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# ADVANTAGE REPORT OUTCOME HIGHLIGHTS

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2011

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THE SCIENCE OF PERSONALITY



## HOGAN BACKGROUND

As an international authority in personality assessment and consulting, Hogan has over 30 years of experience helping businesses reduce turnover and increase productivity by hiring the right people, developing key talent, and evaluating leadership potential.

## ADVANTAGE OVERVIEW

Organizations need efficient and inexpensive methods to screen applicants into entry-level jobs. Personality measures are not only cost effective and easy to use; they also result in little to no adverse impact. Based on job analysis results and previous research, Hogan identified three competencies that are critical for success in low impact, high turnover jobs.

## ROI RESEARCH METHODOLOGY

To demonstrate the value of the Hogan Advantage, the Hogan Research Division (HRD) applied results to real-world business samples. Comprised of doctorate- and masters- level Industrial-Organizational Psychology professionals, HRD prides itself on the rigorous standards used when conducting client research studies. Also, HRD strives to communicate research results in concise, easy to understand business language.

HRD adhered to several guidelines while conducting Hogan Advantage validation studies:

- Clients provided objective or subjective job performance data (e.g., supervisor ratings of performance).
- Job incumbents completed the HPI.
- HRD calculated three scale-level Hogan Advantage scores and an overall score based on HPI results.
- HRD classified incumbents as either “above average” or “below average” according to their Hogan Advantage scores.

## OVERALL FINDING:

### Entry-Level Performance Improves When Using Hogan Advantage Report

We developed seven case studies using the Hogan Advantage Report representing multiple industries and job titles. From customer service representatives to machine operators, we found that entry-level employees who score high on the Hogan Advantage scales receive better performance ratings from their supervisors and are generally more successful in their jobs. We summarize results from each study in the following section.

The **Hogan Advantage Report** evaluates applicants on these competencies:

- **Dependability** – Concerns being a good organizational citizen by following rules, accepting supervision, exercising self-control, finishing assignments, and avoiding unnecessary risks
- **Composure** – Involves the degree to which a person seems calm, even-tempered, and good humored
- **Customer Focus** – Concerns the degree to which a person can provide good customer service when it is appropriate

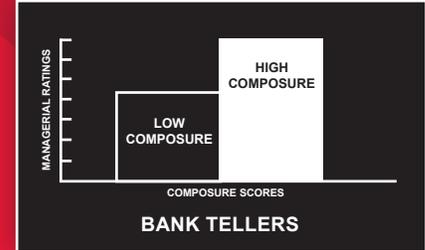
The Hogan Advantage Report is based on components of the Hogan Personality Inventory (HPI), which is the industry standard for measuring “bright side” personality characteristics and predicting job performance for working adults. Thousands of companies, including nearly 60% of Fortune 100 companies, use the HPI as part of their solutions for essential HR functions.

## Study 1

### Composed Bank Tellers Rated as Better Performers

Hogan partnered with a leading national bank to collect data from over 300 bank tellers. We found that bank tellers who had higher scores on Composure, Customer Focus, and Dependability received significantly higher ratings on several performance dimensions, such as customer service focus, teamwork/collaboration, and overall performance.

Bank tellers who tend to remain calm and collected (higher Composure) received higher ratings across seven performance dimensions compared to those who are more likely to become stressed or moody when faced with the daily pressures of working at a bank (lower Composure).



## Study 2

### Disorganized, Blunt Cashiers Fall Short on Performance

Hogan collected data from over 150 cashiers who worked at a large national convenience store chain. We found that those who are likely to accept supervision and make work tasks a priority (higher Dependability) were nearly twice as likely to be rated as a strong performer compared to cashiers who tend to be disorganized and inconsistent (lower Dependability).

Also, cashiers who tend to communicate well with customers (higher Customer Focus) were over twice as likely to be rated as high performers than those who tend to become impatient or blunt when interacting with customers (lower Customer Focus).

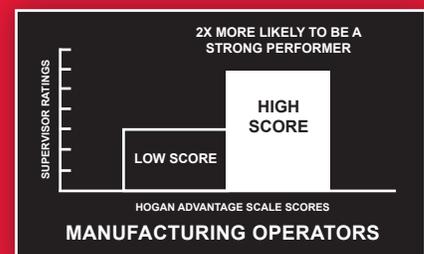


## Study 3

### High Advantage Scorers are Better Performers

Hogan collected data from 36 operators at a lighting product manufacturer. We found that the Advantage scales were related to several aspects of performance. For instance, Customer Focus ( $r = .43$ ), Dependability ( $r = .15$ ), and Composure ( $r = .45$ ) had strong relationships with supervisor ratings of customer service. Also, supervisor ratings of teamwork related strongly to Customer Focus ( $r = .31$ ), Dependability ( $r = .25$ ), and Composure ( $r = .43$ ).

Those with higher scores on the Advantage scales were twice as likely to be rated as strong overall performers compared to those with lower Advantage scores. Overall, these findings suggest that using the Hogan Advantage in the selection process would likely result in hiring individuals who work well on teams and provide good customer service, thereby improving overall operator performance.

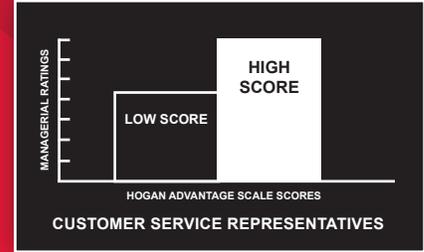


## Study 4

### Top Customer Service Reps Score High on the Advantage

We worked with customer service representatives (CSRs) from a leading healthcare company. CSRs interact with customers to provide information and resolve complaints about health-related products.

We classified CSRs whose scores fell in the top 50% on at least two of the three Advantage scales as the “High Advantage” group and those who did not meet this requirement as the “Low Advantage” group. Compared to the Low Advantage group, High Advantage CSRs received significantly higher supervisor ratings on several performance dimensions (e.g., leadership, ownership, customer service, flexibility) as well as overall performance.



## Study 5

### Customer Focus Leads to Success for Recreation Assistants

Hogan collected data from recreation assistants working in city parks and playgrounds. Recreation assistants are responsible for knowing several games and sports and understanding the necessary equipment. Although the Dependability and Composure scales related to performance, the Customer Focus scale was the strongest predictor. Individuals who tend to communicate well with customers (higher Customer Focus) were over six times more likely to be rated as a strong performer than those who tend to be less skilled in interacting with customers (lower Customer Focus).

Further, recreation assistants with above average Customer Focus scores received significantly higher supervisor ratings on several competencies (e.g., responsibility, communication) compared to those with lower Customer Focus scores.

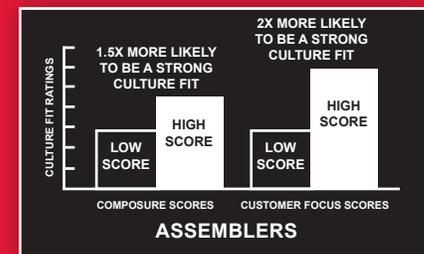


## Study 6

### Advantage Relates to Performance and Culture Fit

Hogan collaborated with a leading technology supplier for the defense and space industry and collected data from 115 assemblers. Assemblers use tools to assemble electronic components based on work orders and diagrams. We conducted analyses that resulted in two key outcomes.

First, higher scorers on the Customer Focus scale were nearly twice as likely to be rated as a better fit with the company’s culture than assemblers with lower Customer Focus scores. Second, assemblers with higher Composure scores were one and a half times more likely to be rated as high performers and better culture fits than those with lower Composure scores.



## Study 7

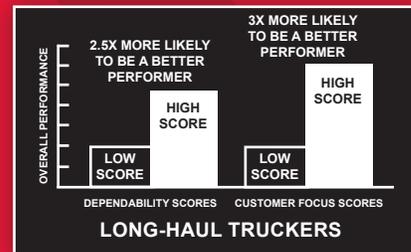
### An International Look at the Advantage

Hogan collaborated with an international consulting firm and collected data from 94 Australian long-haul truck drivers. These individuals drive tractor-trailer combinations or large capacity trucks to transport and deliver goods, livestock, or materials over long distances. Long-haul drivers with higher scores on Dependability, Customer Focus and Composure had higher ratings on overall performance and the interpersonal and efficiency performance dimensions.

Long-haul drivers who tend to follow established rules and procedures and complete assigned tasks (higher Dependability) were two and a half times more likely to be rated as a high performer than those drivers who tend to be careless and potentially insubordinate (lower Dependability). Additionally, drivers who tend to act in a polite and friendly manner with customers (higher Customer Focus) were almost three times as likely to be rated as a high performer compared to those who tend to become irritable or abrupt when interacting with customers (lower Customer Focus).

### THE BOTTOM LINE

The Hogan Advantage Report can help organizations across industries improve entry-level hiring processes by offering an inexpensive and quick solution that predicts workplace success. As shown in these case studies, companies can staff successful entry-level employees by using the Hogan Advantage Report to screen in individuals who can handle stress and pressure, maintain friendly and helpful interactions with customers, and follow through on tasks and responsibilities. Leveraging the Hogan Advantage Report to predict competencies required for successful performance across entry-level jobs can provide strong return on investment.



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