on each of the seven HPI scales. Hypothesis 1 was not supported, as the main effect was significant (Pillai’s Trace = .012, $F(7, 2985) = 5.07$, $p < .00$, $\eta^2 = .01$) yet univariate testing for Ambition and Sociability were both non-significant. We explored differences on the other five HPI scales, and univariate testing found the effect to be significant for Interpersonal Sensitivity ($F(1, 2991) = 7.11$, $p < .01$, $\eta^2 = .00$) and Inquisitive ($F(1, 2991) = 3.96$, $p < .05$, $\eta^2 = .00$).

To test Hypothesis 2, we conducted a MANOVA to determine differences between the two samples on each of the eleven HDS scales. Hypothesis 2 was supported, as the main effect was significant (Pillai’s Trace = .025, $F(11, 2981) = 6.87$, $p < .00$, $\eta^2 = .03$) and univariate testing found the effect to be significant for Bold ($F(1, 2991) = 14.56$, $p < .00$, $\eta^2 = .01$), Mischievous ($F(1, 2991) = 22.62$, $p < .00$, $\eta^2 = .01$), Colorful ($F(1, 2991) = 3.80$, $p < .05$, $\eta^2 = .00$), and Imaginative ($F(1, 2991) = 15.21$, $p < .00$, $\eta^2 = .01$). We also explored differences on the other HDS scales, and found significant differences for Skeptical

($F(1, 2991) = 18.96, p < .00, \eta^2 = .00$) and Dutiful ($F(1, 2991) = 39.02, p < .00, \eta^2 = .01$).

To test Hypothesis 3, we conducted a MANOVA to determine differences between the two samples on each of the ten MVPI scales. Hypothesis 3 was supported, as the main effect was significant (Pillai's Trace = .062, $F(10, 2969) = 19.67, p < .00, \eta^2 = .06$) and univariate testing found the effect to be significant for the majority of MVPI scales, including Power, Recognition, and Affiliation in the expected direction. Overall, eight scales were significant at $p < .01$ (and η^2 ranged from .00 - .03), with only Scientific and Commercial not reaching significance. In addition, general employees scored higher, on average, on four MVPI scales (Aesthetic, Altruistic, Security, and Tradition) relative to the high potential employee sample.

Discussion

Although research on high potential employees is limited, our results provide a first step in identifying what characteristics organizations value when selecting individuals to participate in formal high potential programs. When aggregated across a number of companies, "bright side" personality characteristics for high potential employees appear highly similar to those from a general employee sample; however, several "dark side" and cultural fit differences emerged between the two groups.

We expected high potential employees to exhibit greater levels of Ambition and Sociability given that these characteristics are critical for advancement in an organization (Church, 2006). Although non-significant, high potential employees had higher mean scores on both scales, indicating that these characteristics should continue to be monitored and evaluated when designing high potential identification systems.

Regarding the "dark side" and cultural fit scales, a couple of themes emerged that provide insight as to what drives certain employees to excel and be defined as the next leader within the organization. First, high scores on the MVPI Hedonism, Recognition, and Power scales align quite well with elevated scores on the HDS Moving Against profile. High potential employees who have great confidence in their abilities and seem fearless when facing difficult tasks (HDS Bold) will flourish in cultures that expect leaders to take on challenging assignments (MVPI Power). Similarly, leaders that test limits and need variety and excitement to stay engaged at work (HDS Mischievous) enjoy cultures that keep things

interesting and encourage spontaneity (MVPI Hedonism). In addition, high potential leaders who are socially skilled and seek the limelight (HDS Colorful) thrive in cultures that value fame, visibility, and publicity (MVPI Recognition).

Second, when this overlap is contrasted with lower scores on the HPI Interpersonal Sensitivity scale, high potential employees begin to have a distinct set of characteristics that logically flow together and help explain why they rise to the top. For example, although high potential leaders are more direct and confrontational (lower Interpersonal Sensitivity), subordinates and co-workers gravitate toward them because they come across as more fun, charming, and unpredictable. High potential employees also scored significantly higher on Inquisitive (i.e., strategic thinkers, yet easily bored without new and stimulating activities), which also aligns with components of the “Moving Against” profile (e.g., need variety to stay engaged).

Overall, our findings show several differences between high potential employees and other employees in terms of personality and cultural fit indicators. Given the limited research to guide high potential identification, our benchmark data provides information practitioners should consider when building their formal high potential programs. In fact, the characteristics needed to perform effectively in higher roles in the organization change as employees progress and move up the organizational chart. Unfortunately, high performing incumbents often are not the best candidates for advancement (Konczak & Foster, 2009). Using personality and cultural fit benchmarks is a valid alternative to relying on past performance for succession planning. We recommend that practitioners continue building personality and organizational fit assessments into their programs and use these results as one piece of the pie in determining who should be designated “high potential” throughout the company. Furthermore, researchers should also investigate personality and cultural fit differences between job families and industry types, as high potential managers may look markedly different than high potential sales professionals or technology high potentials may be driven by different cultural factors than high potentials in a manufacturing setting.

Limitations

Although our analyses produced significant differences between the two employee samples, only the MANOVA for the MVPI scales had an η^2 (.06) approaching a medium effect. Thus, our findings indicate that an effect exists and that personality and cultural fit

scales do differentiate high potential employees from other employees; however, the size or “how much” of an effect exists is still questionable. We recommend further research using bright side, dark side, and cultural fit indicators, with the eventual outcome resting on whether these tools are the driving force behind high potential identification or just show promise as indicators of high potential and should be used in conjunction with a variety of other assessment information.

Our initial exploration and analysis of the available high potential data was also limited given the lack of criterion data showing true Return on Investment (ROI) from using these tools to identify high potential employees from other employees. Although our benchmark data is informative and provides empirical support for using personality and cultural fit indicators of high potential, we only show the first half of the equation and do not know if these differences translate to success once promoted. Due to the proprietary nature of promotion and succession planning data within organizations, it becomes difficult to evaluate this ROI component and even more challenging to aggregate across multiple companies considering differences in metrics and criterion collected in their talent management systems. Although we continue to struggle with these practical issues, we believe stronger collaboration can be obtained by framing this research from a benchmark perspective and enticing companies to participate by highlighting industry and competitor comparisons at the aggregate level.

Summary

Given the competitiveness and turbulence of the global workforce, and the considerable resources companies invest in promoting leaders from within, organizations want to know how their future leadership compares to that of their competitors. Our benchmark findings provide a baseline for future comparisons and reveal the key characteristics that high potential employees need for future success. Our research highlights both similarities and differences across high potential and other employee samples and provides guidance to organizational decision makers interested in designing talent management systems or fine-tuning existing leadership development programs.

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Table 1.

HPI Assessment Means and Standard Deviations

	ADJ	AMB	SOC	INT	PRU	INQ	LEA
High Potential	59.0 (26.0)	69.0 (24.8)	57.5 (26.9)	49.1 (30.9)	56.7 (26.6)	52.8 (27.3)	61.9 (26.6)
General Employees	59.6 (27.4)	67.6 (26.1)	55.9 (27.5)	52.1 (31.1)	55.6 (26.5)	54.8 (26.6)	60.7 (27.2)

Note: High Potential Employee Sample N= 1488; General Employee Sample N = 1505; Values in parentheses represent standard deviations; ADJ = Adjustment, AMB = Ambition, SOC = Sociability, INT = Interpersonal Sensitivity, PRU = Prudence, INQ = Inquisitive, and LEA = Learning Approach

Table 2.

HDS Assessment Means and Standard Deviations

	EXC	SKE	CAU	RES	LEI	BOL	MIS	COL	IMA	DIL	DUT
High Potential	55.4 (25.8)	57.6 (26.4)	52.8 (26.7)	54.0 (27.4)	54.3 (28.9)	58.9 (28.4)	63.1 (26.7)	59.8 (28.7)	60.6 (26.4)	52.0 (29.5)	45.2 (28.2)
General Employees	54.9 (26.3)	53.3 (27.1)	54.3 (27.5)	53.5 (27.1)	54.8 (27.8)	54.9 (29.0)	58.4 (27.6)	57.7 (28.9)	56.8 (26.7)	52.1 (29.5)	51.6 (28.1)

Note. High Potential Employee Sample N= 1488; General Employee Sample N = 1505; Values in parentheses represent standard deviations; EXC = Excitable; SKE = Skeptical; CAU = Cautious; RES = Reserved; LEI = Leisurely; BOL = Bold; MIS = Mischievous; COL = Colorful; IMG = Imaginative; DIL = Diligent; DUT = Dutiful.

Table 3.

MVPI Assessment Means and Standard Deviations

	AES	AFF	ALT	COM	HED	POW	REC	SCI	SEC	TRA
High Potential	43.6 (26.7)	55.2 (29.1)	40.7 (27.8)	56.8 (26.8)	56.2 (28.1)	56.8 (29.7)	41.3 (30.4)	52.4 (29.6)	36.1 (29.0)	52.9 (26.3)
General Employees	51.7 (27.9)	52.5 (29.5)	44.7 (28.5)	55.3 (26.8)	51.0 (28.5)	53.6 (30.2)	37.5 (29.3)	52.1 (29.2)	39.6 (30.0)	61.4 (26.5)

Note. High Potential Employee Sample N= 1488; General Employee Sample N = 1505; Values in parentheses represent standard deviations; AES = Aesthetics; AFF = Affiliation; ALT = Altruism; COM = Commercial; HED = Hedonistic; POW = Power; REC = Recognition; SCI = Scientific; SEC = Security; TRA = Tradition.

Figure 1.

Bright Side Comparisons between High Potential Employees and General Employees

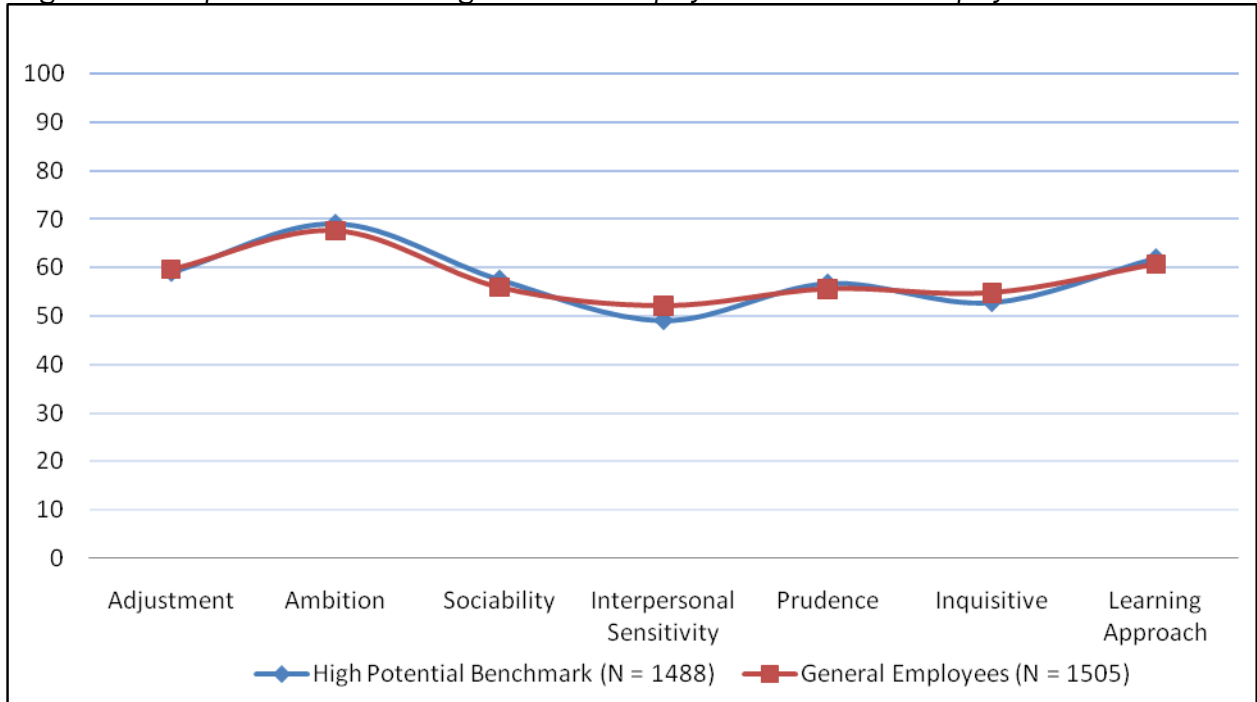


Figure 2.

Dark Side Comparisons between High Potential Employees and General Employees

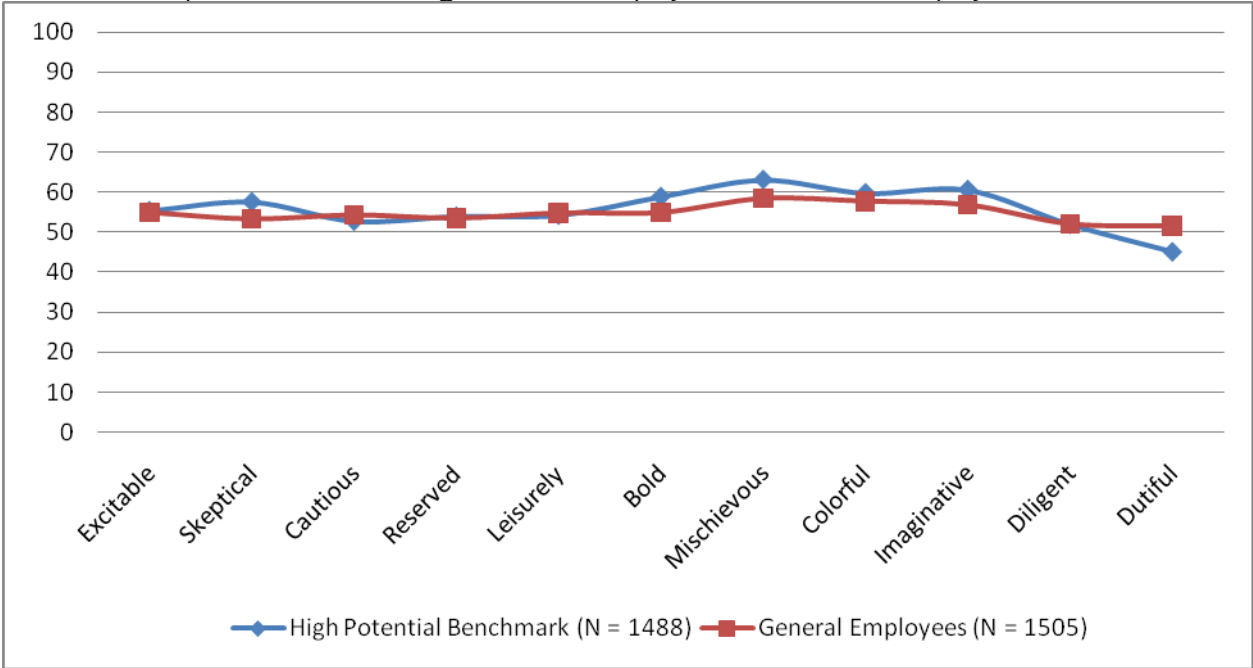


Figure 3.

Cultural Fit Comparisons between High Potential Employees and General Employees

