Business Outcome
Success Stories

HOGAN
▶ **Data Science**

People are your most important asset. When you use Hogan's assessments to make critical talent decisions, you want to know they work.

Introduction

People are the most important asset of any organization. Organizational success depends on the ability to assess and hire the right candidates and develop current and future leaders. Can your employees do the job? Will they like the job? What will get in their way? Hogan knows how and why people behave the way they do. Simply put, our comprehensive suite of employee assessment, development, and talent management products predicts workplace performance.

Of course, this claim means nothing without having the numbers to back it up. Every two years, we compile the most up-to-date data to show how real-world businesses and organizations have benefited from Hogan services. This 2017-2018 Business Outcomes Highlights report includes twelve client success stories demonstrating Hogan's impact on key performance metrics including overall job performance, financial and sales outcomes, and employee turnover.

These are the core Hogan tools we use in building our selection and development solutions:

HOGAN PERSONALITY INVENTORY (HPI)

A measure of everyday personality characteristics needed for job success, building effective teams, and developing future leaders.
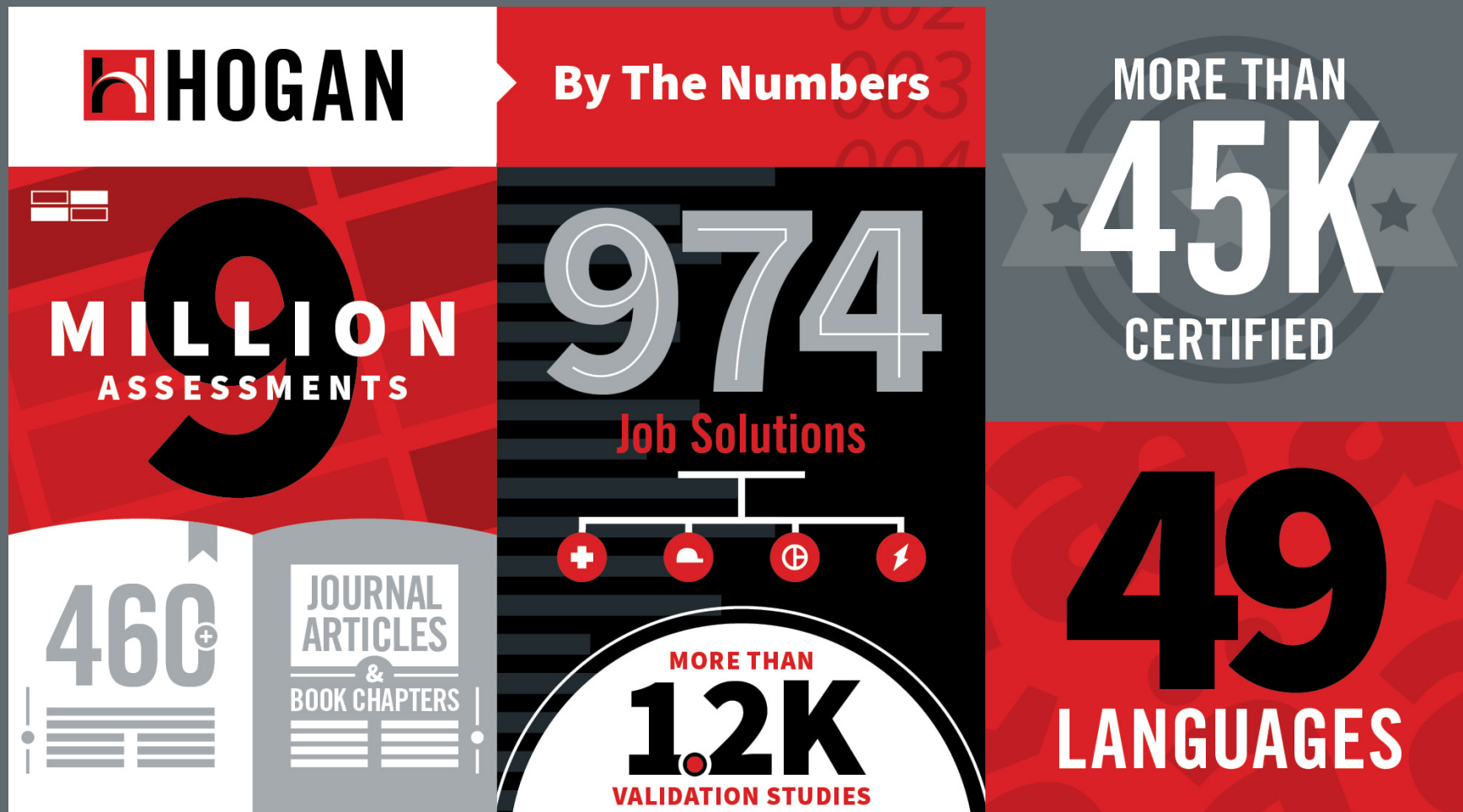
HOGAN DEVELOPMENT SURVEY (HDS)

A measure of counterproductive personality characteristics that derail otherwise successful and long-lasting employees.

MOTIVES, VALUES, PREFERENCES INVENTORY (MVPI)

A measure of core values that reflect job satisfaction, culture-fit, and future success within the organization.

> ## Simply put, Hogan's suite of employee assessment, development, and talent management products predicts workplace performance.

HOGAN ▶ **By The Numbers**

9 MILLION ASSESSMENTS

460+ JOURNAL ARTICLES & BOOK CHAPTERS

974 Job Solutions

MORE THAN **1.2K** VALIDATION STUDIES

MORE THAN **45K** CERTIFIED

49 LANGUAGES

Hogan adheres to rigorous scientific standards when conducting ROI studies and works with each client to address any logistical considerations and ensure reliable data. From the right number of participants to the availability of performance metrics, Hogan's methodology experts provide a solid starting point for planning a successful research study.

1

Retaining More Marketing Consultants

Hogan collaborated with a partner to build a personality profile to help a North American healthcare staffing company select and retain marketing consultants. During the project's discovery phase, **we worked with the client to understand their assessment needs**, which revealed a high turnover rate for marketing consultants in their core, high-impact roles across the organization.

We recommended a targeted approach to improve their assessment process by combining a custom Hogan assessment and behaviorally-based interviews questions driven by Hogan's Basis Report. By hiring competitive, high energy candidates who seek out challenging projects, the healthcare company substantially reduced turnover one year after implementation. Prior to Hogan, turnover remained high at 82%. After integrating Hogan's solutions, turnover dropped to 21%.

Turnover Rates Before and After Hogan
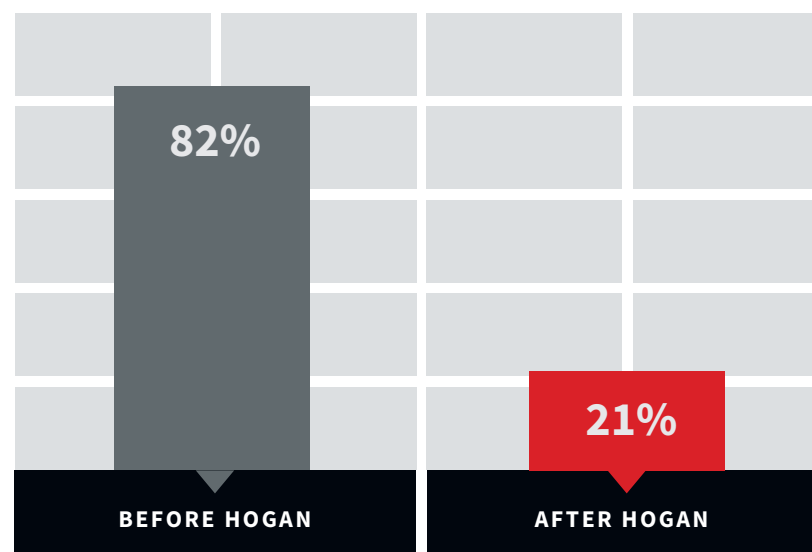
82%

21%

BEFORE HOGAN

AFTER HOGAN

Prior to Hogan, turnover remained high at 82%. After integrating Hogan's solutions, turnover dropped to 21%.

Reducing Consulting Leader Turnover

A global consulting firm investigating company-wide turnover rates asked Hogan for help with their leader selection process. **Hogan created a personality profile that could identify leaders who presented a lower risk of leaving the company.** The Hogan profile determined curious and data-driven leaders who are open to coaching were the most likely to fit with the corporate culture and remain at the company for the long-term.

Although we found strong retention rates for the company's leader population, Hogan's research team also simulated expected turnover survival rates using the Hogan profile. By identifying leaders who fit this profile, the company now selects leaders expected to remain with the company for 10 years longer on average compared to those who do not match the profile.

Leader Median Years with Company

19 YEARS

29 YEARS

FAIL PROFILE

PASS PROFILE
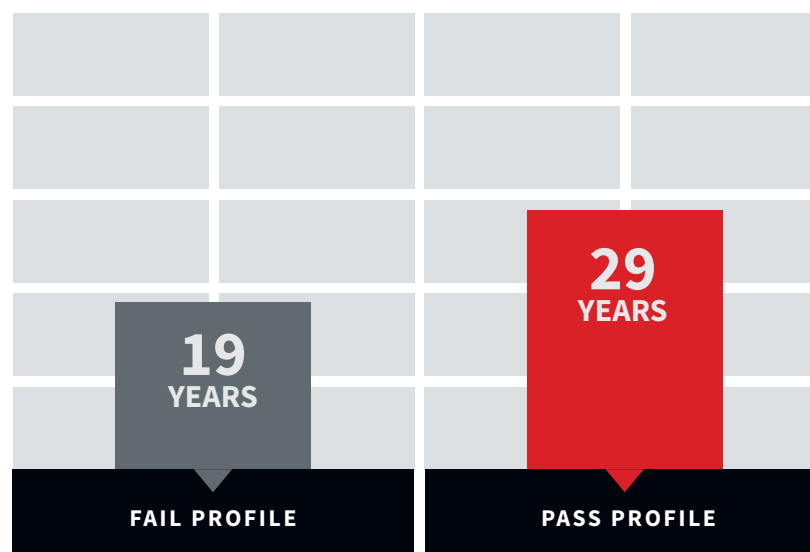
The Hogan profile identifies leaders expected to remain with the company for 10 years longer on average compared to those who do not match the profile.

3

Identifying High-Potentials

Hogan worked with our Mexico distributor, HR Tools, to identify the critical competencies in Hogan's High Potential Model related to successful leadership at an industrial metals and mining company. Further, **Hogan worked to find support for using the High Potential Talent Report to help the company identify future high potential leaders.** Hogan found that individuals identified as high potential should adopt a strategic perspective when solving business-related problems and building their network of relationships, both crucial to long-term success at the company.

Hogan determined the probability of selecting a top performer is 3.2 times greater if the industrial metals and mining company selects high-fit applicants. Further, the probability of selecting an employee with high potential is doubled. This suggests that the industrial metals and mining company can better identify their high potential talent using Hogan's High Potential Talent Report.

Performance and Potential Ratings

3.2x MORE LIKELY

HIGH FIT

2x MORE LIKELY

HIGH FIT

LOW FIT

LOW FIT

PERFORMANCE

POTENTIAL

The probability of selecting a top performer is 3.2 times greater with high-fit applicants, and the probability of selecting a high-potential employee is doubled.

4

Higher Customer Satisfaction Ratings

Hogan and our Australian distributor, Peter Berry Consultancy, collaborated with a mobile and internet provider to improve practices for identifying candidates and developing customer service representatives working in their call centers. **Hogan identified a set of characteristics associated with strong performance on the job, which included remaining calm under pressure and holding high performance standards for themselves.** Outgoing individuals who make work fun for their team are more successful and are a stronger fit within the company.

Hogan found that customer service representatives who scored higher on the Hogan profile were 3.5 times more likely to earn better customer satisfaction ratings. As a result, they were also twice as likely to close a sale. By using Hogan's tools, the mobile and internet provider selected more successful customer service representatives that increased the company's profitability.

## Close Rate and Customer Satisfaction

3.5x MORE LIKELY

HIGH FIT

2x MORE LIKELY

HIGH FIT

LOW/ MODERATE FIT

LOW/ MODERATE FIT

CLOSE RATE   **CUSTOMER SATISFACTION**

High scorers on the Hogan profile were 3.5 times more likely to earn better customer satisfaction ratings, and twice as likely to close a sale.

5

Growing Sales and Profits

Hogan helped a global investment management company identify characteristics needed for its advisors and supervisors to succeed in its Latin American locations. In this case, **Hogan's profile selected workers who were driven to get results, compete for business, and help others make a difference.** The study revealed strong relationships between the Hogan profile and key advisor performance indicators, such as supervisor ratings of performance, overall performance rankings, and achieving their sales goals.

Hogan showed that advisors who were deemed an excellent fit on the Hogan profile were more likely to achieve their sales goals (91% toward the goal on average) compared to those who did not fit the Hogan profile (77% toward the goal). The supervisor profile also effectively differentiated high performers from low performers on sales goal attainment (77% vs. 53%). This indicates the global investment management company can improve profits by selecting advisors and supervisors who better fit the Hogan profile.

Percent Toward Goal

| LOW FIT	MODERATE FIT	HIGH FIT	EXCELLENT FIT
77%	83%	87%	91%
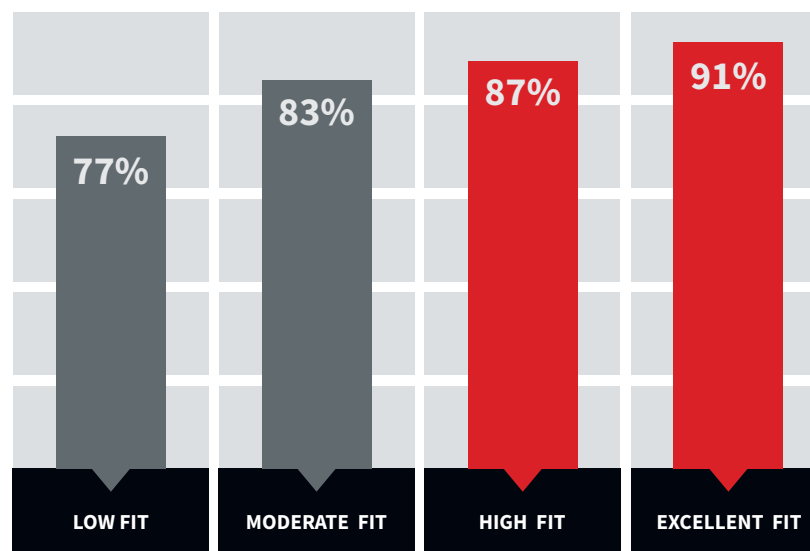
The Hogan profile identified advisors who were more likely to achieve their sales goals, and differentiated high performers from low performers on sales goal attainment.

6

Faster Pickers and Stowers

An American-based electronic commerce company needed a better way to identify strong candidates for their picker and stower warehouse positions. **With help from one of our global partners, Hogan and the client developed a Configure competency model to link business strategy to talent management.** The competency algorithm used to select pickers and stowers focused on several behaviors, including staying alert, rule compliance, and time management.

To determine the impact of adding personality into the company's selection process, Hogan conducted a local validation study, linking competency scores to performance metrics. Hogan found that those who passed the recommended Hogan profile were 3 times more likely to be strong performers as indicated by their faster rate of picking and stowing products than those who did not pass the Hogan profile.
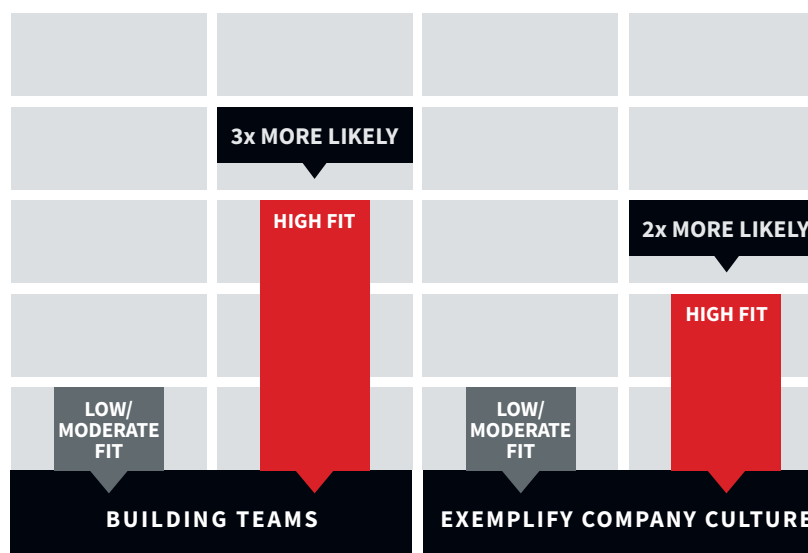
Likelihood of High Performance

3x MORE LIKELY

LOW FIT

HIGH FIT
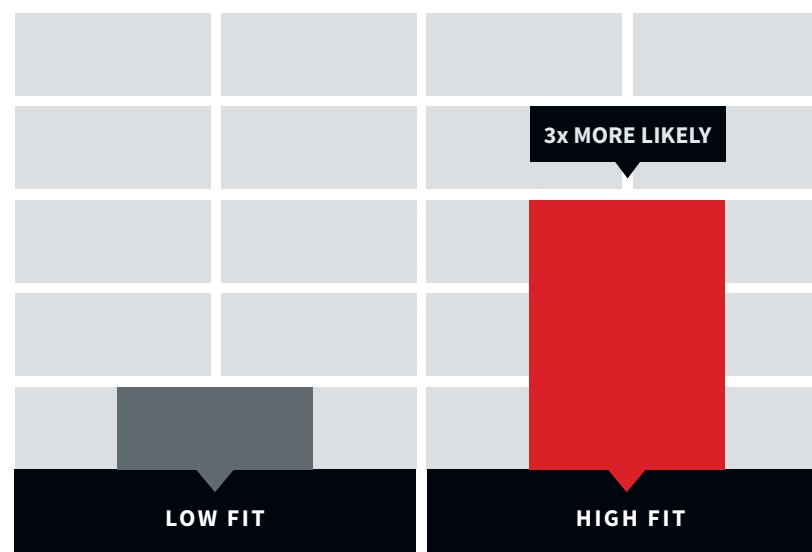
Those who passed the recommended Hogan profile were three times more likely to be strong performers.

7

Sales Managers Who Build Strong Teams and Exemplify Culture

Hogan collaborated with our Mexico distributor, HR Tools, to help a global brewing company improve their process for identifying their sales managers in Mexico. These individuals are responsible for reaching sales goals across brands and are evaluated based on volume, market portfolio, and execution of strategy performance. **Hogan worked with the company to conduct a local validation study linking Hogan assessment data to Sales Manager performance.** Hogan found that the best performing sales managers are confident, dependable, and able to turn innovative ideas into realistic and workable solutions.

Supervisors rated sales managers on their ability to build strong teams and exemplify the company culture. Study results showed sales managers who expressed a high fit with the Hogan profile were significantly better performers—three times more likely to build strong teams and twice as likely to be exemplars of the company culture.

Building Teams and Exemplify Culture

3x MORE LIKELY

HIGH FIT

2x MORE LIKELY

HIGH FIT

LOW/ MODERATE FIT

LOW/ MODERATE FIT

BUILDING TEAMS

EXEMPLIFY COMPANY CULTURE

High-fit sales managers were significantly better performers—three times more likely to build strong teams and twice as likely to be exemplars of the company culture.
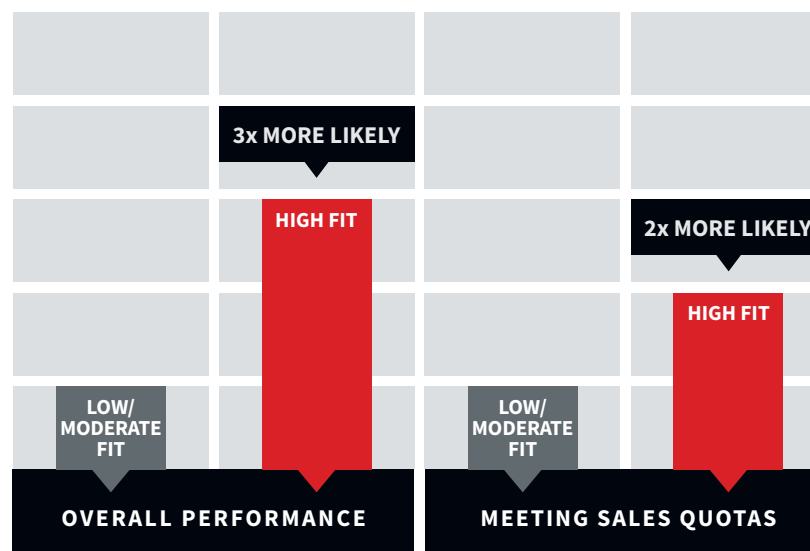
8

Delivering on Sales Quotas

Hogan collaborated with a global healthcare manufacturer and distributor to identify the characteristics associated with success for sales representatives. **Using multiple Hogan assessments, the research team determined high-performing sales representatives are hardworking, results-oriented, objective, and practical yet innovative.**

Two years after implementation, Hogan worked with the company to re-examine the performance outcomes and measure ROI. Hogan found that employees who fit the personality profile scored higher on a variety of metrics, such as having a sales focus and meeting their sales quota. By using the recommended profile, they were three times more likely to identify sales representatives that earned higher ratings of performance from their supervisors and twice as likely to identify sales representatives who met their sales quota objectives. This indicates the healthcare manufacturer could increase profits by hiring sales representatives using the custom Hogan profile.

Overall Performance and Sales Quotas

3x MORE LIKELY

HIGH FIT

2x MORE LIKELY

HIGH FIT

LOW/ MODERATE FIT

LOW/ MODERATE FIT

OVERALL PERFORMANCE

MEETING SALES QUOTAS

They were three times more likely to identify sales representatives who earned higher performance ratings and twice as likely to identify sales representatives who met sales quotas.

Identifying Top-Ranked Product Managers

In 2015, Hogan worked with a global healthcare-supply manufacturer to identify successful product manager candidates. These employees serve as designated experts for product lines and require a thorough understanding of their divisions' marketing channels in order to supply sales representatives with products and programs. **Hogan found the best product managers are self-aware, feedback-receptive, and strong communicators, and can consistently deliver product innovation.**

In 2017, Hogan worked with the company to re-examine the performance outcomes and measure ROI. Hogan revealed individuals who score better on the profile earn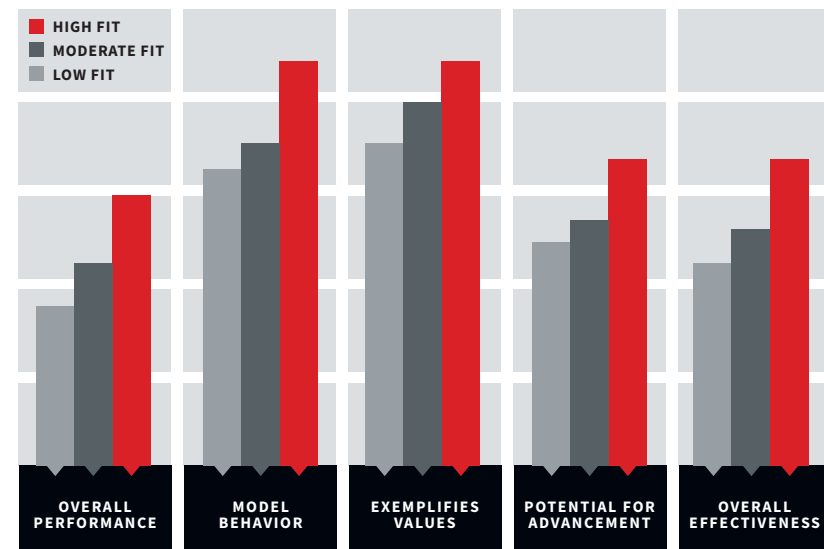 better performance ratings, on average. As a result, the probability of selecting a top performer is 4.3 times greater if the healthcare-supply manufacturer selects high-fit applicants for the product manager role.

Overall Performance Ranking
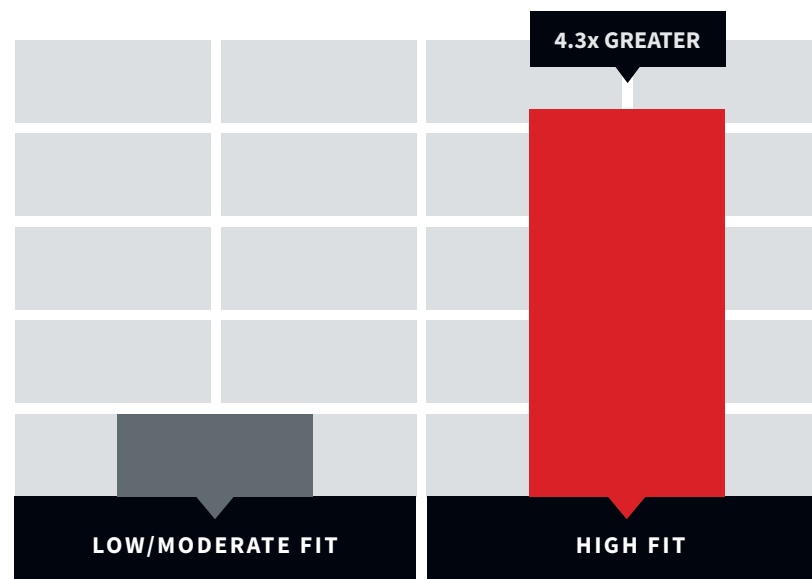
4.3x GREATER

LOW/MODERATE FIT

HIGH FIT

The probability of selecting a top performer is 4.3 times greater if the healthcare-supply manufacturer selects high-fit applicants for the product manager role.

10

Modeling Success for Medical Service Leaders

Hogan worked with a North American healthcare company to improve its practices for identifying medical service leaders throughout the organization. These leaders direct and coordinate service departments within hospitals, urgent care clinics, and other facilities within their network of providers. **Hogan created a personality hiring profile to select medical service leaders centered on working well with others, building good relationships across the company, and a strong drive to help the team succeed.**

Leaders who met the Hogan profile were stronger overall job performers, rated highly as a leadership role model for others, exemplified the company's values, showed greater advancement potential, and were more effective employees.

Average Performance Ratings

- **HIGH FIT** (red)
- **MODERATE FIT** (dark gray)
- **LOW FIT** (light gray)

OVERALL PERFORMANCE | MODEL BEHAVIOR | EXEMPLIFIES VALUES | POTENTIAL FOR ADVANCEMENT | OVERALL EFFECTIVENESS

Leaders who met the Hogan profile were stronger overall job performers and were more effective employees.

11

More Effective Technicians and Specialists

Hogan and one of our partners collaborated with a North American energy company to identify personality characteristics associated with strong employee performance in their technician and specialist job family. Research revealed that **higher performing technicians and specialists are driven to achieve challenging performance goals, stay task-focused, be perceived as responsible and dependable teammates, and remain calm and composed when dealing with stressful situations at work.**

Hogan found employees who pass the personality profile were more likely to achieve high ratings of overall performance and greater advancement potential compared to those who did not pass the profile. In addition, 84% of strong job performers were classified as a Moderate or High fit on the Hogan profile.

Performance Classification

16%

LOW FIT

84%
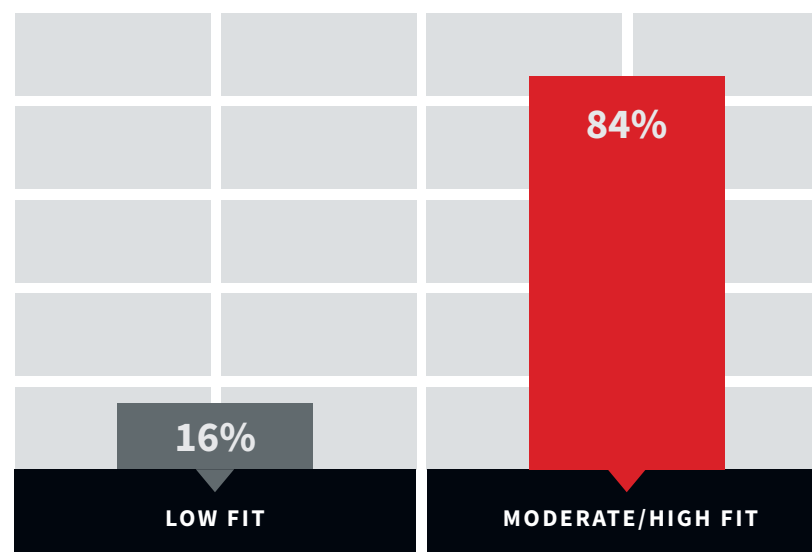
MODERATE/HIGH FIT

Hogan found that 84% of strong job performers were classified as a moderate or high fit on the personality profile.

12

Developing the Next Generation of Leaders

A global pharmaceutical company wanted to refine their leadership development program and asked Hogan to help identify and develop their next generation of leaders. **Hogan found the most promising candidates stay composed under pressure, remain optimistic, and follow procedures while still taking independent action.**

The Hogan research team worked with the company to build a personality profile to predict present and future performance, which revealed a candidate's potential for advancement. Hogan found the profile strongly correlated with supervisors' ratings of performance, as moderate and high-fit candidates were 5.2 times more likely to be rated as a high performer in the company's leadership development programs.

Top 50% Performance Scores

5.2x
MORE LIKELY

LOW FIT   MODERATE/HIGH FIT
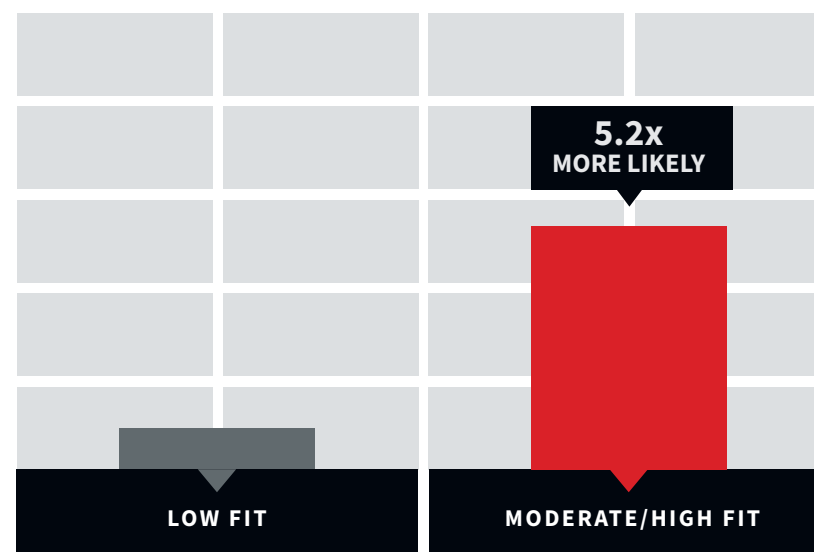
Hogan found that high-fit candidates were 5.2 times more likely to be rated as high performers in leadership development programs.

The Bottom Line

Hogan challenged decades of academic tradition and criticism to prove that personality impacts organizational success, and thus pioneered the use of personality assessment as a tool for improving workplace performance. More than 30 years later, we remain committed to the science of personality and to the belief that our assessments provide a competitive advantage for our clients.

The case studies presented here demonstrate the powerful ROI that Hogan brings to any organization seeking to improve talent management. From selection to employee and leadership development programs, the empirical evidence shows Hogan's assessments add value to the talent identification process. Hogan provides the insight that organizations need to better understand their workforce.

Regardless of size, industry sector, or job type, organizations rely on Hogan for the ability to predict employee performance and provide a significant, long-term return on investment.

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